No. 18-459

In the Supreme Court of the United States

EMULEX CORPORATION, ET AL.,
Petitioners,

V.

GARY VARJABEDIAN AND JERRY MUTZA,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOINT APPENDIX – VOLUME I

(Pages 1 to 234)

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PETITION FOR CERTIORARI FILED OCTOBER 11, 2018
CERTIORARI GRANTED JANUARY 4, 2019

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ITEMS PREVIOUSLY REPRODUCED

In accordance with Supreme Court Rule 26.1, the following items have been omitted in printing this joint appendix because they appear on the following pages of the appendix to the Petition for a Writ of Certiorari (October 11, 2018):

RELEVANT DOCKET ENTRIES

U.S. Court of Appeals for the Ninth Circuit
Case No. 16-55088

Date Filed	#	Docket Text
01/19/2016	1	DOCKETED CAUSE AND ENTERED APPEARANCES OF COUNSEL. SEND MQ: Yes. The schedule is set as follows: Mediation Questionnaire due on 01/26/2016. Transcript ordered by 02/16/2016. Transcript due 05/16/2016. Appellant Gary Varjabedian opening brief due 06/27/2016. Appellees Avago Technologies Wireless (USA) Manufacturing, Inc., Jeffrey W. Benck, Gregory S. Clark, Gary J. Daichendt, Bruce C. Edwards, Emerald Merger Sub, Inc., Emulex Corporation, Paul F. Folino, Beatriz V. Infante, John A. Kelley, Rahul N. Merchant, Nersi Nazari and Dean A. Yoost answering brief due 07/27/2016. Appellant's optional reply brief is due 14 days after service of the answering brief. [9830361] (FB) [Entered: 01/19/2016 09:40 AM]
		* * *
06/27/2016	25	Filed clerk order: The opening brief [23] submitted by Gary

Date Filed	#	Docket Text
		Varjabedian is filed. Within 7 days of the filing of this order, filer is ordered to file 7 copies of the brief in paper format, accompanied by certification, attached to the end of each copy of the brief, that the brief is identical to the version submitted electronically. Cover color: blue. The paper copies shall be printed from the PDF version of the brief created from the word processing application, not from PACER or Appellate CM/ECF. The Court has reviewed the excerpts of record [24] submitted by Gary Varjabedian. Within 7 days of this order, filer is ordered to file 4 copies of the excerpts in paper format, with a white cover. The paper copies must be in the format described in 9th Circuit Rule 30-1.6. [10030405] (GV) [Entered: 06/27/2016 02:15 PM]
		* * *
08/18/2016	32	Filed clerk order: The answering brief [30] submitted by Jeffrey W. Benck, Gregory S. Clark, Gary J. Daichendt, Bruce C. Edwards, Emulex Corporation, Paul F. Folino, Beatriz V. Infante, John A. Kelley, Rahul N. Merchant, Nersi Nazari and Dean A. Yoost is filed.

Date Filed	#	Docket Text
		Within 7 days of the filing of this order, filer is ordered to file 7 copies of the brief in paper format, accompanied by certification, attached to the end of each copy of the brief, that the brief is identical to the version submitted electronically. Cover color: red. The paper copies shall be printed from the PDF version of the brief created from the word processing application, not from PACER or Appellate CM/ECF. [10092354] (GV) [Entered: 08/18/2016 03:05 PM]
08/18/2016	33	Filed (ECF) Appellees Avago Technologies Wireless (USA) Manufacturing, Inc. and Emerald Merger Sub, Inc. Motion to file a late brief. Date of service: 08/18/2016. [10092781] [16-55088] (Mattis, Hilary) [Entered: 08/18/2016 05:25 PM]
		* * *
08/22/2016	36	Filed clerk order (Deputy Clerk: AMT): The motion of appellees Avago Technologies Wireless (USA) Manufacturing, Inc. and Emerald Merger Sub, Inc. (docket entry #[33]) to accept late-filed and joinder brief is granted. The clerk

Date Filed	#	Docket Text
		will file the answering brief (docket entry #[30]) submitted by appellees Avago Technologies Wireless (USA) Manufacturing, Inc. and Emerald Merger Sub, Inc. The optional reply brief is due within 14 days after the date of this order. [10095425] (IV) [Entered: 08/22/2016 01:31 PM]
08/22/2016	37	Filed clerk order: The answering brief [31] submitted by Avago Technologies Wireless (USA) Manufacturing, Inc. and Emerald Merger Sub, Inc. is filed. Within 7 days of the filing of this order, filer is ordered to file 7 copies of the brief in paper format, accompanied by certification, attached to the end of each copy of the brief, that the brief is identical to the version submitted electronically. Cover color: red. The paper copies shall be printed from the PDF version of the brief created from the word processing application, not from PACER or Appellate CM/ECF. [10095559] (GV) [Entered: 08/22/2016 02:11 PM]
		* * *
10/05/2016	45	Filed clerk order: The reply brief [44] submitted by Gary

Date Filed	#	Docket Text
		Varjabedian is filed. Within 7 days of the filing of this order, filer is ordered to file 7 copies of the brief in paper format, accompanied by certification, attached to the end of each copy of the brief, that the brief is identical to the version submitted electronically. Cover color: gray. The paper copies shall be printed from the PDF version of the brief created from the word processing application, not from PACER or Appellate CM/ECF. [10149840] (GV) [Entered: 10/05/2016 12:39 PM]
		* * *
09/21/2017	59	Filed (ECF) Appellees Emulex Corporation, Bruce C. Edwards, Jeffrey W. Benck, Gregory S. Clark, Gary J. Daichendt, Paul F. Folino, Beatriz V. Infante, John A. Kelley, Rahul N. Merchant, Nersi Nazari and Dean A. Yoost citation of supplemental authorities. Date of service: 09/21/2017. [10589943] [16-55088] (Landau, Eric) [Entered: 09/21/2017 04:39 PM]
10/05/2017	60	ARGUED AND SUBMITTED TO SUSAN P. GRABER, MARY H. MURGUIA and MORGAN B.

Date Filed	#	Docket Text
		CHRISTEN. [10607129] (BG) [Entered: 10/05/2017 10:19 AM]
		* * *
04/20/2018	62	FILED OPINION (SUSAN P. GRABER, MARY H. MURGUIA and MORGAN B. CHRISTEN)AFFIRMED in part, REVERSED in part, and REMANDED. The parties shall bear their own costs on appeal. Judge: MHM Authoring, Judge: MBC Concurring. FILED AND ENTERED JUDGMENT. [10843936] (RMM) [Entered: 04/20/2018 07:10 AM]
05/04/2018	63	Filed (ECF) Appellees Emulex Corporation, Bruce C. Edwards, Jeffrey W. Benck, Gregory S. Clark, Gary J. Daichendt, Paul F. Folino, Beatriz V. Infante, John A. Kelley, Rahul N. Merchant, Nersi Nazari and Dean A. Yoost petition for rehearing en banc (from 04/20/2018 opinion). Date of service: 05/04/2018. [10862517] [16-55088] (Landau, Eric) [Entered: 05/04/2018 03:19 PM]
05/04/2018	64	Filed (ECF) Appellees Avago Technologies Wireless (USA) Manufacturing, Inc. and Emerald Merger Sub, Inc. petition for

Date Filed	#	Docket Text
		rehearing en banc (from 04/20/2018 opinion). Date of service: 05/04/2018. [10862587] [16-55088] (Rawlinson, Matthew) [Entered: 05/04/2018 03:41 PM]
05/25/2018	65	Filed order (SUSAN P. GRABER, MARY H. MURGUIA and MORGAN B. CHRISTEN) Plaintiff-Appellant is directed to file a response to Defendants-Appellees' Petition for Rehearing En Banc filed on May 4, 2018. The response shall not exceed 15 pages and shall be filed within 21 days of the date of this order. [10886500] (OC) [Entered: 05/25/2018 02:56 PM]
		* * *
07/13/208	74	Filed (ECF) Appellant Gary Varjabedian response to Petition for Rehearing En Banc (ECF Filing), Petition for Rehearing En Banc (ECF Filing) for rehearing by en banc only (all active, any interested senior judges), Petition for Rehearing En Banc (ECF Filing), Petition for Rehearing En Banc (ECF Filing) for rehearing by en banc only (all active, any interested senior judges). Date of service: 07/13/2018. [10940983].

Date Filed	#	Docket Text
		[16-55088] (Geyser, Daniel) [Entered: 07/13/2018 08:12 AM]
09/06/2018	75	Filed order (SUSAN P. GRABER, MARY H. MURGUIA and MORGAN B. CHRISTEN) The panel has voted to deny the petition for panel rehearing and to deny the petition for rehearing en banc. The full court has been advised of the petition for rehearing and rehearing en banc and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35. The petition for panel rehearing and the petition for rehearing en banc are DENIED (Docs. [63], [64]). [11002583] (WL) [Entered: 09/06/2018 09:01 AM]
09/13/2018	76	Filed (ECF) Appellees Emulex Corporation, Bruce C. Edwards, Jeffrey W. Benck, Gregory S. Clark, Gary J. Daichendt, Paul F. Folino, Beatriz V. Infante, John A. Kelley, Rahul N. Merchant, Nersi Nazari and Dean A. Yoost Motion to stay the mandate. Date of service: 09/13/2018. [11011003] [16-55088] (Landau, Eric) [Entered: 09/13/2018 02:54 PM]

Date Filed	#	Docket Text
09/14/2018	77	Filed order (SUSAN P. GRABER, MARY H. MURGUIA and MORGAN B. CHRISTEN) Appellees' motion for stay of mandate pending filing of petition for writ of certiorari is GRANTED (Doc. [76]). Fed. R. App. P. 41 (b). The mandate is stayed for ninety (90) days pending the Appellees= filing of a petition for writ of certiorari in the Supreme Court. If such a petition is filed, the stay shall continue until final disposition by the Supreme Court. [11012618] (OC) [Entered: 09/14/2018 03:34 PM]
10/12/2018	78	**Supreme Court Case Info** Case number: 18-459 Filed on: 10/11/2018 Cert Petition Action 1: Pending [11045154] (HH) [Entered: 10/12/2018 12:48 PM]

RELEVANT DOCKET ENTRIES

U.S. District Court
for the Central District of California
(Southern Division - Santa Ana)
Case No. 8:15-cv-00554-CJC-JCG

Date Filed	#	Docket Text
04/08/2015	1	COMPLAINT Receipt No: 0973-15514487 - Fee: $400, filed by Plaintiff Gary Varjabedian. (Attorney David E Bower added to party Gary Varjabedian(pty:pla)) (Bower, David) (Entered: 04/08/2015)
		* * *
04/08/2015	3	*Plaintiff's* NOTICE of Interested Parties filed by Plaintiff Gary Varjabedian, identifying Gary Varjabedian, EMULEX CORPORATION, BRUCE C. EDWARDS, JEFFREY W. BENCK, GREGORY S. CLARK, GARY J. DAICHENDT, PAUL F. FOLINO, BEATRIZ V. INFANTE, JOHN A. KELLEY, RAHUL N. MERCHANT, NERSI NAZARI, DEAN A. YOOST, AVAGO TECHNOLOGIES WIRELESS (U.S.A.) MANUFACTURING, INC., and EMERALD MERGER

Date Filed	#	Docket Text
		SUB, INC.. (Bower, David) (Entered: 04/08/2015)
		* * *
06/30/2015	21	Amendment to NOTICE OF MOTION AND MOTION for Appointment of Counsel *(Lead) and Appointment of Lead Plaintiff* 18 *Selected Hearing Date* filed by Movant Jerry Mutza. (Bower, David) (Entered: 06/30/2015)
07/28/2015	22	ORDER by Judge Cormac J. Carney: Granting MOTION for Appointment as Lead Plaintiff and Approval of Lead Counsel 18 . Mr. Mutzas motion for appointment as lead plaintiff and approval of Faruqi & Faruqi, LLP as lead counsel for this putative class action is GRANTED. (jtil) (Entered: 07/28/2015)
		* * *
09/11/2015	25	Joint STIPULATION for Protective Order filed by Defendants Jeffrey W Benck, Gregory S Clark, Gary J Daichendt, Bruce C Edwards, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost.

Date Filed	#	Docket Text
		(Attachments: # 1 Proposed Order [Proposed] Stipulated Protective Order)(Biffar, Travis) (Entered: 09/11/2015)
09/15/2015	27	STIPULATED PROTECTIVE ORDER RE CONFIDENTIALITY by Magistrate Judge Jay C. Gandhi re Stipulation for Protective Order 25 . (kh) (Entered: 09/16/2015)
09/17/2015	29	FIRST AMENDED COMPLAINT against DEFENDANTS Avago Technologies Wireless USA Manufacturing Inc, Jeffrey W Benck, Gregory S Clark, Gary J Daichendt, Bruce C Edwards, Emerald Merger Sub Inc, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost amending Complaint (Attorney Civil Case Opening) 1 , filed by Plaintiff Jerry Mutza (Attachments: # 1 Exhibit A)(Bower, David) (Entered: 09/17/2015)
10/13/2015	30	NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint filed by Certain Defendants' Jeffrey W Benck, Gregory S Clark, Gary J

Date Filed	#	Docket Text
		Daichendt, Bruce C Edwards, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost. Motion set for hearing on 12/21/2015 at 01:30 PM before Judge Cormac J. Carney. (Attachments: # 1 Memorandum of Points and Authorities In Support of Motion to Dismiss, # 2 Request for Judicial Notice In Support of Motion to Dismiss) (Landau, Eric) (Entered: 10/13/2015)
10/13/2015	31	DECLARATION of Travis Biffar In Support Of NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30 filed by Defendants Jeffrey W Benck, Gregory S Clark, Gary J Daichendt, Bruce C Edwards, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost. (Attachments: # 1 Exhibit A to Declaration of Travis Biffar)(Biffar, Travis) (Entered: 10/13/2015)
10/13/2015	32	JOINDER in NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30

Date Filed	#	Docket Text
		filed by Defendants Avago Technologies Wireless USA Manufacturing Inc, Emerald Merger Sub Inc. (Gibbs, Patrick) (Entered: 10/13/2015)
		* * *
11/13/2015	38	PLAINTIFF'S OPPOSITION TO DEFENDANTS MOTION TO DISMISS re: NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30 filed by Movant Jerry Mutza, Plaintiff Gary Varjabedian. (Attachments: # 1 Declaration, # 2 Exhibit 1, # 3 Exhibit 2, # 4 Exhibit 3, # 5 Exhibit 4, # 6 Exhibit 5, # 7 Exhibit 6, # 8 Request, # 9 Proposed Order PDF)(Bower, David) (Entered: 11/13/2015)
12/04/2015	39	REPLY in support of NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30 filed by Defendants Jeffrey W Benck, Gregory S Clark, Gary J Daichendt, Bruce C Edwards, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost. (Landau, Eric) (Entered: 12/04/2015)

Date Filed	#	Docket Text
12/04/2015	40	OBJECTIONS AND RESPONSE IN OPPOSITION TO PLAINTIFF'S REQUEST FOR JUDICAL NOTICE re NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30 filed by Defendants Jeffrey W Benck, Gregory S Clark, Gary J Daichendt, Bruce C Edwards, Emulex Corporation, Paul F Folino, Beatriz V Infante, John A Kelley, Rahul N Merchant, Nersi Nazari, Dean A Yoost. (Landau, Eric) (Entered: 12/04/2015)
12/04/2015	41	JOINDER in NOTICE OF MOTION AND MOTION to Dismiss Amended Complaint 30 *DEFENDANTS AVAGO TECHNOLOGIES WIRELESS (U.S.A.) MANUFACTURING, INC. AND EMERALD MERGER SUB, INC.S NOTICE OF JOINDER AND JOINDER IN REPLY TO CERTAIN DEFENDANTS MOTION TO DISMISS* filed by Defendants Avago Technologies Wireless USA Manufacturing Inc, Emerald Merger Sub Inc. (Mattis, Hilary) (Entered: 12/04/2015)
		* * *

Date Filed	#	Docket Text
01/11/2016	49	MINUTES OF Hearing on Defendants Motion to Dismiss 30 held before Judge Cormac J. Carney: Motion hearing held. The Court hears oral argument from the parties. The Court takes the Motion under submission. Order to issue. Court Reporter: Debbie Hino-Spaan; Attorney for Plaintiff: David Bower, Juan Monteverde, Miles Schreiner; Attorney for Defendant: Eric Landau, Travis Biffar, Hilary Mattis. THERE IS NO PDF DOCUMENT ASSOCIATED WITH THIS ENTRY. TEXT ONLY ENTRY. (mku) (Entered: 01/11/2016)
		* * *
01/13/2016	52	ORDER Granting Defendants' Motion to Dismiss 30 by Judge Cormac J. Carney: For the foregoing reasons, Defendants' motion is GRANTED and Plaintiff's claims are DISMISSED WITH PREJUDICE. See document for further information. (MD JS-6. Case Terminated) (lwag) (Entered: 01/13/2016)
		* * *

Date Filed	#	Docket Text
01/15/2016	54	NOTICE OF APPEAL to the 9th Circuit Court of Appeals filed by Plaintiff Gary Varjabedian. Appeal of Order on Motion to Dismiss, 52 . (Appeal Fee - $505 Fee Paid, Receipt No. 0973-17115029.) (Bower, David) (Entered: 01/15/2016)
01/19/2016	55	NOTIFICATION by Circuit Court of Appellate Docket Number 16-55088, 9th Circuit regarding Notice of Appeal to 9th Circuit Court of Appeals 54 as to Plaintiff Gary Varjabedian. (mat) (Entered: 01/20/2016)
02/24/2016	57	TRANSCRIPT for proceedings held on 1/11/2016 at 2:04 p.m. ****Transcript may be viewed at the court public terminal or purchased through Court Reporter DEBBIE HINO-SPAAN at: WEBSITE www.debbiehinospaan.com; E-mail, dhinospaan@yahoo.com before the deadline for Release of Transcript restriction. After that date, it may be obtained from the Court Reporter or through PACER. Additional formats of the transcript (ASCII, Condensed, and Word Indexing/Concordance) are also available to be purchased at

Date Filed	#	Docket Text
		any time through the Court Reporter. Notice of Intent to Redact due within 7 days of this date.** Redaction Request due 3/16/2016. Redacted Transcript Deadline set for 3/28/2016. Release of Transcript Restriction set for 5/24/2016. (dhs) (Main Document 57 replaced on 3/1/2016) (rrp). (Entered: 02/24/2016)
		* * *
04/20/2016	60	OPINION from Ninth Circuit Court of Appeals filed re: Notice of Appeal to 9th Circuit Court of Appeals 54 filed by Gary Varjabedian. CCA # 16-55088. We REVERSE the district courts decision as to the Section 14 (e) claim because the district court employed a scienter standard in analyzing the Section 14(e)claim. We also REMAND for the district court to reconsider Defendants motion to dismiss under a negligence standard. AFFIRMED in part, REVERSED in part, andREMANDED. The parties shall bear their own costs onappeal. (shb) (Entered: 04/20/2018)

Date Filed	#	Docket Text
04/20/2018	61	OPINION from Ninth Circuit Court of Appeals filed. Re CCA # 16-55088. (yl) (Entered: 04/20/2018)
		* * *
06/04/2018	64	ORDER from Ninth Circuit Court of Appeals filed re: Notice of Appeal to 9th Circuit Court of Appeals 54 filed by Gary Varjabedian. CCA # 16-55088. Appellant's unopposed motion for an extension of time to file a response to Appellees' Petition for Rehearing En Banc is GRANTED. The response is now due on July 13, 2018. (lom) (Entered: 06/04/2018)
09/14/2018	65	ORDER from Ninth Circuit Court of Appeals filed re: Notice of Appeal to 9th Circuit Court of Appeals 54 filed by Gary Varjabedian. CCA # 16-55088. Appellees' motion for stay of mandate pending filing of petition for writ of certiorari is GRANTED (Doc. 76). Fed. R. App. P. 41 (b). The mandate is stayed for ninety (90) days pending the Appellees' filing of a petition for writ of certiorari in the Supreme Court. If such a petition is filed, the stay

Date Filed	#	Docket Text
		shall continue until final disposition by the Supreme Court. (mat) (Entered: 09/18/2018)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9
(RULE 14d-101)

Solicitation/Recommendation Statement Under Section 14(d)(4) of the Securities Exchange Act of 1934

EMULEX CORPORATION
(Name of Subject Company)

EMULEX CORPORATION
(Name of Person Filing Statement)

Common Stock, $0.10 par value per share
(Title of Class of Securities)

292475209
(CUSIP Number of Class of Securities)

Jeffrey W. Benck
President and Chief Executive Officer
Emulex Corporation
3333 Susan Street
Costa Mesa, California 92626
(714) 662-5600

(Name, address and telephone number of person authorized to receive notices and communications on behalf of the persons filing statement)

With copies to:

Marilyn W. Sonnie **Acting General Counsel** **Emulex Corporation** **3333 Susan Street** **Costa Mesa, California 92626** **(714) 662-5600**	**Robert A. Profusek** **Jones Day** **222 East 41st Street** **New York, New York 10017** **(212) 326-3800**

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer

* * *

Item 1. Subject Company Information

Name and Address

The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (this "**Statement**") relates is Emulex Corporation, a Delaware corporation ("**Emulex**"). The address of Emulex's principal executive office is 3333 Susan Street, Costa Mesa, California 92626 and its telephone number is (714) 662-5600.

Securities

The title of the class of equity securities to which this Statement relates is Emulex's common stock, par value of $0.10 per share (the "**Shares**"). As of the close of business on April 3, 2015, the most recent practicable date, there were (i) 240,000,000 Shares authorized and 72,444,645 Shares issued and outstanding (excluding 22,633,339 Shares held in

treasury), (ii) 1,888,262 Shares subject to outstanding employee options to purchase Shares, (iii) 2,790,832 Shares subject to outstanding restricted stock unit awards that are not settled in cash, (iv) 1,422,597 Shares subject to other outstanding Emulex stock awards, consisting of 200,843 Shares subject to performance stock unit awards that are not settled in cash, 1,117,144 Shares subject to cash settled restricted stock unit awards and 104,610 Shares subject to performance cash settled unit awards, (v) 444,000 Shares reserved for issuance pursuant to Emulex's employee stock purchase plan, and (vi) 22,224,320 Shares subject to issuance upon the conversion of Emulex's 1.75% Convertible Senior Notes due 2018 (the "**Notes**") (including the estimated effect of any make-whole fundamental change provision based upon a conversion rate of 126.9961 Shares per $1,000 principal amount of Notes and assuming for purposes of this calculation that (A) the Effective Date (as defined below) is May 5, 2015 and (B) conversions are settled in full in Shares).

Item 2. Identity and Background of Filing Person

Name and Address

The name, business address and telephone number of Emulex, which is both the person filing this Statement and the subject company, are set forth in Item 1—"Subject Company Information—Name and Address."

Tender Offer and Merger

This Statement relates to the offer (the "**Offer**") by Emerald Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of

Avago Technologies Wireless (U.S.A.) Manufacturing Inc., a Delaware corporation ("**Avago**") and an indirect wholly owned subsidiary of Avago Technologies Limited, a limited company organized under the laws of the Republic of Singapore ("**Avago's Parent**"), to purchase all of Emulex's outstanding Shares for $8.00 in cash per Share (such price or any different price per Share that may be paid pursuant to the Offer in accordance with the Merger Agreement (as defined below), the "**Offer Price**), without interest, subject to any withholding of taxes required by applicable law, on the terms and subject to the conditions set forth in the Offer to Purchase, dated April 7, 2015 (as amended or supplemented from time to time, the "**Offer to Purchase**") and in the related Letter of Transmittal (as amended or supplemented from time to time, the "**Letter of Transmittal**"). The Offer is described in a Tender Offer Statement on Schedule TO (as amended or supplemented from time to time, the "**Schedule TO**"), which was filed by Purchaser, Avago and Avago's Parent with the Securities and Exchange Commission (the "**SEC**") on April 7, 2015. The Offer to Purchase and form of Letter of Transmittal are filed as Exhibits (a)(1)(A) and (a)(1)(B) to this Statement, respectively, and are incorporated herein by reference.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of February 25, 2015, among Emulex, Avago and Purchaser (as amended or supplemented from time to time, the "**Merger Agreement**"). The Merger Agreement provides, among other things, that after the completion of the Offer, on its terms and subject to the satisfaction or (to the extent permitted by applicable law) waiver of each of the applicable conditions set forth therein,

Purchaser will be merged with and into Emulex (the "**Merger**" and, together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transaction**"), with Emulex surviving as a wholly owned subsidiary of Avago (the "**Surviving Corporation**").

If, after the consummation of the Offer, Purchaser and any other subsidiary of Avago hold in the aggregate at least 90% of the issued and outstanding Shares, Purchaser and Emulex have agreed to take all necessary and appropriate actions to cause the Merger to become effective as promptly as practicable without a meeting of the holders of Shares (the "**Shareholders**") in accordance with Section 253 of the General Corporation Law of the State of Delaware (the "**DGCL**"). In the event that the Merger cannot be effected pursuant to Section 253 of the DGCL, then, as promptly as practicable following the consummation of the Offer, Purchaser and Emulex have agreed to take all necessary and appropriate actions to cause the Merger to become effective, without a meeting of the Shareholders in accordance with Section 251(h) of the DGCL. At the effective time of the Merger (the "**Effective Time**"), each outstanding Share (other than Shares held in treasury by Emulex, Shares directly or indirectly owned of record by Avago or any of its subsidiaries, including Purchaser, and Shares in respect of which appraisal rights have been perfected in accordance with Section 262 of the DGCL) will be cancelled and converted into the right to receive an amount equal to the Offer Price in cash, without interest, subject to any withholding of taxes required by applicable law. Purchaser does not expect there to be a significant

period of time between the consummation of the Offer and the consummation of the Merger.

The Offer is conditioned on there being validly tendered and not properly withdrawn prior to the expiration of the Offer a number of Shares that, together with Shares then owned, directly or indirectly, by Avago or any of its wholly owned subsidiaries, including Purchaser, or with respect to which Avago or any of its wholly owned subsidiaries, including Purchaser, otherwise has, directly or indirectly, sole voting power, represents a majority of the Shares then outstanding (determined on a fully diluted basis) and no less than a majority of the voting power of the shares of capital stock of Emulex then outstanding (determined on a fully diluted basis) and that would be entitled to vote upon the adoption of the Merger Agreement and approval of the Merger (excluding from the number of tendered Shares, but not the number of outstanding Shares, Shares tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of such guarantee) and satisfaction of other conditions. A copy of the Merger Agreement is filed as Exhibit (e)(1) to this Statement and is incorporated herein by reference. A copy of Section 262 of the DGCL is attached as Annex B to this Statement.

The Offer is scheduled to expire at 12:00 midnight, New York City time on May 5, 2015 (one minute after 11:59 p.m., New York City time, on May 4, 2015), subject to extension in certain circumstances as required or permitted by the Merger Agreement, the SEC or applicable law.

The foregoing summary of the Offer, the Merger and the Merger Agreement is qualified in its entirety

by the description contained in the Offer to Purchase, the Letter of Transmittal and the Merger Agreement.

Avago has formed Purchaser in connection with the Merger Agreement, the Offer and the Merger. The information set forth in the Offer to Purchase under the caption "The Offer—Section 8—Certain Information Concerning Avago, Parent and the Purchaser" states that the address of the principal executive offices of Avago and Purchaser are located at 1320 Ridder Park Drive, San Jose, California 95131.

The information relating to the Offer, including the Offer to Purchase, the Letter of Transmittal and related documents and this Statement, can be obtained without charge from the SEC's website at www.sec.gov.

Item 3. Past Contacts, Transactions, Negotiations and Agreements

Except as set forth in this Statement or as otherwise incorporated herein by reference, as of the date hereof, there are no material agreements, arrangements or understandings or any actual or potential conflicts of interest between Emulex or its affiliates, on the one hand, and (1) any of Emulex's or any such affiliate's directors, executive officers or any of their respective affiliates or (2) Avago, Avago's Parent, Purchaser or any of their respective directors, executive officers or affiliates, on the other hand.

Arrangements with Current Executive Officers and Directors of Emulex

As described below, the consummation of the Offer will constitute a change in control of Emulex for purposes of determining certain entitlements due to certain executive officers of Emulex under severance

and other benefit agreements or arrangements to which Emulex is a party or sponsor. In addition, certain provisions of the Merger Agreement relate to post-closing indemnity and other rights. The Board of Directors of Emulex (the "**Board**") was aware of these matters and considered them, among other matters, in approving the Merger Agreement and the Transaction.

Consideration for Emulex Options

Pursuant to the Merger Agreement, at the Effective Time, each option to purchase Shares (an "**Emulex Option**") with an exercise price per Share that is less than the Offer Price (an "**In-the-Money Emulex Option**") that is outstanding and vested (including any unvested In-the-Money Emulex Options that are not assumed in connection with the Merger) as of immediately prior to the Effective Time (a "**Cashed Out Emulex Option**") will be cancelled immediately prior to the Effective Time and converted into the right to receive an amount in cash equal to the product obtained by multiplying (1) the aggregate number of Shares subject to such Emulex Option immediately prior to the Effective Time and (2) the excess of the Offer Price over the exercise price per share of such Emulex Option (the "**Option Consideration**"). Each In-the-Money Emulex Option that is outstanding and unvested immediately prior to the Effective Time and is held by an employee of Emulex or its subsidiaries who continues to be employed by Avago or its subsidiaries (an "**Emulex Employee**") or is a nonemployee individual service provider of Emulex or any of its subsidiaries who, at the Effective Time, continues his or her service with the Surviving Corporation or any of its subsidiaries,

other than any such service provider who is ineligible to be included on a registration statement filed by Avago's Parent on Form S-8 (an "**Emulex Service Provider**") as of immediately after the Effective Time, will be assumed by Avago's Parent and converted automatically at the Effective Time into an option denominated in whole ordinary shares, no par value, of Avago's Parent ("**Avago Ordinary Shares**") having the same terms and conditions as the In-the-Money Emulex Option (each, an "**Assumed Option**"), except that (1) each such Assumed Option will be exercisable (or will become exercisable in accordance with its terms) for that number of Avago Ordinary Shares equal to the product of (a) the number of Shares that were issuable upon exercise of such Emulex Option immediately prior to the Effective Time, multiplied by (b) a fraction (such ratio, the "**Exchange Ratio**"), the numerator of which is the Offer Price and the denominator of which is the volume weighted average price for an Avago Ordinary Share on the Nasdaq Global Select Market, calculated to four decimal places and determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours, for the five consecutive trading days ending on the third complete trading day prior to (and excluding) the date that the Merger closes (the "**Closing Date**") as reported by Bloomberg, L.P., and rounding such product down to the nearest whole number of Avago Ordinary Shares, (2) the per share exercise price for the Avago Ordinary Shares issuable upon exercise of such Assumed Option will be equal to the quotient determined by dividing (a) the exercise price per Share at which such Emulex Option was exercisable immediately prior to the Effective Time by (b) the Exchange Ratio, and

rounding such quotient up to the nearest whole cent, and (3) all references to "Emulex" in the applicable Company Stock Plans (as defined in the Merger Agreement) and the stock option agreements will be references to Avago's Parent. All Emulex Options that are not In-the-Money Emulex Options will be cancelled as of immediately prior to the Effective Time for no consideration.

As of April 3, 2015, Emulex's executive officers collectively held Emulex Options to purchase 1,187,341 Shares, with exercise prices ranging from $5.05 to $20.56 per Share. Of this amount, Emulex Options to purchase 113,954 Shares issuable upon exercise of such Emulex Options were vested In-the-Money Emulex Options, Emulex Options to purchase 504,387 Shares issuable upon exercise of such Emulex Options were unvested In-the-Money Emulex Options and Emulex Options to purchase 569,000 Shares issuable upon exercise of such Emulex Options were not In-the-Money Emulex Options. As of April 3, 2015, no non-employee directors owned outstanding vested or unvested In-the-Money Emulex Options.

If, at the Effective Time, each outstanding and vested In-the-Money Emulex Option held by Emulex's executive officers as of April 3, 2015 were converted into the right to receive the Option Consideration, Emulex's executive officers would receive an aggregate of approximately $40,576 in cash, without interest, less any required withholding of taxes required by applicable law. In addition, if, at the Effective Time, each outstanding and unvested In-the-Money Emulex Option held by Emulex's executive officers as of April 3, 2015 were assumed by Avago's Parent, such In-the-Money Emulex Options would be automatically converted into the right to receive

approximately 31,989 Avago Ordinary Shares upon exercise (using an Exchange Ratio that assumes that the Closing Date occurred on April 3, 2015).

Consideration for Emulex RSU Awards

Pursuant to the Merger Agreement, at the Effective Time, each restricted stock unit award that is denominated in Shares, vests based on the lapse of time and continued service, is not settled in cash and was granted pursuant to a Company Stock Plan (an "**Emulex RSU Award**") and that is outstanding immediately prior to the Effective Time and is held by a person who is an Emulex Employee or an Emulex Service Provider as of immediately after the Effective Time, will be assumed by Avago's Parent and converted automatically at the Effective Time into a restricted share unit award covering Avago Ordinary Shares having, subject to applicable laws, the same terms and conditions as an Emulex RSU Award (each, an "**Assumed RSU Award**"), except that (1) each such Emulex RSU Award will entitle the holder, upon settlement, to that number of whole Avago Ordinary Shares equal to the product of (a) the number of Shares that were issuable with regard to such Emulex RSU Award immediately prior to the Effective Time, multiplied by (b) the Exchange Ratio, and rounding such product down to the nearest whole number of Avago Ordinary Shares and (2) all references to "Emulex" in the applicable Company Stock Plans and Emulex RSU Award agreements will be references to Avago's Parent. Each Emulex RSU Award that is outstanding immediately prior to the Effective Time and is not an Assumed RSU Award ("**Cashed Out Emulex RSUs**") will vest in full and be cancelled immediately prior to the Effective Time and converted

into the right to receive an amount in cash equal to the product obtained by multiplying (i) the aggregate number of Shares subject to such Emulex RSU Award immediately prior to the Effective Time and (ii) the Offer Price (the "**RSU Consideration**").

As of April 3, 2015, Emulex's current executive officers collectively held Emulex RSU Awards for 416,120 Shares, and no non-employee directors held any Emulex RSU Awards. Accordingly, if the executive officers remain employed by Avago or the Surviving Corporation as of immediately after the Effective Time, such outstanding Emulex RSU Awards will be converted to restricted stock unit awards covering approximately 26,391 Avago Ordinary Shares (using an Exchange Ratio that assumed the Closing Date occurred on April 3, 2015), and the executive officers will not receive any payments in respect of such Emulex RSU Awards. If, at the Effective Time, each Emulex RSU Award held by Emulex's current executive officers as of April 3, 2015 were converted into the right to receive the RSU Consideration, Emulex's executive officers would receive an aggregate of approximately $3,328,960 in cash, without interest, less any withholding of taxes required by applicable law.

Consideration for Emulex Stock Awards

Pursuant to the Merger Agreement, at the Effective Time, any performance stock unit award, performance share award, restricted stock award, cash settled restricted stock unit award, performance cash settled unit award or other equity award denominated in Shares (other than an Emulex Option or Emulex RSU Award) which was granted pursuant to a Company Stock Plan (each, an "**Emulex Stock**

Award") that is outstanding immediately prior to the Effective Time and is held by a person who is an Emulex Employee or Emulex Service Provider as of immediately after the Effective Time will be assumed by Avago's Parent and converted automatically at the Effective Time into a cash-settled award having the same terms and conditions as an Emulex Stock Award (each, an "**Assumed Stock Award**"), except that (1) each such Emulex Stock Award will entitle the holder, upon settlement, to a cash payment equal to the product of (a) the number of Shares that were issuable with regard to such Emulex Stock Award immediately prior to the Effective Time, multiplied by (b) the Offer Price, (2) the performance goal(s) with respect to each such Emulex Stock Award that includes performance criteria will be deemed satisfied at 100% of the target level of achievement (50th percentile of peer companies), and (3) all references to "Emulex" in the applicable Company Stock Plans and Emulex Stock Award agreements will be references to Avago's Parent. Each Emulex Stock Award that is not an Assumed Stock Award (each, a "**Cashed Out Emulex Stock Award**") will vest in full (or, in the case of each performance-based Emulex Stock Award that is not an Assumed Stock Award, at the target level of achievement (50th percentile of peer companies) for such performance-based Emulex Stock Award) and be cancelled immediately prior to the Effective Time and converted into the right to receive an amount in cash equal to the product obtained by multiplying (1) the aggregate number of Shares subject to such Emulex Stock Award immediately prior to the Effective Time and (2) the Offer Price (the "**Stock Award Consideration**").

As of April 3, 2015, Emulex's non-employee directors collectively held 56,250 outstanding Emulex Stock Awards and the current executive officers collectively held 496,428 outstanding Emulex Stock Awards. Accordingly, to the extent the executive officers remain employed by Avago or the Surviving Corporation as of immediately after the Effective Time, such outstanding Emulex Stock Awards will be converted into cash-settled awards aggregating approximately $3,971,424. Pursuant to a letter agreement with Emulex dated February 18, 2015, each of Emulex's non-employee directors agreed to waive any acceleration of such director's outstanding restricted stock awards that would otherwise occur upon the consummation of the Merger, notwithstanding the terms of any equity plan or any agreement or instrument related to such restricted stock awards, if the Effective Time occurs prior to the date on which such awards would otherwise vest in accordance with their terms (six months from the date of grant), and to forfeit the number of restricted Shares awarded on February 18, 2015 had $8.00 been used to calculate the number of restricted Shares awarded rather than $6.39, the closing sales price for Shares on the date of the award. As such, each non-employee director's restricted stock awards, which comprise all of the Emulex Stock Awards held by the non-employee directors, will be forfeited for no consideration upon the resignation of such director on or about the Effective Time if the Effective Time occurs prior to the date on which such awards would otherwise vest in accordance with their terms (six months from the date of grant).

The foregoing summary is qualified in its entirety by reference to the Merger Agreement, which is filed

as Exhibit (e)(1) to this Statement and is incorporated herein by reference, and the Company Stock Plans, which are filed as Exhibits (e)(10) and (e)(11) to this Statement and are incorporated herein by reference.

Summary of Consideration Payable to Directors and Executive Officers

Assuming that the Effective Time occurred on April 3, 2015, the following table sets forth the consideration that each of Emulex's current directors and executive officers would receive if: (1) such director or executive officer were to tender all of the Shares that he or she owns in connection with the Offer; (2) all In-the-Money Emulex Options held by such director or executive officer were converted into the right to receive the Option Consideration at the Effective Time; (3) all Emulex RSU Awards held by such director or executive officer were converted into the right to receive the RSU Consideration at the Effective Time; and (4) all Emulex Stock Awards held by the executive officers were converted into the right to the receive the Stock Award Consideration at the Effective Time, and all Emulex Stock Awards held by the directors were cancelled for no consideration at the Effective Time. In addition, the amounts shown below (i) disregard Emulex Options that have an exercise price equal to or greater than $8.00 and (ii) do not reflect any taxes payable by the executives or directors.

* * *

[Chart and Notes Thereto Omitted from Joint Appendix. Omitted Materials Available at ER79-82.]

Key Employee Retention Agreement with Mr. Benck

In January 2013, Emulex entered into a key employee retention agreement with Jeffrey W. Benck, Emulex's President and Chief Executive Officer (the "**Key Employee Retention Agreement**"). Under the Key Employee Retention Agreement, Emulex provides certain benefits and payments to Mr. Benck in the case of a separation from Emulex. In particular, Mr. Benck is entitled to receive the following payments and benefits in the event of a termination of his employment by Emulex without "cause" or by him for "good reason" (each as defined in the Key Employee Retention Agreement) during the period beginning on the date of the Merger Agreement and ending 24 months after the effective date of a change in control of Emulex (the "**Change in Control Period**"):

- a lump sum cash severance payment equal to 24 months of Mr. Benck's base pay, inclusive of his target incentive payment level with respect to the fiscal year prior to his termination date;
- a lump sum cash payment equal to 24 months of COBRA coverage (health, dental and vision benefits) for Mr. Benck, his spouse and his dependents; and
- full vesting and acceleration of Mr. Benck's stock options and other stock awards and the right to exercise stock options for 12 months following his termination date.

In addition, in connection with the appointment of Mr. Benck as Emulex's Chief Executive Officer in July 2013, Emulex entered into a severance agreement with Mr. Benck (the "**Benck Severance Agreement**"). The Benck Severance Agreement

generally provides for the following benefits to Mr. Benck upon a termination without "cause" or by Mr. Benck for "good reason" (as each term is defined in the Benck Severance Agreement) at any time outside the above-referenced Change in Control Period: (1) payment of any accrued but unpaid compensation, (2) payment of a severance benefit equal to one year's base salary, (3) payment of any deferred incentive bonuses, (4) a cash amount equal to 12 months of COBRA coverage (health, dental, and vision benefits) for Mr. Benck and his spouse and dependents, (5) acceleration of vesting of outstanding equity awards by one year (with any performance-based equity awards vesting at a minimum of the target achievement level), and (6) a payment equal to 100% of his annual target incentive payment as in effect on the date of termination. However, the benefits under the Benck Severance Agreement are only payable if the termination date occurs outside the above-referenced Change in Control Period under Mr. Benck's Key Employee Retention Agreement.

The foregoing summary is qualified in its entirety by reference to the Key Employee Retention Agreement and the Benck Severance Agreement, which are filed as Exhibits (e)(8), (e)(9) and (e)(34) to this Statement and are incorporated herein by reference.

Change in Control Retention Plan

Emulex's remaining executive officers do not have key employee retention agreements but instead participate in Emulex's Change in Control Retention Plan (the "**CIC Plan**"). Under the CIC Plan, the executive officers (other than Mr. Benck) are each entitled to receive the following payments and

benefits in the event of a termination of employment by Emulex without "cause" or by them for "good reason" (each as defined in the CIC Plan) during the Change in Control Period:

- a lump sum cash severance payment equal to 12 months of base pay, inclusive of their target incentive payment level with respect to the fiscal year prior to their termination date;
- a lump sum cash payment equal to the costs of continuation of health insurance premiums for the employee and their eligible dependents for 12 months following the termination of their employment; and
- full vesting and acceleration of their stock options and other stock awards and the right to exercise stock options for a period of 12 months following their termination date.

Mr. Benck's Key Employee Retention Agreement and the CIC Plan also provide these executives with reimbursement of up to $15,000 for outplacement services utilized within the first 12 months following termination of employment. If the severance payment and benefits received by any of these executives would be considered an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986 (the "**Code**"), thereby subjecting the executive to a 20% penalty excise tax, then the severance payment and benefits will be reduced to the extent that a reduction would result in these executives receiving a greater after-tax amount.

In addition, in connection with the appointment of Kyle B. Wescoat as Emulex's Senior Vice President and Chief Financial Officer in January 2014, Emulex entered into a Severance Agreement with Mr.

Wescoat (the "**Wescoat Severance Agreement**"). The Wescoat Severance Agreement provides certain benefits, including (1) payment of one year's base salary, (2) a lump sum cash payment equal to the costs of continuation of his health insurance premiums for 12 months following the termination of his employment, and (3) one year acceleration of equity grants (with any performance-based equity awards vesting at a minimum of the target achievement level), in the event Mr. Wescoat's employment is terminated during the first two years of his employment by Emulex without "cause" or by him for "good reason" (as each such term is defined in the Wescoat Severance Agreement). However, the benefits under the Wescoat Severance Agreement are only payable if the termination date occurs outside the above-referenced Change in Control Period.

The foregoing summary is qualified in its entirety by reference to the CIC Plan and the Wescoat Severance Agreement, which are filed as Exhibits (e)(7) and (e)(29) to this Statement and are incorporated herein by reference.

Potential Payments Upon a Termination in Connection with a Change in Control

The following table describes the potential payments to the executive officers upon an eligible termination without cause by Emulex or by the executive officer for good reason (as defined within the executive officer's Key Employee Retention Agreement or the CIC Plan, as applicable) due to a change in control assuming that the Effective Time occurred on April 3, 2015 and each executive officer experiences a simultaneous eligible termination:

* * *

**[Chart and Notes Thereto
Omitted from Joint Appendix.
Omitted Materials Available at ER83-84.]**

Post-Closing Employee Benefits

The Merger Agreement provides that, for 12 months following the Effective Time, Avago will provide, or will cause to be provided, to each Emulex Employee (1) an annual base salary or base wages and short-term incentive compensation opportunities and (2) benefits (including severance benefits) that are substantially comparable, in the aggregate, to the benefits provided to similarly situated employees of Avago or its subsidiaries.

For purposes of vesting, eligibility to participate and levels of benefits (but not benefit accrual under any defined benefit plan or vesting under any equity incentive plan) under the employee benefit plans of Avago and its subsidiaries in which Emulex Employees first become eligible to participate after the Effective Time (the "**New Plans**"), each Emulex Employee will be credited with his or her years of service with Emulex and its subsidiaries and their respective predecessors before the Effective Time, to the same extent as such Emulex Employee was entitled, before the Effective Time, to credit for such service under any similar employee plan of Emulex or its subsidiaries in which such Emulex Employee participated or was eligible to participate immediately prior to the Effective Time, except that the foregoing will not apply to the extent that its application would result in a duplication of benefits with respect to the same period of service. In addition, Avago will use its commercially reasonable

efforts to cause (1) each Emulex Employee to be immediately eligible to participate, without any waiting time, in any and all New Plans and (2) for purposes of each New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Emulex Employee, all pre-existing condition exclusions and actively-at-work requirements of such New Plan to be waived for such Emulex Employee and his or her covered dependents, to the extent such conditions were inapplicable or waived under the comparable employee plan of Emulex or its subsidiaries in which such Emulex Employee participated immediately prior to the Effective Time. Avago will cause any eligible expenses incurred by any Emulex Employee and his or her covered dependents during the plan year that includes the Effective Time to be taken into account for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such Emulex Employee and his or her covered dependents under any New Plan (to the extent such amounts would have been taken into account for such requirements under any comparable employee plan of Emulex or its subsidiaries prior to the Effective Time).

Prior to Purchaser's acceptance of the Shares, Emulex agreed to take all required steps to cause each agreement, arrangement or understanding entered into by Emulex or its subsidiaries on or after the date of the Merger Agreement with any of its officers, directors or employees pursuant to which consideration is paid to such officer, director or employee to be approved as an "employment compensation, severance or other employee benefit arrangement" within the meaning of Rule 14d-10(d) under the Exchange Act and to satisfy the

requirements of the non-exclusive safe harbor set forth in Rule 14d-10(d) under the Exchange Act, which requires, among other things, the approval of such agreements, arrangements or understandings by a committee of independent directors of Emulex. Emulex took these steps on February 25, 2015.

The foregoing summary is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit (e)(1) to this Statement and is incorporated herein by reference.

Director Compensation

Emulex provides its non-employee directors with compensation pursuant to its non-employee director compensation program. Directors who were not employees of Emulex receive a quarterly retainer of $13,750, $1,500 per meeting attended in excess of 12 meetings during the fiscal year and reimbursement for travel expenses. In addition, the Chairman of the board receives an additional quarterly retainer of $7,500. The Chairman of the Nominating/Corporate Governance Committee receives an additional quarterly retainer of $1,500, while committee members receive an additional quarterly retainer of $1,000; the Chairman of the Compensation Committee receives an additional quarterly retainer of $2,000, while committee members receive an additional quarterly retainer of $1,000; and the Chairman of the Audit Committee receives an additional quarterly retainer of $3,000, while committee members receive an additional quarterly retainer of $2,000. Directors who are employees of Emulex receive no additional compensation for serving on the board. Directors are also entitled to reimbursement for their out-of-pocket expenses in

connection with attendance at Board and committee meetings.

Equity-Based Compensation.

In addition, Emulex maintains the Emulex Corporation Stock Award Plan for Non-Employee Directors (the "**Director Plan**") under which Shares may be issued pursuant to the exercise of stock options, restricted stock awards or stock appreciation rights granted to directors who are not employees of Emulex or any of its subsidiaries. Each director of Emulex is eligible to receive awards under the Director Plan only if such director is not then an employee of Emulex or any of its subsidiaries ("**Plan Eligible Director**"). Only Plan Eligible Directors may receive awards under the Director Plan. There are currently nine Plan Eligible Directors—Ms. Infante and Messrs. Clark, Daichendt, Edwards, Folino, Kelley, Merchant, Nazari and Yoost. The Director Plan provides for option awards to be granted automatically to each Plan Eligible Director upon the date on which such director first becomes a Plan Eligible Director and yearly thereafter upon re-election to the Board. The Board or a designated committee of the Board may grant additional compensation under the Director Plan to Plan Eligible Directors in the form of restricted stock awards or stock appreciation rights which compensation may be in addition to or in lieu of the formula-based option grants.

In fiscal 2015, in lieu of an annual option under the Director Plan and any other restricted stock grants, each Plan Eligible Director received an annual grant of restricted stock equal to $100,000 in market value of common stock based on the closing

price of Emulex's common stock on the date of grant. In addition, in lieu of an initial stock option award under the Director Plan, each newly appointed or elected Plan Eligible Director receives an initial grant of shares of restricted stock equal to $200,000 in market value of common stock based on the closing price of Emulex's common stock on the date of the award with the annual restricted stock award amount being reduced pro-rata for annual stock awards being made within one year after the award of an initial restricted stock award. The restricted stock grants are made in the form of restricted stock awards which automatically entitle their holders to one share of common stock per restricted stock award upon vesting. These restricted stock awards shall vest as to one half of the shares on the date of grant and one half of the shares six months after the date of grant. Pursuant to the Director Plan, the vesting of all outstanding restricted stock and other equity awards held by non-employee directors will be accelerated in full effective as of immediately prior to the Effective Time of the Merger, as described above. However, in connection with the grant of the restricted stock awards on February 18, 2015, each non-employee director signed a letter agreement with Emulex pursuant to which they agreed to waive any acceleration of such director's outstanding restricted stock awards that would otherwise occur upon the consummation of the Merger, notwithstanding the terms of any equity plan or any agreement or instrument related to such restricted stock awards, if the Effective Time occurs prior to the date on which such awards would otherwise vest in accordance with their terms (six months from the date of grant), and to forfeit the number of restricted Shares awarded on

February 18, 2015 had $8.00 been used to calculate the number of restricted Shares awarded rather than $6.39, the closing sales price for Shares on the date of the award. As such, each non-employee director's restricted stock awards will be forfeited for no consideration upon the resignation of such director on or about the Effective Time if the Effective Time occurs prior to the date on which such awards would otherwise vest in accordance with their terms (six months from the date of grant).

Golden Parachute Compensation

For information with respect to arrangements between Emulex and its executive officers described in this Item 3 that constitutes "golden parachute compensation" within the meaning of Item 402(t) of SEC Regulation S-K, please refer to the information included under Item 8—"Additional Information—Golden Parachute Compensation," which is incorporated into this Item 3 by reference.

Director and Officer Indemnification and Insurance

All existing rights to exculpation, indemnification and limitation of liabilities in favor of past and current directors and officers of Emulex provided in Emulex's Certificate of Incorporation, as amended ("**Emulex's Charter**"), Emulex's Amended and Restated Bylaws ("**Emulex's Bylaws**") or under any indemnification, employment agreement or similar contract currently in effect between Emulex and such past and current directors and officers with respect to acts or omissions in their capacities as directors or officers occurring at or prior to the Effective Time will continue after the Merger in accordance with their respective terms. In addition, from and after the Effective Time, Avago will cause the Surviving

Corporation, to pay and perform in a timely manner such indemnification obligations. For a period of six years from and after the Effective Time, Parent will cause the certificate of incorporation and bylaws of the Surviving Corporation to contain provisions no less favorable with respect to indemnification, exculpation and advancement of expenses of Emulex's directors and officers for periods at or prior to the Effective Time than are currently set forth in Emulex's Charter and Emulex's Bylaws (unless otherwise required by applicable law).

Prior to the Effective Time, Emulex has agreed to obtain and fully pay the premium for the non-cancellable extension of the directors' and officers' liability coverage of Emulex's existing directors' and officers' insurance policies and its existing fiduciary liability insurance policies (collectively, the "**D&O Insurance**"), in each case for a claims reporting or discovery period of at least six years from and after the Effective Time with respect to any claim related to any period of time at or prior to the Effective Time from an insurance carrier with the same or better credit rating as Emulex's current D&O Insurance carrier in an amount and scope at least as favorable as Emulex's existing policies. However, Emulex will not be required to pay an annual premium for the D&O Insurance in excess of 250% of the last annual premium paid prior to February 25, 2015. If the annual premiums of such insurance coverage exceed such amount, Emulex will be obligated to obtain a policy with the greatest coverage available, with respect to matters occurring prior to the Effective Time, for a cost not exceeding such amount.

Emulex's Charter provides that the liability of Emulex's directors to Emulex or its Shareholders for

monetary damages for breach of fiduciary duty is eliminated to the fullest extent permitted by the applicable provisions of the DGCL. Emulex's Bylaws further provide that each person who was or is a party to, is threatened to be made a party to or is involved as a witness in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of Emulex, or is or was serving at the request of Emulex as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, will be indemnified by Emulex against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the fullest extent permitted by Delaware law and Emulex's Charter.

Emulex's Bylaws further provide that expenses incurred by an officer or director in defending such a civil or criminal action, suit or proceeding will be paid by Emulex in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by Emulex.

Emulex has entered into agreements with its directors and officers that require Emulex to indemnify such persons against expenses, damages, losses, liabilities, judgments, fines, penalties, settlements, assessments and other charges paid or payable (including expenses of a derivative action) in connection with any proceeding, whether actual or

threatened, to which any such person may be made a party by reason of the fact that such person is or was a director, officer, employee or agent of Emulex or a director, officer, employee, member, manager, trustee or agent of any other entity as to which such person was serving at the request of Emulex, provided such person acted in good faith and in a manner that such person reasonably believed to be in or not opposed to the interests of Emulex and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful (the "**Indemnification Agreement**"). The Indemnification Agreement also sets forth certain procedures that will apply in the event of a claim for indemnification thereunder. Emulex has obtained a policy of directors' and officers' liability insurance that insures Emulex directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances.

The foregoing summary is qualified in its entirety by reference to Emulex's Charter, Emulex's Bylaws and the form of Indemnification Agreement, which are filed as Exhibit (e)(4), (e)(5) and (e)(6) to this Statement, respectively, and are incorporated herein by reference.

Arrangements between Emulex and Avago

Merger Agreement

The Merger Agreement, a copy of which is filed as Exhibit (e)(1) to this Statement and is incorporated herein by reference, governs the contractual rights among Avago, Purchaser and Emulex in relation to the Transaction. The Merger Agreement has been filed as an exhibit to this Statement to provide Shareholders with information regarding the terms of

the Merger Agreement and is not intended to modify or supplement any factual disclosures about Avago, Purchaser or Emulex in Emulex's public reports filed with the SEC.

The summary of the material provisions of the Merger Agreement contained in the Offer to Purchase in the Section titled "The Merger Agreement; Other Agreements" and the description of the conditions of the Offer contained in the Section titled "Terms of the Offer" are incorporated herein by reference. Such summary and description are qualified in their entirety by reference to the Merger Agreement.

The Merger Agreement and the summary of terms set forth in the Offer and incorporated by reference herein are not intended to be, and should not be relied upon as, disclosure regarding any facts and circumstances relating to Avago, Purchaser or Emulex. The representations and warranties contained in the Merger Agreement were negotiated by the parties with the principal purpose of establishing the circumstances in which Avago or Purchaser may have the right not to consummate the Offer or the Merger, or a party may have the right to terminate the Merger Agreement if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and to allocate risk between the parties, rather than establishing matters as facts. Also, the assertions embodied in those representations and warranties were made solely for purposes of the Merger Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the Merger Agreement, including contractual standards of materiality or material adverse effect different

from those generally applicable to shareholders and qualifications with respect to information set forth in confidential schedules. Accordingly, Shareholders and other interested parties should not rely on the representations and warranties contained in the Merger Agreement as matters of fact.

Tender and Support Agreement

Concurrently with entering into the Merger Agreement, certain of Emulex's directors and executive officers (the "**Signing Shareholders**") entered into a Tender and Support Agreement with Avago and Purchaser (the "**Tender and Support Agreement**") pursuant to which they agreed, among other things, to tender all of their Shares in the Offer, unless the Merger Agreement is terminated. In the aggregate, the Signing Shareholders beneficially owned approximately 2.5% of the outstanding Shares of Emulex as of February 25, 2015. The foregoing description of the Tender and Support Agreement is qualified in its entirety by reference to the full text of the Tender and Support Agreement, a copy of which is attached as Exhibit (e)(2) to this Statement and is incorporated herein by reference.

Confidentiality Agreement

On August 28, 2014, Emulex and Avago's Parent entered into a confidentiality agreement (the "**Confidentiality Agreement**"). Under the Confidentiality Agreement, the parties agreed that, except as provided in the Confidentiality Agreement, any non-public information regarding either Emulex or Avago's Parent furnished by one party (the "**Disclosing Party**") to the other party or its representatives (the "**Recipient**") in connection with a possible transaction, together with any notes,

reports, analyses, compilations, studies, interpretations, summaries or other documents prepared by the Recipient or its representatives to the extent they contain or reflect such information, would, for a period lasting two years from the date of the Confidentiality Agreement be used by the Recipient and its representatives solely for the purpose of evaluating, negotiating and performing a possible transaction and be kept confidential. The Confidentiality Agreement contains a non-solicitation provision prohibiting each party from, either directly or indirectly, soliciting for employment or otherwise hiring any officer or employee of the other party to whom such party was introduced or who became known to such party in connection with the evaluation of a possible transaction and who is or was employed in a management-level capacity by the Disclosing Party or its subsidiaries for a period of 12 months from the date of the Confidentiality Agreement, subject to certain exceptions. The Confidentiality Agreement also contains a standstill provision which prohibits either party from acquiring shares of the other party's stock or soliciting proxies, making a tender offer or forming a partnership, syndicate or other group with respect to the other party's stock, without the consent of the other party until the earlier of August 31, 2015 or a Significant Event (as defined in the Confidentiality Agreement). The above summary of certain provisions of the Confidentiality Agreement is qualified in its entirety by reference to the Confidentiality Agreement, a copy of which is filed as Exhibit (e)(3) to this Statement and incorporated herein by reference.

Item 4. The Solicitation or Recommendation

Recommendation of the Board

On February 25, 2015, the Board unanimously (1) determined that the transactions contemplated by the Merger Agreement, including the Offer and the Merger, are fair to, and in the best interests of, Emulex and its Shareholders, (2) approved and declared advisable the Merger Agreement and the Transaction, including the Offer and the Merger, and (3) recommended that Shareholders accept the Offer, tender their Shares to Purchaser in the Offer and, to the extent applicable, approve and adopt the Merger Agreement and the Merger.

Accordingly, for the reasons described in more detail below, the Board unanimously recommends that Shareholders accept the Offer and tender their Shares in the Offer and, if required under applicable law to effect the Merger, approve and adopt the Merger Agreement and the Merger.

A copy of the letter to Shareholders, dated April 7, 2015, communicating the recommendation of the Board is included as Exhibit (a)(2) to this Statement and is incorporated herein by reference.

Background of the Transaction

In October 2012, Elliott Associates, L.P. and affiliated entities (together, "**Elliott**") reported in a filing with the SEC that Elliott had acquired 7.1% of Emulex's outstanding Shares. By November 2012, Elliott had increased its ownership to approximately 10% of the outstanding Shares. Over the next four months, representatives of Emulex and of Elliott engaged in conversations regarding actions that Elliott suggested Emulex consider to increase shareholder value, including the potential sale of

Emulex. Throughout these discussions, representatives of Emulex informed representatives of Elliott that Emulex did not oppose consideration of strategic alternatives for Emulex, and initiated a process to review such alternatives in March 2013. However, representatives of Emulex noted that Emulex was a party to ongoing patent litigation involving Broadcom Corporation ("**Broadcom**") which not only required substantial focus by Emulex's senior management but, in management's view, could adversely affect the willingness of some third parties to engage in substantive discussions with Emulex regarding a sale or other strategic transaction.

During these discussions, representatives of Elliott also requested that Emulex consider increasing the size of the Board and adding additional members who could assist in the Board's assessment of Emulex's strategic alternatives. In March 2013, Emulex agreed to expand its Board and add two members, each of whom was discussed with Elliott in the course of the Board's evaluation of them as candidates for the Board. Elliott in turn agreed to certain standstill restrictions with respect to proxy contests, takeover bids and similar actions through August 2014.

In March 2013, the Board established an ad hoc committee of four independent directors to oversee the day-to-day conduct of the strategic assessment process: Eugene J. Frantz, Gregory S. Clark, Robert H. Goon and Bruce C. Edwards. The committee was not formed to address any perceived conflict of interest in respect of the strategic assessment process, but rather was formed as a matter of convenience to oversee the conduct of the strategic assessment process during the period between

regularly scheduled Board meetings. The committee did not have the authority to approve a strategic transaction. The committee met on seven occasions and reported to the full Board with respect to each meeting.

In May 2013, Emulex formally retained Goldman, Sachs & Co. ("**Goldman Sachs**") to assist in Emulex's assessment of strategic alternatives, after having consulted informally with representatives of Goldman Sachs from time to time since October 2012. Over the next five months, the Board and the ad hoc committee, with the assistance of representatives of Goldman Sachs and Jones Day, Emulex's legal counsel, engaged in a review of Emulex's strategic alternatives, including a possible sale or other business combination transaction involving Emulex. The Board or the ad hoc committee met on 12 occasions during this five-month period to receive reports from, and provide direction to, management and representatives of Goldman Sachs and Jones Day. Throughout this process, the directors received advice from representatives of Jones Day as to the directors' fiduciary duties, and reports and financial advice from representatives of Goldman Sachs.

With the assistance of representatives of Goldman Sachs, in May 2013, Emulex identified 11 private equity firms and seven operating companies that Emulex thought could be reasonably expected to have an interest in pursuing discussions concerning a strategic transaction involving Emulex. Nine of the 11 private equity firms and two of the seven operating companies so identified signed confidentiality agreements that were substantially similar and included standstill provisions.

The standstill provisions had terms ranging from 12 to 18 months. Some of these agreements were subsequently extended, but all standstill provisions that continued at the time of Emulex's execution of the Merger Agreement either terminated in accordance with their terms or, prior to Emulex's execution of the Merger Agreement, Emulex waived any provisions therein that precluded the party from making a competing proposal.

All participants in the strategic assessment process that signed confidentiality agreements were provided access to nonpublic information relating to Emulex (including through a virtual data room) and were offered the opportunity to receive extensive presentations by Emulex's management. Eight of the private equity firms and the two operating companies that signed confidentiality agreements received management presentations.

Emulex worked with another investment banking firm (with which it had consulted in respect of strategic alternatives prior to retaining Goldman Sachs) to develop indicative financing terms for potential acquirers. Emulex requested that private equity bidders submit bids based on the indicative terms developed by such firm as part of its efforts to maintain confidentiality of the strategic assessment process.

In September 2013, representatives of Goldman Sachs, as directed by the Board and on behalf of Emulex, requested that potential bidders submit firm proposals for a potential strategic transaction, including providing a markup of a transaction agreement prepared by Jones Day and evidence of financing.

At a meeting held on September 25, 2013, the Board, with the assistance of representatives of Goldman Sachs and Jones Day, reviewed the status of the third-party outreach process. At the meeting, representatives of Goldman Sachs updated the Board generally with respect to the process and reported that one of the private equity firms ("**Sponsor A**") which had provided an initial preliminary indication of interest at $7.00 – $7.75 per Share and had spent a substantial amount of time in due diligence relating to a possible acquisition, informed Emulex that it would not submit a proposal for the acquisition of all of the outstanding Shares. A representative of Sponsor A orally indicated a willingness to consider sponsoring a leveraged recapitalization alternative in which Sponsor A would purchase $125 million aggregate amount of Emulex preferred stock convertible into Shares at $9.60 per Share with class voting rights to initially elect 3 – 4 members of the Board and bearing a 12.5% pay-in-kind dividend. The representative of Sponsor A suggested that the net proceeds of the preferred issuance, together with third-party borrowings (which had not been arranged) and cash on hand, could be used to support an approximately $500 million leveraged recapitalization predicated on an $8.00 per Share valuation. It was the consensus of the Board that Sponsor A's recapitalization concept appeared unattractive in that, if completed, Emulex would be highly leveraged, the liquidity of the trading market for Shares remaining outstanding after the recapitalization would be substantially reduced and, if Emulex were to determine to pursue a substantial return of cash to Shareholders in lieu of a sale, it had

sufficient financial resources to do so without the issuance of equity capital to a third party.

At the September 25th meeting, the Board authorized management to inform another of the private equity firms participating in the process ("**Sponsor B**"), which had communicated to representatives of Goldman Sachs a preliminary indication of interest at $9.25 per Share, and a subsequent indication of interest at $7.25 per Share, that it could, subject to confidentiality undertakings, discuss its potential interest in Emulex with representatives of Elliott in an effort to increase its then-indicated price above $7.25 per Share.

At a meeting held on October 17, 2013, the Board, with the assistance of representatives of Goldman Sachs and Jones Day, reviewed the status of the third-party outreach process. At the meeting, representatives of Goldman Sachs reported that the two operating companies that had signed confidentiality agreements and received nonpublic information declined to pursue a strategic transaction involving Emulex, that the circumstances involving Sponsor A had not changed since the Board's meeting on September 25, 2013 and that two of the private equity firms made proposals, neither of which constituted a firm bid:

- one of the private equity firms, which had provided an initial preliminary indication of interest at $8.50 – $9.00 per Share, submitted an indication of interest in the range of $7.25 – $7.50 per Share (subsequently confirmed to be $7.25 per Share), but did not submit a markup of the form of transaction agreement or evidence of financing, and informed Emulex that it was

unable to submit a firm bid without three to four weeks of additional due diligence; and

- Sponsor B, which had provided an initial preliminary indication of interest at $9.25 per Share and submitted a subsequent indication of interest at $7.25 per Share, increased its indication of interest to $7.35 after Sponsor B discussed its indication of interest with representatives of Elliott under a confidentiality undertaking. Sponsor B's indication of interest included a mark-up of the form of transaction agreement and a letter from the investment bank identified by Emulex for purposes of the strategic assessment process indicating that it was "highly confident" that financing could be arranged. Nonetheless, Sponsor B stated that it required two to three weeks of additional due diligence.

Following input from management and representatives of Goldman Sachs and advice from Jones Day, including with respect to the fiduciary duties of the directors, the Board determined at its October 17, 2013 meeting that Emulex should suspend the third-party outreach process in light of what the Board deemed to be low proposed prices in the indications of interest, the absence of a firm bid from any potential acquirer and the fact that the Broadcom litigation was scheduled to go to trial in 2014. The Board instead directed Emulex's management to consider other possible alternatives to increase shareholder value, including a possible substantial return of cash to Shareholders. In light of the Board's decision to suspend the third-party outreach process, the ad hoc committee established in

March 2013 recommended that it be disbanded, which recommendation was accepted by the Board on November 21, 2013.

During the October 17th Board meeting and over the course of the next several weeks, management, with the assistance of representatives of Goldman Sachs and Jones Day, evaluated various alternatives by which Emulex could enhance shareholder value. At a meeting on November 10, 2013, in which representatives of Goldman Sachs and Jones Day participated, the Board determined to pursue a three-part program designed to improve Emulex's results of operations and enhance shareholder value. The program, which Emulex publicly announced on November 11, 2013, provided for:

- a $200 million Share repurchase program, financed by the issuance of $175 million aggregate principal amount of the Notes and cash on hand;
- a $30 million per year cost-reduction program (in addition to $10 million per year of cost reductions announced earlier in 2013); and
- the retirement from the Board of four directors, including its executive chairman, to be replaced with three new directors (following consultation with Elliott) at Emulex's next annual shareholders' meeting.

On March 31, 2014, Emulex and Broadcom entered into a dismissal and standstill agreement, and Broadcom's complaint was dismissed without prejudice in April 2014. For additional information on the dismissal and standstill agreement, see Item 1.01 ("Entry Into A Material Definitive Agreement") of Emulex's Current Report on Form 8-K filed by

Emulex on March 31, 2014 and Note 10 ("Commitments and Contingencies") in the notes to the consolidated financial statements under the caption "Litigation" in Part IV, Item 15(a) of Emulex's Annual Report on Form 10-K filed by Emulex on August 28, 2014.

In May 2014, the trading prices of Emulex's shares declined significantly following Emulex's announced financial results and next-quarter guidance on April 30, 2014. Also during May 2014, Sponsor A and Sponsor B each contacted Emulex for an update on Emulex's business, indicating a potential renewed interest in pursuing a potential strategic transaction involving Emulex. Emulex's management and Board began to consider whether to continue the strategic alternatives process. The matter was reviewed at a meeting of the Board held on May 20, 2014 in which a representative of Jones Day participated. At that meeting, the Board determined to continue the process and authorized management, with the assistance of representatives of Goldman Sachs, to conduct discussions with, and furnish additional information to, Sponsor A and Sponsor B.

During the period from May to August 2014, Emulex had discussions with, and furnished additional nonpublic information to, both Sponsor A and Sponsor B pursuant to renewed confidentiality agreements, which included access to information in an updated virtual data room, extensive management presentations and responses by Emulex management and representatives of Goldman Sachs to follow-up information requests. Updates and information about the process were received by the Board at meetings held on June 19, 2014 and August 5, 2014.

The Board reviewed the status of the process at a meeting on August 20, 2014 in which representatives of Goldman Sachs and Jones Day participated. At that meeting, representatives of Goldman Sachs reported that Sponsor A submitted a written proposal to acquire Emulex at a price range of $5.25 – $5.50 per Share in cash, and that Sponsor B orally indicated a price of $6.00 per Share in cash to acquire Emulex and that it would be willing to do additional work only if it was granted exclusivity. The closing sales price for Emulex shares was $5.33 per Share on August 19, 2014, the last trading day prior to the meeting. The Board determined, after consultation with representatives of Goldman Sachs, that the indicated prices were inadequate, and that Emulex's management should suspend further discussions with Sponsor A and Sponsor B. The Board also discussed approaching operating companies that, based in part on advice from Goldman Sachs, were believed to possibly have an interest in Emulex's business and might have significant synergies based on their own business strategies. In consultation with representatives of Goldman Sachs, the Board directed management to approach two such operating companies regarding their potential interest in a transaction with Emulex, one of which ("**Company A**") had approached Emulex in July 2014 regarding a possible strategic transaction and the second of which was Avago.

On July 23, 2014, a representative of Emulex met with a representative of Company A. During such meeting, the representative of Company A expressed a potential interest in pursuing a strategic transaction involving Emulex. Company A signed a

confidentiality agreement, received a management presentation and conducted substantial due diligence.

On August 23, 2014, a representative of Goldman Sachs contacted a representative of Avago to determine if Avago would be interested in exploring a strategic transaction involving Emulex. On August 24, 2014, a representative of Avago expressed an interest in having a meeting to discuss Emulex's business. Emulex entered into the Confidentiality Agreement with Avago on August 28, 2014 and thereafter Emulex made nonpublic information available to Avago.

Representatives of Emulex made presentations to representatives of Avago on September 4, 18 and 19, 2014 and continued to make nonpublic information regarding Emulex available to Avago, including internal financial forecasts prepared by management regarding the anticipated future financial and operating performance of Emulex for the years 2015 through 2017. Mr. Benck met with Avago's CEO at his request to discuss Emulex and its business on September 18, 2014. However, on September 30, 2014, representatives of Avago informed a representative of Emulex that it was not interested in further pursuing a potential strategic transaction involving Emulex at that time.

Emulex continued to make presentations to, and engage in discussions with, Company A during the September – October 2014 period. However, on October 29, 2014, a representative of Company A informed a representative of Emulex that it was not interested in pursuing a possible strategic transaction involving Emulex.

On January 7, 2015, a representative of Avago contacted Mr. Benck to discuss Avago's possible renewed interest in Emulex and set up a subsequent meeting on January 14, 2015, which, after consulting with the Chairman of the Board, an independent director, Mr. Benck and Jeff Hoogenboom, Emulex's Senior Vice President of Worldwide Sales, attended, along with Avago's CEO and other representatives. During that meeting, the Emulex representatives described progress in Emulex's business since the Fall of 2014 and preliminary financial results for the first half of its current fiscal year. The Emulex representatives also provided Avago an updated revenue forecast for Emulex's connectivity division ("**ECD**") business segment for fiscal year 2015 that took into account Emulex's estimated actual revenue for the first half of the 2015 fiscal year. See "Additional Information—Forecasted Financial Information" in Item 8. Representatives of Avago indicated that they would assess this information and contact Emulex if Avago had a renewed interest in discussions of a potential strategic transaction.

On January 26, 2015, Avago submitted a written proposal to acquire Emulex at a price of $7.50 per Share in cash, subject to further due diligence and the negotiation of definitive documentation. Avago indicated that it believed that it was in the interest of both Emulex and Avago that any transaction be negotiated efficiently. A representative of Avago informed Emulex that, for that reason, Avago's proposal was subject to a potential transaction agreement with Emulex being based on the merger agreement employed in Avago's acquisition of PLX Technology, Inc. ("**PLX**") in August 2014. Avago noted that the PLX merger agreement was publicly

available, had been fully negotiated and represented what Avago believed to be appropriate terms and conditions for a transaction with Emulex. Avago's proposal also included a request for a 45-day period of exclusivity.

Emulex's management informed the Board of the receipt of Avago's January 26th proposal and reviewed it at a regularly scheduled Board meeting on January 27, 2015. At the January 27th meeting, the Board determined to solicit advice from Goldman Sachs and Jones Day at a special meeting of the Board on January 31, 2015.

The Board met on January 31, 2015 to review Avago's January 26th proposal. Representatives of Goldman Sachs and Jones Day participated in the meeting. At the meeting, a representative of Jones Day advised the Board with respect to the directors' fiduciary duties in the circumstances. Management reviewed with the Board its updated financial forecast for the second half of fiscal year 2015 through 2019. See "Additional Information—Forecasted Financial Information" in Item 8 below. The representatives of Goldman Sachs reviewed Goldman Sachs' preliminary observations regarding Avago's proposal. Goldman Sachs' presentation included preliminary financial analyses, a review of the strategic alternatives processes undertaken by Emulex in which representatives of Goldman Sachs had been involved since it was retained in May 2013, including a review of the results of Emulex's outreach to third parties, and Goldman Sachs' views as to possible alternative bidders. The representatives of Goldman Sachs and management indicated that they believed that there was not a reasonable possibility that private equity firms would pursue the

acquisition of Emulex at the $7.50 per share initial price level indicated by Avago based on the indications received from Sponsor A and Sponsor B in August 2014 and Goldman Sachs' and management's analysis regarding what a private equity purchaser could pay in light of current market conditions for the debt and equity necessary to finance such a transaction. The representatives of Goldman Sachs and management further indicated that they believed that the universe of potential alternative strategic bidders for Emulex was limited.

The Board also engaged in an extensive discussion of Emulex's business plan, and risks and opportunities presented for Emulex to continue as a stand-alone company. Following these analyses and discussions, the Board determined that management should continue discussions with representatives of Avago to determine whether Avago would be willing to increase its indicated price. The Board directed Mr. Benck to continue to work closely with the Chairman of the Board to determine the best negotiating approach. While the Board did not determine whether to accept exclusivity as a condition to proceeding with discussions with Avago at the January 31st meeting, management was directed to leave the possibility open and focus on seeking to convince Avago to substantially increase its indicated price at this phase of the discussions.

Over the course of the next week, Mr. Benck, in regular consultation with the Chairman of the Board, conducted price discussions with a representative of Avago. Mr. Benck initially proposed a price of $8.50 in cash per Share, which the representative of Avago rejected outright, and indicated that Avago was reluctant to increase its indicated price above the

$7.50 in cash per Share price which Avago had proposed on January 26, 2015. After Emulex responded to requests for additional information, however, Avago increased its indicated price to $7.75 in cash per Share in a letter dated February 4, 2015. Following further discussions with the Board's Chairman, Mr. Benck informed Avago that he believed that Avago had to increase the price indicated in its February 4th proposal before the Board would proceed further. On February 5, 2015, Avago delivered another written proposal, increasing its indicated price to $8.00 in cash per Share, subject to substantially the same terms as its January 26th proposal.

Avago's February 5th proposal reiterated the request for exclusivity and the condition that a transaction be based on the PLX documentation in order to reach a signed agreement quickly. Specifically, a representative of Avago advised Mr. Benck that Avago's proposal was based on the expectation that a definitive agreement would be executed by late February to facilitate an announcement in conjunction with Avago's first quarter earnings. Representatives of Avago also informed Emulex that, if the parties were unable to execute a merger agreement prior to Avago's release of first quarter earnings, it was possible that Avago would need to delay further pursuit of the transaction for a significant period and turn its attention to other projects.

In various discussions on February 6, 2015, and in consultation with the Board's Chairman, Mr. Benck continued to encourage Avago to further increase its price above $8.00 in cash per Share, but Avago declined to do so.

The Board met on February 7, 2015 to consider Avago's February 5, 2015 proposal. Representatives of Goldman Sachs and Jones Day participated in the meeting. Based on Emulex's previous third-party outreach efforts and input from representatives of Goldman Sachs, the Board determined that private equity firms would not be competitive at the indicated value of $8.00 per share in cash. With input from Emulex's management and the representatives of Goldman Sachs, the Board reviewed possible additional strategic bidders that were in Emulex's industry, including Company A and three other companies ("**Company B**", "**Company C**" and "**Company D**").

The Board was aware that Company A had informed Emulex on October 29, 2014 that it was not interested in pursuing a strategic transaction with Emulex, and management noted that Company A would require third-party financing or the payment of a substantial portion of the purchase price in Company A stock, which would require that Emulex conduct substantial due diligence with respect to Company A. For these reasons, the Board determined that Company A was not reasonably likely to be a viable candidate for outreach.

The Board determined, based on prior discussions, that Company B would be unlikely to be interested in a strategic transaction with Emulex because of Company B's lack of interest in pursuing a transaction in the prior third-party outreach efforts. For this reason, the Board determined that it was not likely that Company B would be a viable candidate for outreach.

The Board noted that the likelihood of a transaction with Company C was low both because

Company C would probably need to raise external financing to acquire Emulex and there would be substantial closing risk associated with any transaction with Company C because of regulatory requirements. For these reasons, the Board determined that it was not likely that Company C would be a viable candidate for outreach.

The Board determined, based on prior discussions, that Company D would be unlikely to be interested in a strategic transaction with Emulex because of Company D's lack of interest in pursuing a transaction in prior third-party outreach efforts. For this reason, the Board determined that it was not likely that Company D would be a viable candidate for outreach.

Against this background, the Board directed Emulex's management to continue discussions with Avago and, if required by Avago, enter into a 30-day exclusivity agreement having such other terms as were recommended by Jones Day and approved by the Board's Chairman.

Over the course of the next ten days, Emulex furnished additional due diligence information to Avago, and representatives of Latham & Watkins LLP ("**Latham & Watkins**"), counsel to Avago, and Jones Day engaged in discussions on the draft exclusivity agreement, which Avago had furnished on February 5, 2015. On February 10, 2015, a representative of Latham & Watkins informed a representative of Jones Day that Avago would not require exclusivity.

In light of the withdrawal of the request for exclusivity, representatives of Goldman Sachs, after consultation with and at the direction of Emulex's

management and the Chairman of the Board, contacted Company B and Company D, both of which had been contacted in 2013, to determine whether they might be willing to pursue a possible acquisition of Emulex because each had the financial resources to pursue a transaction on a relatively expedited basis and management and Goldman Sachs believed that it was possible that they might have an interest despite the fact that they had indicated otherwise in 2013. As the Board discussed in its February 7th meeting, Company A, which had done substantial due diligence in the July October 2014 period, had informed Emulex that it was not interested in pursuing a strategic transaction and was believed to lack sufficient capital resources to pursue an all-cash transaction expeditiously. As the Board also discussed in its February 7th meeting, the Board believed that Company C was not a viable candidate for outreach because Company C would probably need to raise external financing to acquire Emulex and there would be substantial closing risk associated with any transaction with Company C because of regulatory requirements.

Latham & Watkins furnished a draft of the merger agreement on February 11, 2015.

Jones Day and Latham & Watkins then exchanged drafts of the Merger Agreement on each of February 15, 2015 and February 17, 2015.

The Board met on the evening of February 17, 2015 prior to its regularly scheduled meeting the next day. During that meeting, the Board reviewed Avago's proposal and engaged in extensive discussions. Representatives of Jones Day participated in the February 17th meeting and provided a general description of the merger

agreement furnished by Latham & Watkins. Emulex's management updated the Board with respect to ongoing due diligence and related activities. In the February 17th meeting, Mr. Benck reported that Avago's CEO had requested a meeting with Mr. Benck on February 20, 2015, which the Board authorized Mr. Benck to attend if the key terms of a possible transaction were agreed to in principle by that time.

The Board held its regularly scheduled meeting on February 18, 2015 in connection with Emulex's annual meeting of shareholders. At the conclusion of the meeting, the Board discussed what action to take with respect to the $100,000 in value of restricted stock to be awarded after each annual meeting to each non-employee director under the Director Plan for Non-Employee Directors (the "Director Stock Plan"), half of which vested on grant and half of which vested six months thereafter. In light of the ongoing discussions with Avago and outreaches to Companies B and D, after consultation with Jones Day, each director signed a letter agreement with Emulex pursuant to which he or she agreed to waive any acceleration of such director's outstanding restricted stock awards that would otherwise occur upon the consummation of the Merger, notwithstanding the terms of any equity plan or any agreement or instrument related to such restricted stock awards, if the Effective Time occurs prior to the date on which such awards would otherwise vest in accordance with their terms (six months from the date of grant), and to forfeit the number of restricted Shares awarded on February 18, 2015 had $8.00 been used to calculate the number of restricted Shares awarded rather than

$6.39, the closing sales price for Shares on the date of the award.

The Board held a special meeting on February 21, 2015. Representatives of Goldman Sachs and Jones Day participated in the meeting. A representative of Jones Day reviewed the Board's fiduciary duties in the circumstances. The representative of Jones Day then reported that, since February 18, 2015, representatives of Latham & Watkins and Jones Day had continued to negotiate and exchange drafts of the transaction documentation on a substantially continuous basis. In addition, management reported that, throughout this period, Avago conducted additional due diligence and representatives of Emulex responded to questions. A representative of Jones Day then reviewed the material terms of the draft Merger Agreement, a summary of which, along with the draft Merger Agreement itself, had been provided to the Board prior to the meeting. The representative of Jones Day noted that the parties were still discussing whether certain foreign pre-merger and other regulatory clearances would be conditions to closing.

A representative of Jones Day then reviewed the proposed breakup fee of $19.5 million, representing approximately 3.2% of Emulex's total equity consideration in the transaction, or approximately $0.26 per fully diluted Share, which had been heavily negotiated during the course of the discussions. The representative of Jones Day also informed the Board that Avago was requiring that each Board member and Emulex's named executive officers sign the Tender and Support Agreement in which they agreed, subject to certain exceptions, to tender their Shares and not to solicit alternative transactions. The

representative of Jones Day then reviewed the material terms of the draft Tender and Support Agreement.

The representative of Jones Day then reviewed the provisions of the Merger Agreement and the possible transaction as to which directors and officers had interests that could be said to be in addition to, or different from, the interests of the Shareholders generally, including the provisions for treatment of equity awards and employee-related provisions, and the indemnification and insurance provisions of the draft Merger Agreement. The representative of Jones Day reviewed in detail the "no-shop" covenants, as well as the terms of the draft Merger Agreement that would permit Emulex to engage in discussions with, and provide information to, potential third-party bidders, the covenants relating to the Board's recommendation and ability to change the recommendation for an alternative transaction or intervening event, Avago's obligation to extend the Offer in certain circumstances, the closing conditions and the proposed end date by which the Merger Agreement could be terminated if the Offer was not completed, which the representative of Jones Day recommended be eight months from signing. Finally, the representative of Jones Day noted that non-tendering Shareholders would have the right to exercise appraisal rights if the Merger was completed, and that Avago's closing obligations were not conditioned on the absence of the assertion of appraisal rights at any level. Another representative of Jones Day then reviewed the pre-merger notification and clearance requirements under the HSR Act applicable to a transaction involving Avago, noting that the parties were still assessing whether

certain foreign antitrust clearances would be required.

Mr. Benck reported that, as previously discussed with the Board, on February 20, 2015, Mr. Benck had met with Avago's CEO. During the meeting, they discussed various due diligence topics, the future of Emulex's business and the industry generally and how the Emulex management team might fit within the Avago organization. They also discussed the possibility of Mr. Benck continuing as manager of the Emulex business unit within Avago if the parties reached agreement, but agreed to defer any further discussion of the matter and potential terms until such time, if it occurred, as the Merger Agreement was signed and the transaction announced.

Representatives of Goldman Sachs then reported on conversations with Company B and Company D. They reported that, while Company B had said that Emulex was not among the companies it was considering for a possible acquisition, it had initially agreed to reconsider the possibility, but had ultimately reaffirmed that Company B would not be able to consider the matter at the present time and therefore Company B would not participate in any process. Representatives of Goldman Sachs noted that Company D's only response to date had been that it was still considering the matter.

A representative of Goldman Sachs then led an extensive discussion of Goldman Sachs' analysis of the possible transaction from a financial point of view based on the indicated price of $8.00 in cash per Share. He noted that Goldman Sachs' preliminary analysis, based on the work undertaken to date, on the factors and assumptions described and on the forecasts of Emulex's management, indicated that the

$8.00 in cash per Share was in excess of the standalone value of Emulex indicated in Goldman Sachs' analysis. He also noted that $8.00 in cash per Share represented a 25% premium to the closing trading price on February 19, 2015 and a 34% premium to the 90-day trading average price on February 19, 2015. He reviewed the multiples that $8.00 in cash per Share implied and compared those to trading multiples for selected companies, reviewed Emulex's potential Share price based on certain multiples and management's forecasts and reviewed Goldman Sachs' preliminary discounted cash flow analysis.

The Board also considered, in addition to the legal and financial considerations, Emulex's prospects as an independent publicly traded company, the terms of the documentation that had been negotiated to date and the potential effects on Emulex if a transaction were announced but not completed. Weighing all these factors, the Board, after receiving the advice of management and Emulex's advisors, determined that Emulex should continue to seek to finalize the Merger Agreement, recognizing that Company D could present an indication of interest that would warrant consideration.

The Board held a special meeting on February 25, 2015. Representatives of Goldman Sachs and Jones Day participated in the meeting. A representative of Jones Day described the changes that had been negotiated in the transaction documents since the February 21st Board meeting. Representatives of Goldman Sachs informed the Board that a representative of Company D had informed Goldman Sachs that Company D had no interest in pursuing a possible strategic transaction with Emulex.

Representatives of Goldman Sachs then provided Goldman Sachs' analysis of the proposed transaction. At the conclusion of the presentation, a representative of Goldman Sachs presented Goldman Sachs' oral opinion to the Board that, as of February 25, 2015 and based upon and subject to the factors and assumptions set forth therein and reviewed at the February 25th meeting, the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Merger Agreement is fair from a financial point of view to such holders. Goldman Sachs' oral opinion was subsequently confirmed in writing and is attached as Annex A to this Statement. See "—Opinion of the Financial Advisor to the Emulex Board" below in this Item 4.

Following discussion, the Board, for the reasons more fully described in "—Reasons for the Recommendation" below in this Item 4, unanimously (1) determined that the Transaction, including the Offer and the Merger, are fair to, and in the best interests of, Emulex and its Shareholders, (2) approved and declared advisable the Merger Agreement and the Transaction, including the Offer and the Merger, and (3) recommended that the Shareholders accept the Offer, tender their Shares to Purchaser in the Offer and, to the extent applicable, approve and adopt the Merger Agreement and the Merger.

Thereafter on February 25, 2015, the parties executed the Merger Agreement and the Tender and Support Agreement and published a joint press release announcing the Transaction.

Reasons for the Recommendation

In approving the Merger Agreement and the transactions contemplated thereby and making its recommendation that Shareholders tender their Shares in the Offer, the Board considered a number of factors, including the following, which the Board believes support these determinations:

- *Emulex's Prospects as an Independent Company:* The Board concluded that the value that would be realized by Shareholders in the Offer and the Merger was greater than could reasonably be expected to be realized by Shareholders were Emulex to continue as an independent publicly traded company. In so doing, the Board considered Emulex's business, financial position, progress in executing on the three-part program to enhance shareholder value that Emulex publicly announced on November 11, 2013, results of operations and prospects, including management's forecasts of future results of operations, and weighed the possible opportunities and risks presented in respect of management's forecasts in connection with this analysis. The Board also considered, among other things, (1) the highly competitive nature of Emulex's business, (2) the rapidly changing nature of the business in which Emulex operates, (3) Emulex's size and the greater financial and other resources that certain of Emulex's competitors have, (4) Emulex's ability to compete for talent against larger or faster-growing technology companies, and (5) the potential impact of these factors on

Emulex's ability to execute its strategic plan and achieve its financial forecast.

- *Available Alternatives; Results of Discussions with Third Parties:* The Board considered possible alternatives to the acquisition by Avago, including the possibility of Emulex being acquired in whole or in part by another company or a private equity firm. In this regard, the Board also considered the results of the process that the Board had conducted, with the assistance of Emulex's management and Emulex's financial and legal advisors, to evaluate strategic alternatives in 2013 and 2014 and the results of the third-party outreach conducted in 2015, including discussions with third parties regarding possible business combination and change of control transactions as described above in "—Background of the Transaction" in this Item 4.
- *Premium to Market Price:* The Board considered that the Offer Price of $8.00 in cash per share represented:
  - a premium of 26.4% to the closing sales price on February 24, 2015, the last trading day prior to the execution of the Merger Agreement;
  - a premium of 24.0% based on the 30-day average of $6.45 per Share as of February 24, 2015;
  - a premium of 32.9% based on the 90-day average of $6.02 per Share as of February 24, 2015;

- a premium of 4.8% based on the 52-week high closing Share price of $7.63 per Share as of February 24, 2015;
- a premium of 79.4% based on the 52-week low closing Share price of $4.46 per Share as of February 24, 2015; and
- a premium of 33.3% based on the Institutional Brokers' Estimate System ("IBES") median price target of $6.00 per Share on February 24, 2015.

- *Financial Analyses and Goldman Sachs Fairness Opinion:* The Board considered the various financial analyses presented by Goldman Sachs, as well as the oral opinion of Goldman Sachs (which was subsequently confirmed in writing) to the effect that, as of February 25, 2015 and based upon and subject to the factors and assumptions set forth therein, the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Merger Agreement was fair from a financial view to such holders (see "—Opinion of the Financial Advisor to the Emulex Board" below in this Item 4). The full text of Goldman Sachs' written opinion, dated February 25, 2015, is attached as Annex A to this Statement.
- *Cash Consideration; Certainty of Value:* The Board considered the form of consideration to be paid to the Shareholders in the Offer and the Merger and the certainty of the value of cash consideration compared to stock or other forms of consideration, as well as the fact that Avago's proposal was not subject to a financing

contingency. The Board considered the size and business reputation of Avago and its management, other acquisitions Avago had completed and Avago's substantial financial resources, which the Board believed supported the conclusion that a transaction with Avago could be reasonably expected to be completed.

- *Termination Right to Accept Superior Proposals:* The Board considered the fact that the Merger Agreement provides that, at any time prior to the Acceptance Time (as defined in the Merger Agreement), if the Board receives a Competing Proposal (as defined in the Merger Agreement) from a party that in the good faith determination of the Board, after consultation with its independent financial advisor and legal advisors, constitutes or would reasonably be expected to lead to a Superior Proposal (as defined in the Merger Agreement) and the Board determines in good faith, after consultation with its legal advisors, that failure to take such action would be reasonably likely to result in a breach of the directors' fiduciary duties under applicable law, the Board may terminate the Merger Agreement to concurrently enter into an agreement with respect to that Superior Proposal upon payment of a $19.5 million termination fee.
- *Change in Recommendation:* The Board considered the fact that, on the terms and subject to the conditions set forth in the Merger Agreement, the Board may withdraw or modify its recommendation in response to a Superior Proposal or in response to a material

development or change in circumstances (not in connection with a Competing Proposal) that was not known to the Board as of the date of the Merger Agreement if, in each case, it determines in good faith, after consultation with its legal advisors, that failure to take such action would be reasonably likely to result in a breach of the directors' fiduciary duties under applicable law.

- *Termination Fee:* The Board considered the fact that the Merger Agreement requires Emulex to pay a termination fee of $19.5 million (equal to approximately 3.2% of the aggregate equity value of the Transaction) if Emulex were to terminate the Merger Agreement to enter into an agreement with respect to a Superior Proposal. The Board was informed by counsel that the amount and structure of the termination fee was heavily negotiated with representatives of Avago and equated to approximately $0.26 per fully diluted Share. Based in part thereon, the Board determined that the termination fee amount would not likely preclude a third party from making a Superior Proposal if it desired to do so.
- *Closing Conditions:* The Board considered and assessed the closing conditions, including that the Offer was conditioned on the expiration or termination of the waiting period under the HSR Act, the absence of certain litigation initiated by governmental authorities, the continuing accuracy of Emulex's representations and warranties in the Merger Agreement (unless the inaccuracies,

individually or in the aggregate, would not have a Material Adverse Effect (as defined in the Merger Agreement)), compliance in all material respects with Emulex's covenants in the Merger Agreement and other conditions, including the Minimum Condition (as defined in the Merger Agreement), and concluded that there was a substantial probability that these conditions would be satisfied.

- *Extension of the Offer Period:* The Board considered the fact that the Merger Agreement provides that, until October 23, 2015, subject to certain limitations set forth in the Merger Agreement, Purchaser would be required to extend the Offer beyond the initial expiration of the Offer if certain conditions to the consummation of the Offer were not satisfied as of the initial expiration of the Offer or, if applicable, certain subsequent expirations, which would increase the likelihood that the Offer could be consummated.
- *Availability of Appraisal Rights:* The Board was informed that statutory appraisal rights under the DGCL would be available in connection with the Merger to Shareholders who do not tender their Shares in the Offer and who otherwise comply with the statutory requirements of the DGCL.

The Board also considered a number of risks and other countervailing considerations concerning the Merger Agreement, the Offer and the Transaction, including the following:

- *No Shareholder Participation in Potential Future Growth:* The Board considered the fact

that, following the Merger, Shareholders would have no continuing equity interest in Emulex's business and, as such, would not have the opportunity to participate in its potential future growth or profits following the Merger. In this regard, the Board took into account management's expectations for the current fiscal year, the forecast summarized in "Additional Information to be Furnished—Projected Financial Information" in Item 8 below, plans for seeking to improve Emulex's business and the opportunities and challenges facing Emulex.

- *Restrictions on Soliciting Competing Proposals; Break-up Fee:* The Board considered the fact that the Merger Agreement contains restrictions on Emulex soliciting competing acquisition proposals and requires the payment of a $19.5 million termination fee were Emulex to terminate the Merger Agreement to enter into an agreement with respect to a Superior Proposal, which would make it more costly for any other potential purchaser to acquire Emulex.
- *Representations, Warranties and Covenants in the Merger Agreement:* The Board considered the representations, warranties and covenants in the Merger Agreement, as well as the fact that Purchaser's obligation to purchase Shares tendered in the Offer would be subject to various conditions, including the accuracy of such representations and warranties (unless the inaccuracies individually or in the aggregate, would not have a Material Adverse

Effect (as defined in the Merger Agreement)) and Emulex's compliance in all material respects with such covenants.

- *Failure to Close:* The Board considered the risk that the Offer and Merger might not be completed and the effect of the resulting public announcement of termination of the Merger Agreement on:
  - The market price of the Shares, which could be affected by many factors, including (1) the reason for which the Merger Agreement was terminated and whether such termination results from factors adversely affecting Emulex, (2) the possibility of the marketplace would consider Emulex to be an unattractive acquisition candidate, and (3) the possible sale of Shares by short-term investors following an announcement of termination of the Merger Agreement;
  - Emulex's operating results, including in light of the costs incurred in connection with the Transaction;
  - Emulex's ability to attract and retain key personnel; and
  - Emulex's relationships with customers, suppliers, vendors, purchasing agents and other business partners.
- *Potential Negative Effects on Emulex:* The Board considered the fact that the announcement of the Offer and the Merger, and the demands on the time and energies of Emulex's management and employees in connection with the Offer and the Merger may

also disrupt Emulex's businesses, adversely affect customer relationships, impair Emulex's ability to attract or retain key personnel and distract Emulex personnel from focusing on Emulex's business.

- *Pre-Closing Covenants:* The Board considered that Emulex would be required to agree, subject to specified exceptions, that Emulex must obtain Avago's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) for a number of actions that, if not taken, could limit the ability of Emulex to pursue or undertake business opportunities that could arise prior to the consummation of the Offer and the Merger.
- *Tax Effect:* The Board considered the fact that the cash to be received by the Shareholders in the Offer and the Merger would be taxable to the Shareholders.
- *Interests of Directors and Executive Officers:* The Board considered that Emulex's directors and executive officers may have interests in the Offer and the Merger or other transactions contemplated by the Merger Agreement that are different from, or in addition to, those of the Shareholders. See "—Arrangements with Current Executive Officers and Directors of Emulex" in Item 3 above.

The factors listed above as supporting the Board's decisions were determined by the Board to outweigh the countervailing considerations and risks. The foregoing discussion of the Board's reasons for its recommendation that the Shareholders accept the Offer is not meant to be exhaustive, but addresses the

material factors considered by the Board in connection with its recommendation. In view of the wide variety of factors considered by the Board in connection with its evaluation of the Offer and the complexity of these matters, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. Rather, the Board made its determination and recommendation based on the totality of the information presented to it, and the judgments of individual members of the Board may have been influenced to a greater or lesser degree by different factors.

Opinion of the Financial Advisor to the Emulex Board

Goldman Sachs delivered its opinion to the Board that, as of February 25, 2015 and based upon and subject to the limitations and assumptions set forth therein, the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Merger Agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated February 25, 2015, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex A to this Statement. Goldman Sachs provided its opinion for the information and assistance of the Board in connection with its consideration of the transactions contemplated by the Merger Agreement and such opinion does not

constitute a recommendation as whether or not to tender Shares in the Offer or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the Merger Agreement;
- annual reports to Shareholders and Annual Reports on Form 10-K of Emulex for the five fiscal years ended June 29, 2014;
- certain interim Quarterly Reports on Form 10-Q of Emulex;
- certain other communications from Emulex to Shareholders;
- certain publicly available research analyst reports for Emulex;
- certain internal financial analyses and forecasts for Emulex prepared by its management and approved for Goldman Sachs' use by Emulex (which we refer to as the "**Forecasts**").

Goldman Sachs also held discussions with members of the senior management of Emulex regarding their assessment of the past and current business operations, financial condition and future prospects of Emulex. In addition, Goldman Sachs reviewed the reported price and trading activity for the Shares; compared certain financial and stock market information for Emulex with similar information for certain other companies, the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the semiconductor industry and in

other industries; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs, with Emulex's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Emulex's consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Emulex. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Emulex or any of its subsidiaries, and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Emulex or on the expected benefits of the Transaction in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also assumed that the Transaction will be consummated on the terms set forth in the Merger Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' opinion did not address the underlying business decision of Emulex to engage in the Transaction, or the relative merits of the

Transaction as compared to any strategic alternatives that may be available to Emulex, nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to the holders (other than Avago and its affiliates) of Shares, as of the date of the opinion, of the $8.00 in cash per Share to be paid to such holders pursuant to the Merger Agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the Merger Agreement or the Transaction or any term or aspect of any other agreement or instrument contemplated by the Merger Agreement or entered into or amended in connection with the Transaction, including, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of Emulex, nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Emulex, or class of such persons, in connection with the Transaction, whether relative to the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Merger Agreement or otherwise. Goldman Sachs did not express any opinion as to the impact of the Transaction on the solvency or viability of Emulex or Avago or the ability of Emulex or Avago to pay their respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the opinion and Goldman Sachs assumes no responsibility for updating,

revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Board in connection with its consideration of the Transaction, and such opinion does not constitute a recommendation as to whether or not any holder of Shares should tender such Shares in connection with the Offer or how any holder of Shares should vote with respect to the Transaction or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before February 24, 2015, the last trading day before Goldman Sachs delivered its financial analysis to the Board, and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis

Goldman Sachs analyzed the consideration to be paid to holders of Shares pursuant to the Merger Agreement in relation to the then-current Share price, the 30-day average Share price, the 90-day average Share price, the 52-week low closing Share price, the 52-week high closing Share price and the IBES median price target, in each case as of February 24, 2015 (the last trading day before Goldman Sachs delivered its financial analysis to the Board), in each case as a premium to the Share price.

This analysis indicated that the $8.00 in cash per Share to be paid to Emulex stockholders pursuant to the Merger Agreement represented:

- a premium of 26.4% based on the closing market price of $6.33 per Share on February 24, 2015;
- a premium of 24.0% based on the 30-day average of $6.45 per Share as of February 24, 2015;
- a premium of 32.9% based on the 90-day average of $6.02 per Share as of February 24, 2015;
- a premium of 4.8% based on the 52-week high closing Share price of $7.63 per Share as of February 24, 2015;
- a premium of 79.4% based on the 52-week low closing Share price of $4.46 per Share as of February 24, 2015; and
- a premium of 33.3% based on the IBES median price target of $6.00 per Share on February 24, 2015.

Selected Companies Analysis

Goldman Sachs reviewed and compared certain financial information, ratios and public market multiples for Emulex to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the networking and storage sector of the semiconductor industry (which we refer to collectively as the "**Selected Companies**"):

- Avago Technologies ("**AVGO**")
- Brocade Communications Systems ("**BRCD**")
- Marvell Technology Group ("**MRVL**")
- Mellanox Technologies ("**MLNX**")
- PMC-Sierra ("**PMCS**")
- QLogic Corporation ("**QLogic**" or "**QLGC**")

Although none of the Selected Companies is directly comparable to Emulex, the companies included were chosen because they are publicly traded companies with operations that, for purposes of analysis, may be considered similar to certain operations of Emulex.

The multiples and ratios of the Selected Companies were based on the closing prices of their respective common shares on February 24, 2015, information obtained from SEC filings, CapitalIQ and other market research, and estimates from IBES. The multiples and ratios for Emulex were based on the Forecasts, the closing price of the Shares on February 24, 2015, information obtained from SEC filings, CapitalIQ and other market research, and estimates from IBES.

With respect to each of the Selected Companies and Emulex, Goldman Sachs calculated, among other things:

- percentage revenue growth estimated for fiscal years 2015 to 2016 (calendarized to June to conform to fiscal period);
- percentage earnings per share ("**EPS**") growth estimated for fiscal years 2015 to 2016 (calendarized to June to conform to fiscal period);
- percentage earnings before interest and tax ("**EBIT**") margin estimated for fiscal year 2015 (calendarized to June to conform to fiscal period);
- price as a multiple of estimated fiscal year 2015 EPS ("**P/E**") (calendarized to June to conform to fiscal period);
- cash-adjusted price as a multiple of estimated fiscal year 2015 cash-adjusted EPS ("**Cash-Adjusted P/E**") (calendarized to June to conform to fiscal period), with cash-adjusted price calculated by subtracting excess cash per share from unadjusted price per share and cash-adjusted EPS calculated by subtracting tax-adjusted interest income earned on excess cash per share from unadjusted EPS. Excess cash is defined as the cash in excess of existing debt, and all calculations assume a 0.5% interest income on excess cash and a 10% tax rate for Emulex and 35% tax rate for the Selected Companies; and

- enterprise value ("**EV**") as a multiple of fiscal year 2015 EBIT (calendarized to June to conform to fiscal period).

The results of these analyses are summarized as follows:

	Emulex (Management)	Emulex (Market Analysts)	Selected Companies Range		
			High	Low	Median
FY'15 – '16 Revenue Growth	(5.0%)	(0.7%)	18.6%	0.5%	6.5%
FY'15 – '16 EPS Growth	(14.0%)	(12.5%)	31.6%	(4.2)%	11.6%
FY'15 EBIT Margin	13.2%	13.1%	38.2%	15.3%	18.5%
FY'15 P/E	9.6x	9.9x	27.9x	13.3x	15.9x
FY'15 Cash-Adj. P/E	9.6x	9.9x	23.6x	10.5x	15.2x
FY'15 EV/EBIT	8.5x	8.7x	22.2x	9.5x	13.9x

Illustrative Present Value of Future Share Price Analysis

Goldman Sachs performed an illustrative analysis of the implied present value of the future price per Share, using the Forecasts for each of the fiscal years 2016 through 2018. This analysis is designed to provide an indication of the implied present value of a theoretical future value of a company's equity on a per share basis as a function of such company's estimated future earnings and its assumed future price/earnings multiples. Goldman Sachs first calculated the implied values per Share as of the end of the fiscal years 2015 through 2017, by applying illustrative price to one-year forward EPS multiples of 9.0x to 12.0x to EPS estimates for each of the fiscal years 2016 through 2018, and then discounting these theoretical future values of Emulex's equity on a per Share basis to present values to December 28, 2014, using an illustrative discount rate of 13.9% reflecting estimates of Emulex's cost of equity and taking into account a size premium adjustment of 2.7% (representing the empirically observed excess historical market returns compared to the return predicted by the Capital Asset Pricing Model (CAPM) for companies of Emulex's size). This analysis resulted in a range of illustrative implied present values of $4.65 to $6.89 per Share.

Goldman Sachs then applied a cash-adjusted price/earnings multiples methodology to conduct a similar analysis. Goldman Sachs calculated the implied values per Share as of the end of the fiscal years 2015 through 2017, by applying illustrative price to one-year forward cash-adjusted EPS multiples of 8.0x to 11.0x to cash-adjusted EPS

estimates for each of the fiscal years 2016 through 2018 and adding the applicable excess cash per Share estimates from the Forecasts, and then discounting these theoretical future values of Emulex's equity on a per Share basis to present values to December 28, 2014 (as discussed above). Cash-adjusted EPS and excess cash calculations are as described in the section entitled "Selected Companies Analysis." This analysis resulted in a range of illustrative implied present values of $4.55 to $6.76 per Share.

Illustrative Discounted Cash Flow Analysis

Goldman Sachs performed an illustrative discounted cash flow analysis on Emulex using the Forecasts to determine a range of illustrative present values per Share. Goldman Sachs calculated indications of present value of unlevered free cash flow values for Emulex for the second half of fiscal year ending 2015 through fiscal year 2019 using illustrative discount rates ranging from 11.0% to 13.0%, reflecting estimates of Emulex's weighted average cost of capital. Goldman Sachs calculated the present value of unlevered free cash flows for Emulex in the terminal year using illustrative perpetuity growth rates ranging from 2.0% to 4.0% and illustrative discount rates ranging from 11.0% to 13.0%. Goldman Sachs then added the present value of the illustrative terminal value with the present values of the unlevered free cash flows for each of the second half of fiscal year ending 2015 through fiscal year 2019 and subtracted the assumed amount of Emulex's net debt as of December 28, 2014 (based on public filings) to calculate a range of illustrative equity values for Emulex. Goldman Sachs then divided this range of illustrative equity values by the

number of Emulex's fully diluted shares of Common Stock (calculated based on public filings and guidance of Emulex's management with respect to future equity issuances) to derive a range of illustrative present values per Share of $4.89 to $7.30.

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company used in the above analyses is directly comparable to Emulex or the Transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to the Board as to the fairness from a financial point of view to the holders (other than Avago and its affiliates) of Shares of the $8.00 in cash per Share to be paid to such holders pursuant to the Merger Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable

than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Emulex, Avago, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The $8.00 in cash per Share to be paid pursuant to the Merger Agreement was determined through arm's-length negotiations between Emulex and Avago and was approved by the Board. Goldman Sachs provided advice to Emulex during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Emulex or the Board or that any specific amount of consideration constituted the only appropriate consideration for the Transaction.

As described above, Goldman Sachs' opinion to the Board was one of many factors taken into consideration by Board in making its determination to approve the Merger Agreement and recommend that Emulex's Shareholders tender their Shares in the Offer. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with its opinion and is qualified in its entirety by reference to the full text of the written opinion of Goldman Sachs included as Annex A to this Statement.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage

or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Emulex, Avago, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the Transaction. Goldman Sachs acted as financial advisor to Emulex in connection with, and participated in certain of the negotiations leading to, the Transaction. Goldman Sachs has provided certain financial advisory and/or underwriting services to Emulex and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive compensation, including having acted as sole bookrunning manager with respect to an offering of the Notes in November 2013. During the two year period ended February 25, 2015, the Investment Banking Division of Goldman Sachs has received compensation for financial advisory and underwriting services provided to Emulex and/or its affiliates of approximately $4.5 million. Goldman Sachs may also in the future provide financial advising and/or underwriting services to Emulex, Avago and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

The Board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the Transaction. Pursuant to a letter agreement dated January 29, 2015, Emulex engaged Goldman Sachs to act as its financial advisor in connection with a possible merger

or business combination involving Emulex or a sale of all or a portion of Emulex. The engagement letter between Emulex and Goldman Sachs provides for a transaction fee that is estimated, based on the information available as of the date of announcement of the Merger Agreement, at approximately $11.0 million, 75% of which is contingent upon consummation of the Transaction. In addition, Emulex has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Intent to Tender

Simultaneously with the execution of the Merger Agreement, certain of Emulex's directors and executive officers executed the Tender and Support Agreement pursuant to which they have, among other matters, agreed to (1) tender the Shares owned by them in the Offer and (2) support the Merger and the Transaction, each on the terms and subject to the conditions set forth in the Tender and Support Agreement attached as Exhibit (e)(2) to this Statement. For a discussion regarding the decision of the Board with respect to the Merger Agreement and the Transaction, including the Offer and the Merger, see "—Reasons for the Recommendation" in this Item 4 above.

Item 5. Persons/Assets, Retained, Employed, Compensated or Used

See "—Opinion of the Financial Advisor to the Emulex Board" in Item 4 above for a description of Emulex's engagement of Goldman Sachs, which is incorporated by reference herein.

Except as set forth above, neither Emulex nor any person acting on its behalf has or currently intends to employ, retain or compensate any person to make solicitations or recommendations to the Shareholders on its behalf in connection with the Offer.

Item 6. Interest in Securities of the Subject Company

No transactions in Shares have been effected during the past 60 days by Emulex or, to the knowledge of Emulex, any current executive officer, director, affiliate or subsidiary of Emulex, or the trustee of the Emulex ESPP, except that Mr. Benck sold 12,000 Shares at a price per Share of $6.3453 on February 4, 2015 pursuant to a Rule 10b5-1 trading plan that Mr. Benck established in November 2014.

Item 7. Purposes of the Transaction and Plans or Proposals

Except as indicated in this Statement or the Exhibits hereto, no negotiations are currently being undertaken or are currently underway by Emulex in response to the Offer that relate to, or would result in, (1) a tender offer or other acquisition of Emulex's securities by Emulex, any subsidiary of Emulex or any other person, (2) any extraordinary transaction, such as a merger, reorganization or liquidation, involving Emulex or any subsidiary of Emulex, (3) any purchase, sale or transfer of a material amount of assets by Emulex or any subsidiary of Emulex, or (4) any material change in the present dividend rate or policy, or indebtedness or capitalization of Emulex.

Except as indicated in this Statement or the Exhibits hereto, there currently are no transactions, resolutions of the Board, agreements in principle or

signed contracts in response to the Offer that relate to or would result in one or more of the matters referred to in this Item 7.

Item 8. Additional Information

Golden Parachute Compensation

The information required by Item 402(t) of SEC Regulation S-K regarding the compensation for each of the named executive officers of Emulex that is either based on or otherwise relates to the Offer and the Merger is described below. This compensation is referred to as "golden parachute compensation" by the applicable SEC executive compensation disclosure rules. If the Offer and the Merger are completed in accordance with the terms of the Merger Agreement, the consummation of the Offer and the Merger will constitute a "change in control" under the terms of the Key Employee Retention Agreement and the CIC Plan (as described above under Item 3) and each named executive officer will or may become entitled to receive certain payments and benefits. The amounts shown reflect only the additional payments or benefits that the individual would have received upon the occurrence of the triggering event listed below; they do not include the value of payments or benefits that would have been earned, or any amounts associated with equity awards that would vest pursuant to their terms on or prior to the closing of the Offer and the Merger, absent the triggering event.

The table below assumes that the closing of the Offer and the Merger occurred on April 3, 2015, the last practicable date prior to the filing of this Statement, and the employment of each named executive officer of Emulex ceases as a result of termination by Emulex without cause or termination

by the applicable named executive officer for good reason on that date. The amounts set forth in the table are estimates based on multiple assumptions that may or may not actually occur, including the assumptions described in this Statement. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may be received by a named executive officer may differ in material respects from the amounts set forth. In addition, the amounts set forth in the table do not take into account any reduction in payment of benefits that may be imposed with respect to any so-called "golden parachute payments" under Section 280G of the Code. None of the named executive officers are entitled to a "gross-up" payment with respect to any such "golden parachute payment."

Name	Cash ($)[1][5]	Equity ($)[1][6]	Perquisites /Benefits ($)[1][7]	Total ($)[1][8]
Jeffrey W. Benck	2,310,000	4,013,283	51,661	6,374,944
Kyle B. Wescoat	560,000	1,127,250	39,072	1,726,322
Perry M. Mulligan	480,000	1,033,286	27,776	1,541,062
Jeffery L. Hoogenboom	579,219	1,366,505	39,072	1,984,796
Margaret A. Evashenk[2]	—	—	—	—
James M. McCluney[3]	—	—	—	—
Michael J. Rockenbach[4]	—	—	—	—

(1) No amounts are payable solely as a result of the Merger, and these amounts would be payable only if a "double-trigger" occurred (which would require a termination of the applicable individual's employment) within 24 months following the consummation of the Merger.

(2) Ms. Evashenk's employment with Emulex terminated on December 31, 2014.

(3) Mr. McCluney's employment with Emulex terminated on February 6, 2014.

(4) Mr. Rockenbach's employment with Emulex terminated on January 3, 2014.

(5) The amounts in this column represent the cash severance payments to which the executive officers would be entitled under the Key Employee Retention Agreement or the CIC Plan, as applicable, including a lump sum cash severance payment equal to 12 months of base pay (24 months for Mr. Benck), inclusive of their target incentive payment level with respect to the fiscal year prior to their termination date, in the event of a termination of his employment by Emulex without cause, or by him for good reason (each as defined in the Key Employee Retention Agreement or CIC Plan, as applicable) during the period beginning on the date of the Merger Agreement and ending 24 months after the effective date of a change in control of Emulex (the "**Change of Control Period**"). The following table breaks down the amounts in this column by type of payment.

	Base Salary ($)	Target Incentive Payment Level ($)	Total ($)
Jeffrey W. Benck	1,100,000	1,210,000	2,310,000
Kyle B. Wescoat	350,000	210,000	560,000
Perry M. Mulligan	320,000	160,000	480,000
Jeffery L. Hoogenboom	340,717	238,502	579,219
Margaret A. Evashenk	—	—	—
James M. McCluney	—	—	—
Michael J. Rockenbach	—	—	—

(6) The amounts in this column represent the value of the unvested Emulex Options, Emulex RSU Awards and Emulex Stock Awards under the Company Stock Plans the vesting of which would accelerate on a "double-trigger" basis in the event of a termination of his employment by the Emulex without cause, or by him for good reason (each as defined in the Key Employee Retention Agreement or CIC Plan, as applicable) during the Change of Control Period. For purposes of the table above, amounts are calculated based on the number of awards held by each named executive officer as of

April 3, 2015 and the per share equity award consideration is assumed to be the Offer Price. The following table breaks down the amounts in this column by type of equity award.

	Emulex Options ($)	Shares Subject to Emulex RSU Awards ($)	Emulex Stock Awards ($)	Total ($)
Jeffrey W. Benck	$560,107	$940,752	$2,512,424	$4,013,283
Kyle B. Wescoat	$140,674	$690,176	$ 296,400	$1,127,250
Perry M. Mulligan	$127,014	$629,472	$ 276,800	$1,033,286
Jeffery L. Hoogenboom	$172,545	$688,360	$ 505,600	$1,366,505
Margaret A. Evashenk	—	—	—	
James M. McCluney	—	—	—	
Michael J. Rockenbach	—	—	—	

The value of the unvested and accelerated Emulex Options is the difference between the value of the Offer Price and the exercise price of the Emulex Option, multiplied by the number of unvested shares as of April 3, 2015 consistent with the methodology applied under SEC Regulation M-A Item 1011(b) and Regulation S-K Item 402(t)(2). The amounts in this column for the unvested and accelerated Emulex Options (i) disregard Emulex Options that have an exercise price greater than the Offer Price per share, (ii) do not represent either the value of the Assumed Options for accounting purposes nor the amount, if any, that will actually be realized by the individual upon future exercise or other disposition of the Assumed Options, and (iii) do not reflect any taxes payable by the option holders. See the discussions relating to the treatment of stock options and the treatment of restricted stock units in the section entitled See Item 3, "—Past Contacts, Transactions, Negotiations and Agreements—Agreements with Current Executive Officers and Directors of Emulex" for further information relating to the amounts by type of award.

(7) The amounts in this column represent the value of 12 months of COBRA coverage (health, dental and vision benefits) for each executive officer and his spouse and dependents (24 months for Mr. Benck), as well as reimbursement of up to $15,000 for outplacement services utilized within the first 12 months following termination of employment, that each executive officer would be entitled to in the event of a termination of his employment by the Emulex without cause, or by him for good reason

(each as defined in the Key Employee Retention Agreement or CIC Plan, as applicable) during the Change of Control Period.

(8) The amounts in this column include the aggregate dollar value of the sum of all amounts reported in the preceding columns.

None of the executive officers is entitled to a tax gross-up payment to reimburse the executive for the effect of any federal excise tax levied on "excess parachute payments" within the meaning of Section 280G of the Code. In addition, under the Key Employee Retention Agreement and the CIC Plan, any payments and benefits to the executive officers that constitute "parachute payments" under Sections 280G and 4999 of the Code may be subject to reduction to the maximum amount that would not trigger any excise taxes if such reduction would result in a greater net-after-tax amount to such executive officers. For purposes of the tables above, Emulex assumed that no such reduction would be made to the payments to the executive officers.

Other Material Information

Antitrust Compliance

Under the HSR Act, the acquisition of Shares pursuant to the Offer may be completed following the expiration of a 15-day waiting period following the filing by Avago of its Premerger Notification and Report Form with respect to the Offer, unless Avago receives a request for additional information and documentary material from the Antitrust Division of the Department of Justice (the "**Antitrust Division**") or the Federal Trade Commission (the "**FTC**") or unless early termination of the waiting period is granted. If, within the 15-day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material concerning the Offer, the waiting period will be extended through the 10th day after the date of substantial compliance by Avago. Complying with a request for additional information and documentary material may take a

significant amount of time. At any time before or after Purchaser's acquisition of Shares pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws of the United States as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking divestiture of the Shares so acquired or divestiture of substantial assets of Avago or Emulex or their respective subsidiaries. State attorneys general may also bring legal action under both state and federal antitrust laws, as applicable. Private parties (including individual States of the United States) may also bring legal actions under the antitrust laws of the United States under certain circumstances. Emulex does not believe that the consummation of the Offer will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made, or if such a challenge is made, what the result would be.

On March 11, 2015, Avago's Parent and Emulex filed a Premerger Notification and Report Form ("**HSR Notice**") with the FTC and the Antitrust Division for review in connection with the Offer. Avago's Parent voluntarily withdrew its HSR Notice, effective as of March 26, 2015. Avago's Parent re-filed its HSR Notice on March 30, 2015 in order to provide the FTC and the Antitrust Division with additional time to review the Transaction. Based on the March 30th filing, the waiting period applicable to the purchase of Shares pursuant to the Offer will expire at 11:59 p.m. (New York time) on April 14, 2015, unless Avago's Parent withdraws and again re-files its HSR Notice or the waiting period is terminated or

extended by a request for additional information and documentary material from the FTC or the Antitrust Division prior to that time.

Appraisal Rights

Holders of Shares will not have appraisal rights in connection with the Offer. However, if the Merger is consummated (and regardless of whether the Merger is effected pursuant to Section 253 or Section 251(h) of the DGCL), Section 262 of the DGCL provides that any holder of Shares outstanding as of immediately prior to the Effective Time who has not tendered such Shares in the Offer and does not wish to accept the Offer Price for each Share pursuant to the Merger (a "**Remaining Shareholder**") and who has followed the procedures set forth in Section 262 of the DGCL will be entitled to demand appraisal of such Shares (all such Shares, collectively, the "**Dissenting Shares**") in accordance and subject to full compliance with applicable procedures under the DGCL.

In addition, if, after the consummation of the Offer, Purchaser and any other subsidiary of Avago hold at least 90% of the issued and outstanding Shares (the "**Short-Form Threshold**"), Purchaser intends to effect a merger under the short-form merger provisions of Section 253 of the DGCL without a meeting of the Shareholders. If Purchaser consummates the Offer but does not reach the Short-Form Threshold, then as promptly as practicable following the consummation of the Offer, Purchaser and Emulex have agreed to take all necessary and appropriate actions to cause the Merger to become effective as promptly as practicable following the consummation of the Offer, without a meeting of Shareholders, in accordance with Section 251(h) of

the DGCL. If the Merger is consummated, Shareholders who did not tender their Shares into the Offer will receive the Offer Price, without interest, subject to any withholding of taxes required by applicable law, except as provided in the Merger Agreement with respect to (1) Shares owned by Emulex or Avago or its subsidiaries or (2) Shares that are held by any Shareholder who is entitled to demand and properly has demanded appraisal for such Shares in accordance with Section 262 of the DGCL (as described below). Therefore, if the Merger takes place and a Shareholder does not demand appraisal of his, her or its Shares, the only difference to the Shareholder between tendering his, her or its Shares into the Offer and not tendering his, her or its Shares into the Offer would be that, if the Shareholder tenders his, her or its Shares, the Shareholder may be paid earlier.

The following discussion is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of Section 262 of the DGCL, which is attached to this Statement as Annex B. All references in Section 262 of the DGCL to a "stockholder" and in this summary to "a Shareholder" are to the record holder of Shares immediately prior to the Effective Time as to which appraisal rights are asserted. A person having a beneficial interest in Shares held of record in the name of another person, such as a broker or nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights.

Under the DGCL, if the Merger is completed, holders of Shares immediately prior to the Effective Time who (1) did not tender their Shares in the Offer, (2) follow the procedures set forth in Section 262 of the DGCL, and (3) do not thereafter withdraw their demand for appraisal of such shares or otherwise lose their appraisal rights, in each case in accordance with the DGCL, will be entitled to have their Shares appraised by the Delaware Court of Chancery and to receive payment of the "fair value" of such shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be fair value, as determined by such court. The "fair value" could be greater than, less than or the same as the Offer Price or the consideration payable in the Merger (which is equivalent in amount to the Offer Price).

This Statement constitutes the formal notice of appraisal rights under Section 262 of the DGCL. Under the DGCL, no additional notice is required to be provided to Shareholders prior to the Effective Time and Emulex, Avago and Purchaser do not intend to provide, prior to the Effective Time, any additional notice describing appraisal rights. Any Shareholder who wishes to exercise such appraisal rights or who wishes to preserve his, her or its right to do so, should review the following discussion and Section 262 of the DGCL carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL. Within ten calendar days following the Effective Time, Emulex will provide notice of the effective date of the Merger to each Shareholder who is entitled to appraisal rights and who has demanded

appraisal of such holder's Shares in accordance with Section 262 of the DGCL within the later of the consummation of the Offer and April 27, 2015.

Any Shareholder wishing to exercise appraisal rights is urged to consult legal counsel before attempting to exercise such rights.

If a Shareholder elects to exercise appraisal rights under Section 262 of the DGCL, such Shareholder must do all of the following:

- within the later of the consummation of the Offer (which occurs when Purchaser has accepted for payment, and thereby purchases, the tendered Shares following the Expiration Date) and April 27, 2015, deliver to Emulex at the address indicated below a written demand for appraisal of Shares held, which demand must reasonably inform Emulex of the identity of the Shareholder, that the Shareholder is demanding appraisal;
- not tender their Shares in the Offer; and
- continuously hold of record the Shares from the date on which the written demand for appraisal is made through the Effective Time.

Written Demand by the Record Holder: All written demands for appraisal should be addressed to Emulex Corporation, 3333 Susan Street, Costa Mesa, California 92626, Attention: Corporate Secretary. The written demand for appraisal must be executed by or for the record holder of Shares, fully and correctly, as such holder's name appears on the certificate(s) for the Shares owned by such holder and must state that such holder intends thereby to demand appraisal of such holder's Shares. If the Shares are owned of record in a fiduciary capacity,

such as by a trustee, guardian or custodian, execution of the demand must be made in that capacity, and if the Shares are owned of record by more than one person, such as in a joint tenancy or tenancy in common, the demand must be executed by or for all joint owners. An authorized agent, including one of two or more joint owners, may execute the demand for appraisal for a holder of record. However, the agent must identify the record owner(s) and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the record owner(s).

A beneficial owner of Shares held in "street name" who wishes to exercise appraisal rights should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of the Shares. If Shares are held through a broker, dealer, commercial bank, trust company or other nominee who in turn holds the Shares through a central securities depository nominee, such as Cede & Co., a demand for appraisal of such Shares must be made by or on behalf of the depository nominee, and must identify the depository nominee as the record holder. Any beneficial owner who wishes to exercise appraisal rights and holds Shares through a nominee holder is responsible for ensuring that the demand for appraisal is timely made by the record holder. The beneficial holder of the Shares should instruct the nominee holder that the demand for appraisal should be made by the record holder of the Shares, which may be a central securities depository nominee if the Shares have been so deposited.

A record holder, such as a broker, dealer, commercial bank, trust company or other nominee, who holds Shares as a nominee for several beneficial

owners may exercise appraisal rights with respect to the Shares held for one or more beneficial owners while not exercising such rights with respect to the Shares held for other beneficial owners. In such case, the written demand must set forth the number of Shares covered by the demand. Where the number of Shares is not expressly stated, the demand will be presumed to cover all Shares held in the name of the record owner.

Filing a Petition for Appraisal: Within 120 calendar days after the Effective Time, but not thereafter, the Surviving Corporation, or any holder of Shares who has complied with Section 262 of the DGCL and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the Shares held by all holders who did not tender in the Offer and demanded appraisal. Notwithstanding the foregoing, at any time within 60 calendar days after the Effective Time, any holder who has not commenced an appraisal proceeding may withdraw such holder's demand for appraisal and accept the Merger Consideration (as defined in the Offer to Purchase). Any such attempt to withdraw made more than 60 calendar days after the Effective Time will require the written approval of the Surviving Corporation. Once a petition for appraisal is filed, the appraisal proceeding may not be dismissed as to any holder absent court approval, except that the foregoing does not affect the right of any holder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such holder's demand for appraisal and to accept the Merger Consideration within 60 calendar days after

the Effective Time. If no such petition is filed within that 120-day period, appraisal rights will be lost for all Shareholders who had previously demanded appraisal of their Shares. Emulex is under no obligation to, and Purchaser and Avago have no present intention to cause it to, file a petition and holders should not assume that Emulex will file a petition or that it will initiate any negotiations with respect to the fair value of the Shares. Accordingly, it is the obligation of the holders of Shares to initiate all necessary action to perfect their appraisal rights in respect of the Shares within the period prescribed in Section 262 of the DGCL.

Within 120 calendar days after the Effective Time, any Shareholder who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the Surviving Corporation a statement setting forth the aggregate number of Shares not tendered into the Offer and with respect to which demands for appraisal have been received and the aggregate number of holders of such Shares. Such statement must be mailed within 10 calendar days after a written request therefor has been received by the Surviving Corporation or within 10 calendar days after the expiration of the period for delivery of demands for appraisal, whichever is later. Notwithstanding the foregoing requirement that a demand for appraisal must be made by or on behalf of the record owner of the Shares, a person who is the beneficial owner of Shares held either in a voting trust or by a nominee on behalf of such person, and as to which demand has been properly made and not effectively withdrawn, may, in such person's own name, file a petition for appraisal or request from the

Surviving Corporation the statement described in this paragraph.

Upon the filing of such petition by any such Shareholder, service of a copy thereof must be made upon the Surviving Corporation, which will then be obligated within 20 calendar days after such service to file with the Delaware Register in Chancery a duly verified list (the "**Verified List**") containing the names and addresses of all Shareholders who have demanded payment for their Shares and with whom agreements as to the value of their Shares has not been reached. Upon the filing of any such petition, the Delaware Court of Chancery may order that notice of the time and place fixed for the hearing on the petition be mailed to the Surviving Corporation and all of the Shareholders shown on the Verified List. Such notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication determined by the Delaware Court of Chancery. The costs of these notices are borne by the Surviving Corporation.

After notice to the Shareholders as required by the Delaware Court of Chancery, the Court of Chancery is empowered to conduct a hearing on the petition to determine those Shareholders who have complied with Section 262 of the DGCL and who have become entitled to appraisal rights thereunder. The Court of Chancery may require the Shareholders who demanded payment for their Shares to submit their stock certificates to the Delaware Register in Chancery for notation thereon of the pendency of the appraisal proceeding and, if any Shareholder fails to

comply with the direction, the Court of Chancery may dismiss the proceedings as to that Shareholder.

Determination of Fair Value: After the Delaware Court of Chancery determines which Shareholders are entitled to appraisal, the appraisal proceeding will be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding, the Court of Chancery will determine the fair value of the Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. Unless the Court of Chancery in its discretion determines otherwise for good cause shown, interest from the Effective Time through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the Effective Time and the date of payment of the judgment.

In determining fair value, the Delaware Court of Chancery will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered, and that "fair price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that, in making this determination of fair value, the Delaware Court of Chancery must consider market value, asset value,

dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion that does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Supreme Court of Delaware also stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Shareholders considering appraisal should be aware that the fair value of their Shares as so determined could be more than, the same as or less than the Offer Price or the consideration payable in the Merger (which is for each Share an amount in cash equal to the Offer Price, without interest, less any applicable withholding taxes). No representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and Shareholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the Offer Price or the consideration payable in the Merger (which is for each Share an amount in cash equal to the Offer Price, without interest, less any applicable withholding taxes). On behalf of the Surviving Corporation, Purchaser reserves the right to assert,

in any appraisal proceeding, that for purposes of Section 262 of the DGCL, the fair value of a Share is less than the Offer Price or the consideration payable in the Merger (which is for each Share an amount in cash equal to the Offer Price, without interest, less any applicable withholding taxes).

Upon application by the Surviving Corporation or by any holder of Shares entitled to participate in the appraisal proceeding, the Delaware Court of Chancery may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the Shareholders entitled to an appraisal. Any holder of Shares whose name appears on the Verified List and who, if required, has submitted such holder's certificates of stock to the Delaware Register in Chancery may participate fully in all proceedings until it is finally determined that such holder is not entitled to appraisal rights. The Court of Chancery will direct the payment of the fair value of the Shares, together with interest, if any, by the Surviving Corporation to the Shareholders entitled thereto. Payment will be so made to each such Shareholder upon the surrender to the Surviving Corporation of such Shareholder's certificates. The Court of Chancery's decree may be enforced as other decrees in such court may be enforced.

If a petition for appraisal is not timely filed, then the right to an appraisal will cease. The costs of the action (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and taxed upon the parties as the Court of Chancery deems equitable. Upon application of a Shareholder, the Court of Chancery may order all or a portion of the expenses incurred by a Shareholder in connection with an

appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, to be charged pro rata against the value of all the Shares entitled to appraisal. In the absence of such determination or assessment, each party bears its own expenses.

Any Shareholder who has duly demanded and perfected appraisal rights in compliance with Section 262 of the DGCL will not, after the Effective Time, be entitled to vote his or her Shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of Shares as of a date prior to the Effective Time.

If any Shareholder who demands appraisal of Shares under Section 262 of the DGCL fails to perfect, successfully withdraws or loses such holder's right to appraisal, such Shareholder's Shares will be deemed to have been converted as of the Effective Time into the right to receive the Merger Consideration, less any applicable withholding taxes. A Shareholder will fail to perfect, or lose, the Shareholder's right to appraisal if no petition for appraisal is filed within 120 calendar days after the Effective Time. In addition, as indicated above, a Shareholder may withdraw his, her or its demand for appraisal in accordance with Section 262 of the DGCL and accept the Merger Consideration.

If a Shareholder wishes to exercise his, her or its appraisal rights, the Shareholder must not tender his, her or its Shares in the Offer and must strictly comply with the procedures set forth in Section 262 of the DGCL. If the Shareholder fails to take any required step in connection with the exercise of appraisal

rights, it will result in the termination or waiver of such rights.

The foregoing summary of the rights of Shareholders to seek appraisal rights under the DGCL is not intended to be a complete statement of the procedures to be followed by the Shareholders desiring to exercise any appraisal rights available thereunder and is qualified in its entirety by reference to Section 262 of the DGCL. The proper exercise of appraisal rights requires strict adherence to the applicable provisions of the DGCL. A copy of Section 262 of the DGCL is included as Annex B to this Statement.

Shareholder Approval of the Merger Not Required

Neither Avago nor Purchaser is, nor at any time during the last three years has been, an "interested shareholder" of Emulex as defined in Section 203 of the DGCL. Because the Merger will be consummated in accordance with Section 253 or Section 251(h) of the DGCL, no Shareholder vote or consent will be necessary to effect the Merger.

Delaware Business Combinations Statute / Takeover Statutes

Emulex is incorporated under the laws of the State of Delaware. In general, Section 203 of the DGCL prevents an interested shareholder (including (1) a person who owns 15% or more of a corporation's outstanding voting stock or (2) a person who is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an

interested shareholder, and the affiliates and associates of such person) from engaging in a "business combination" (defined to include a merger and certain other actions) with a Delaware corporation whose stock is publicly traded or held of record by more than 2,000 shareholders for a period of three years following the date such person became an interested shareholder unless:

- the transaction in which the shareholder became an interested shareholder or the business combination was approved by the Board of the corporation before the other party to the business combination became an interested shareholder;
- upon completion of the transaction that made it an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the commencement of the transaction (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested shareholder) the voting stock owned by directors who are also officers or held in employee stock plans in which the employees do not have a confidential right to tender stock held by the plan in a tender or exchange offer); or
- the business combination was approved by the Board of the corporation and ratified by 66 2/3% of the outstanding voting stock which the interested shareholder did not own.

In accordance with the provisions of Section 203, at the meeting held on February 25, 2015, the Board approved the Merger Agreement and the Transaction,

as described in "—Background of the Transaction" in Item 4 above, and therefore, the restrictions of Section 203 are inapplicable to the Merger and the Transaction.

A number of states have adopted laws that purport, to varying degrees, to apply to attempts to acquire corporations that are incorporated in, or which have substantial assets, shareholders, principal executive offices or principal places of business or whose business operations otherwise have substantial economic effects in, such states. Emulex, directly or through subsidiaries, conducts business in other states, some of which may have enacted such laws. In its resolutions approving the Merger Agreement on February 25, 2015, the Board resolved that the Merger Agreement and the Transaction and the Tender and Support Agreement will be, to the extent permitted by applicable law, exempt from any such applicable takeover or anti-takeover laws.

Forecasted Financial Information

Except for quarterly guidance as to Emulex's management's expectations of Emulex's financial performance for the following fiscal quarter, Emulex's management does not as a matter of course make public projections or forecasts as to future performance or earnings. Emulex's management does annually prepare, for consideration and approval by the Board, a one-year plan of expected results of operations for budgeting purposes (the "**AOP**"), as well as a forecast of two additional fiscal years for planning purposes, which are reviewed by the Board. The AOP and the two additional year forecasts are typically prepared on a "bottom up" basis, reflecting inputs from the managers of Emulex's operating

units, revised and refined by senior management, and are not prepared with a view toward complying with generally accepted accounting principles in the United States ("**GAAP**"). The fiscal year 2015 AOP and forecasts for fiscal years 2016 and 2017 were prepared in May 2014, provided to Avago in September 2014 (and to Sponsor A, Sponsor B and Company A during 2014) and are summarized in the following table:

EMULEX CORPORATION
FORECASTED FINANCIAL INFORMATION
(Prepared by Emulex Senior Management in May 2014)
(in millions)

	Year Ending Sunday Nearest June 30,		
	2015E	**2016E**	**2017E**
Revenue	$416.2	$420.1	$437.7
Non-GAAP net income [(1)]	$ 49.6	$ 56.7	$ 61.7
EBITDA[(1)]	$ 76.3	$ 82.1	$ 87.6

(1) EBITDA (or earnings before interest, income taxes, depreciation and amortization) and non-GAAP net income are non-GAAP financial measures, as they exclude, or are subject to adjustments that effectively exclude, amounts included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements. EBITDA and non-

GAAP net income were provided by management to parties that participated in the third-party outreach process because EBITDA is a financial metric commonly used in transactional settings, and management believed that non-GAAP net income portrayed Emulex's business without certain charges that may not apply to potential third-party acquirors. These measures are not in accordance with, or a substitute for, financial measures determined under GAAP, and may be different from or inconsistent with similarly labeled non-GAAP financial measures used by other companies. EBITDA and non-GAAP net income should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company's profitability or liquidity.

For the forecasted periods of the fiscal years ending on the Sunday nearest June 30 of each of fiscal years 2015, 2016 and 2017, non-GAAP net income was calculated as follows:

	Year Ending Sunday Nearest June 30,		
	2015E	**2016E**	**2017E**
Net income	$(6.5)	$8.9	$28.4
Adjustments for non-cash items:			
Amortization	$27.3	$26.0	$ 9.6
Stock-Based Compensation	$15.6	$17.1	$18.0
Debt discount on 1.75% Convertible Senior Notes due November 15, 2018	$6.6	$6.0	$7.0
Adjustments for special items:			
License amortization	$7.1	—	—
Mitigation expense	$0.7	—	—
Tax adjustment	$0.8	—	—
Tax effect of GAAP valuation allowance and other	$(2.0)	$(1.3)	$(1.3)
Non-GAAP net income	$49.6	$56.7	$61.7

Other than with respect to fiscal year 2015, the foregoing line items related to the calculation of non-GAAP net income were not provided to Avago prior to execution of the Merger Agreement.

For the forecasted periods of the fiscal years ending on the Sunday nearest June 30 of each of fiscal years 2015, 2016 and 2017, EBITDA was calculated as follows:

	Year Ending Sunday Nearest June 30,		
	2015E	**2016E**	**2017E**
Non-GAAP net income	$49.6	$56.7	$61.7
Interest	$ 3.8	$ 3.5	$ 3.5
Income taxes	$ 4.3	$ 4.9	$ 5.4
Depreciation	$18.6	$17.0	$17.0
EBITDA	$76.3	$82.1	$87.6

Other than with respect to fiscal year 2015, the foregoing line items related to the calculation of EBITDA were not provided to Avago prior to execution of the Merger Agreement.

On January 14, 2015, Emulex management reviewed with Avago Emulex's preliminary estimates of its consolidated results of operations for the six-month and three-month periods ending December 28, 2014. On January 14th, Emulex management also provided Avago an updated revenue forecast for Emulex's ECD business for fiscal year 2015 that took

into account Emulex's estimated actual revenue for the first half of the 2015 fiscal year. Emulex informed Avago that management estimated that full fiscal year 2015 revenue for Emulex's ECD business was expected at that time to be $23.1 million higher than the ECD business forecast for fiscal year 2015 provided to Avago in September 2014. Emulex also provided Avago estimated actual revenue for Emulex's network visibility products business segment for the first half of the 2015 fiscal year, which showed a decrease of $9.0 million compared to Emulex's quarterly AOP for the first half of 2015.

An updated consolidated forecast for Emulex for fiscal years 2015, 2016 and 2017 was not furnished to Avago in January 2015. In December 2014, Emulex's senior management had begun to work on updates to the forecast that had been furnished to Avago in September 2014 to take into account the performance of each of Emulex's businesses in the first half of fiscal year 2015. A revised forecast was then prepared by Emulex's senior management on a "top down" basis (that is, by Emulex's senior management without substantial involvement of management of Emulex's operating units) because senior management limited the group of Emulex managers who were aware of the discussions with Avago in order to avoid potential disruption and to minimize the possibility that these discussions would become public prematurely. Emulex's senior management also added fiscal years 2018 and 2019 to the forecast on a "top down" basis in connection with the financial analysis of Avago's proposal. See "—Opinion of the Financial Advisor to the Emulex Board" above in Item 4. Emulex's senior management reviewed the revised forecast with the Board at its January 31, 2015 meeting.

The revised forecast was provided to Goldman Sachs, and a subset of the information included in the revised forecast (excluding (1) unlevered free cash flow and (2) forecasts for the second half of fiscal year 2015 ("**H2 2015**") and fiscal years 2018 and 2019) was provided to Avago on February 18, 2015 and is summarized in the following table:

EMULEX CORPORATION
FORECASTED FINANCIAL INFORMATION
(Prepared by Emulex Senior Management in January 2015)
(in millions)

	Year Ending Sunday Nearest June 30,					
	H2 2015E	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Revenue	$207.9	$422.8	$401.6	$423.4	$432.2	$445.0
Non-GAAP net income[(1)]	$ 20.2	$ 48.5	$ 43.0	$ 54.5	$ 57.4	$ 59.0
EBITDA[(1)(2)]	$ 32.0	$ 74.4	$ 65.9	$ 78.9	$ 82.9	$ 85.0
Unlevered free cash flow[(1)]	$ 17.0	$ 41.0	$ 13.0	$ 36.0	$ 44.0	$ 46.0

(1) EBITDA (or earnings before interest, income taxes, depreciation and amortization), non-GAAP net income and unlevered free cash flow are non-GAAP financial measures, as they exclude, or are subject to adjustments that effectively exclude, amounts included in the most directly comparable measure calculated and presented in accordance with GAAP in financial statements. These non-GAAP financial measures exclude certain

expenses and reflect an additional way of viewing aspects of Emulex's operations that, when viewed with the GAAP results and the reconciliations to corresponding GAAP financial measures, provide a more complete understanding of the results of operations and the factors and trends affecting the business. Management provided (a) EBITDA and non-GAAP net income to Avago (and other potential bidders), Goldman Sachs and the Board and (b) unlevered free cash flow to the Board and Goldman Sachs, in order to provide such parties with alternative methods for assessing Emulex's financial condition and operating results. These measures are not in accordance with, or a substitute for, financial measures determined under GAAP, and may be different from or inconsistent with similarly labeled non-GAAP financial measures used by other companies. EBITDA, non-GAAP net income and unlevered free cash flow should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company's profitability or liquidity.

(2) EBITDA was not specifically included in the forecasts provided to Avago prior to execution of the Merger Agreement. However, the line items necessary to enable Avago to calculate EBITDA were included in the forecasts furnished to Avago in mid-February.

For the forecasted periods of the fiscal years ending on the Sunday nearest June 30 of each of fiscal years 2015, 2016, 2017, 2018 and 2019, non-GAAP net income is calculated as follows:

	Year Ending Sunday Nearest June 30,					
	H2 2015E	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Net income	$(7.5)	$(3.9)	$(5.7)	$20.8	$23.4	$28.0
Adjustments for non-cash items:						
Amortization	$13.1	$27.0	$26.0	$ 9.6	$ 9.6	$10.0
Stock-based compensation	$ 8.4	$15.0	$13.0	$15.9	$14.2	$14.0
Debt discount on 1.75% Convertible Senior Notes due November 15, 2018	$ 3.3	$ 6.6	$ 6.0	$ 7.0	$ 9.6	$ 7.0

Adjustments for special items:						
Royalties	$ 1.1	$ 3.0	$ 2.0	$ 0.3	—	—
License amortization	$ 1.9	$ 3.8	$ 3.1	$ 2.1	$ 1.8	—
Mitigation expense	$ 0.2	$ 0.4	—	—	—	—
Tax adjustment	$ 0.4	$ 0.5	—	—	—	—
Non-recurring severance and related costs and other	$(0.3)	$(1.5)	——	—	—	—
Tax effect of GAAP valuation allowance	$(0.4)	$(2.4)	$(1.4)	$(1.2)	$(1.2)	($0.0)
Non-GAAP net income[(a)]	$20.2	$48.5	$43.0	$54.5	$57.4	$59.0

(a) Materials used by Goldman Sachs in its analyses (see "—Opinion of the Financial Advisor to the Emulex Board" above in Item 4) and provided to the Board at the

February 21, 2015 and February 25, 2015 Board meetings in connection with such analyses reflected each of the foregoing items on a tax-effected basis; the forecasts furnished by Emulex to Avago reflected the tax effects on an aggregate basis. Non-GAAP net income was the same in both presentations.

The foregoing line items related to the calculation of non-GAAP net income were not provided to Avago prior to execution of the Merger Agreement.

For the forecasted periods of the fiscal years ending on the last Sunday of June of each of fiscal years 2015, 2016, 2017, 2018 and 2019, EBITDA is calculated as follows:

	Year Ending Sunday Nearest June 30,					
	H2 2015E	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Non-GAAP net income[1]	$20.2	$48.5	$43.0	$54.5	$57.4	$59.0
Interest	$ 1.9	$ 3.8	$ 3.7	$ 3.7	$ 3.8	$ 4.0
Income Taxes	$ 0.6	$ 3.5	$ 3.2	$ 4.7	$ 5.7	$ 6.0
Depreciation	$ 9.3	$18.6	$16.0	$16.0	$16.0	$16.0
EBITDA[1][2]	$ 32.0	$74.4	$65.9	$78.9	$82.9	$85.0

For the forecasted periods of the fiscal years ending on the last Sunday of June of each of fiscal years 2015, 2016, 2017, 2018 and 2019, unlevered free cash flow is calculated as follows:

	Year Ending Sunday Nearest June 30,					
	H2 2015E	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
EBITDA	$32.0	$ 74.4	$ 65.9	$ 78.9	$ 82.9	$ 85.0
Adjustments for cash items:						
Taxes	$(0.6)	$ (3.5)	$ (3.2)	$ (4.7)	$ 5.7)	$ (6.0)
Capital expenditures	$(8.0)	$(17.3)	$(16.0)	$(16.0)	$(16.0)	$(16.0)
Change in working capital	$ 4.0	$ 5.0	$ 1.7	$ (6.0)	$ (3.5)	$ (4.0)
Adjustments for special items:						

Royalties	$(1.1)	$ (3.0)	$ (2.0)	$ (0.3)	—	—
License amortization	$(1.9)	$ (3.8)	$ (3.1)	$ (2.1)	$ (1.8)	—
Mitigation expense	$(0.2)	$ (0.4)	—	—	—	—
Tax adjustment	$(0.4)	$ (0.5)	$(20.0)	—	—	—
Other	$ 1.6	$ 5.1	$ 2.7	$ 2.1	$ 2.3	$ 1.0
Stock-based compensation	($ 8.4)	$(15.0)	$(13.0)	$(15.9)	$(14.2)	($14.0)
Unlevered free cash flow[(a)]	$17.0	$ 41.0	$ 13.0	$ 36.0	$ 44.0	$ 46.0

(a) Materials used by Goldman Sachs in its analyses (see "—Opinion of the Financial Advisor to the Emulex Board" above in Item 4) and provided to the Board at the February 21, 2015 and February 25, 2015 Board meetings in connection with such analyses reflected each of the foregoing items on a tax-effected basis; the above reconciliation reflected the tax effects on an aggregate basis. Unlevered free cash flow above is the same as the unlevered free cash flow in such analyses.

Other than capital expenditures, change in working capital and stock-based compensation, the foregoing line items related to the calculation of unlevered free cash flow were not provided to Avago prior to execution of the Merger Agreement.

The foregoing forecasts are included in this Statement solely because Emulex provided them to the Board, Goldman Sachs and, as to fiscal years 2015 – 2017 and excluding unlevered free cash flow, Avago in connection with the Transaction. The forecasts reflect numerous estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific assumptions to Emulex's business, all of which are difficult to predict and many of which are beyond Emulex's control. These assumptions are subjective in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. In providing its financial advice and preparing its fairness opinion, Goldman Sachs assumed that the forecasts were prepared in good faith based on assumptions believed by management to be reasonable at the time the forecasts were made. While management so prepared the forecasts, there can be no assurance that the estimates and assumptions used to prepare the forecasts will prove to be accurate, and actual results may materially differ. As such, the forecasts constitute forward-looking information and are subject to risks and uncertainties, including the various risks set forth in Emulex's Form 10-K for the year ending June 29, 2014 and the other reports filed by Emulex with the SEC. The forecasts cover multiple years, and such information by its nature becomes less reliable with each successive year.

The forecasts were not prepared with a view toward public disclosure or toward complying with GAAP, the published guidelines of the SEC regarding forecasts or the guidelines established by the

American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The forecasts were prepared by Emulex's management. Neither Emulex's independent registered public accounting firm, nor any other independent accountants, nor Goldman Sachs have compiled, examined or performed any procedures with respect to the forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the forecasts. Furthermore, the forecasts do not take into account any circumstances or events occurring after the date they were prepared.

Emulex's filings with the SEC are available at www.sec.gov. Readers of this Statement are cautioned not to place undue reliance on the forecasts. The inclusion of the forecasts in this Statement should not be regarded as an indication that Emulex considers the forecasts to be predictive of actual future events, and the forecasts should not be relied upon as such. None of Emulex, Purchaser, Avago or their respective affiliates, advisors, officers, directors or advisors can give any assurance that actual results will not differ from the forecasts, and none of them undertakes any obligation to update or otherwise revise or reconcile the forecasts to reflect circumstances existing after the date such forecasts were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the forecasts are shown to be in error. None of Emulex, Purchaser, Avago or any of their respective affiliates intends to make publicly available any update or other revisions to the forecasts, except as required by law. None of Emulex,

Purchaser, Avago or their respective affiliates, advisors, officers, directors or advisors has made or makes any representation to any Shareholder or other person regarding the ultimate performance of Emulex compared to the information contained in the forecasts or that forecasted results will be achieved. None of Emulex, Purchaser, Avago or any of their respective affiliates or representatives makes any representation to any other person regarding the forecasts. The forecasts are not being included in this Statement to influence a Shareholder's decision whether to tender his, her or its Shares in the Offer.

SEC Periodic Reports

For additional information regarding the business and financial results of Emulex, please see the following documents that have been filed by Emulex with the SEC, each of which is incorporated herein by reference:

- Form 10-K for the fiscal year ended June 29, 2014, filed on August 28, 2014;
- Form 10-K/A, Amendment No. 1, filed on October 27, 2014, for the purpose of adding Part III information to that report; and
- Form 10-Q for the quarter ended December 28, 2014, filed on January 30, 2015 and for the quarter ended September 28, 2014, filed on October 31, 2014.

Certain Litigation

On March 3, 2015, two putative shareholder class action complaints were filed in the Court of Chancery of the State of Delaware against Emulex, its directors, Avago and Purchaser, captioned as follows: *James Tullman v. Emulex Corporation, et al.*, Case No.

10743-VCL (Del. Ch.); *Moshe Silver ACF/Yehudit Silver U/NY/UTMA v. Emulex Corporation, et al.*, Case No. 10744-VCL (Del. Ch.). On March 11, 2015, a third complaint was filed in the Delaware Court of Chancery, captioned *Hoai Vu v. Emulex Corporation, et al.*, Case No. 10776-VCL (Del. Ch.). The complaints allege, among other things, that Emulex's directors breached their fiduciary duties by approving the Merger Agreement, and that Avago and Purchaser aided and abetted these alleged breaches of fiduciary duty. The complaints seek, among other things, either to enjoin the proposed transaction or to rescind it should it be consummated, as well as damages, including attorneys' and experts' fees. The Delaware Court of Chancery has entered an order consolidating the three Delaware actions under the caption *In re Emulex Corporation Stockholder Litigation*, Consolidated C.A. No. 10743-VCL.

Forward-Looking Statements

Information both included and incorporated by reference in this Statement contains forward-looking statements as defined by the U.S. federal securities law which are based on Emulex's current expectations and assumptions, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, projected or implied, including, among other things, risks relating to the expected timing of the completion and financial benefits of the Offer and the Merger.

This Statement contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Forward-looking statements may be typically identified by such words as "may," "will," "could," "should,"

"expect," "anticipate," "plan," "likely," "believe," "estimate," "project," "intend" and other similar expressions among others. These forward-looking statements are subject to known and unknown risks and uncertainties that could cause Emulex's actual results to differ materially from the expectations expressed in the forward-looking statements. Although Emulex believes that the expectations reflected in the forward-looking statements are reasonable, any or all of such forward-looking statements may prove to be incorrect. Consequently, no forward-looking statements may be guaranteed and there can be no assurance that the actual results or developments anticipated by such forward looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Emulex or its business or operations.

Factors which could cause actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: (1) the risk that the conditions to the closing of the Transaction are not satisfied, including the risk that Avago may not receive a sufficient number of Shares tendered from the Shareholders or required regulatory approvals to complete the Offer, (2) litigation relating to the Transaction, (3) uncertainties as to the timing of the consummation of the Transaction and the ability of Avago and Emulex to consummate the Transaction, (4) risks that the Transaction disrupts the current plans and operations of Emulex, (5) the ability of Emulex to retain and hire key personnel, (6) competitive responses to the Transaction, (7) unexpected costs, charges or expenses resulting

from the Transaction, (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Transaction, (9) Avago's ability to achieve the growth prospects and synergies expected from the Transaction, as well as delays, challenges and expenses associated with integrating Emulex with Avago's existing businesses, (10) legislative, regulatory and economic developments, and the factors described in "— Reasons for the Recommendation" in Item 4 above. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in Emulex's most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K filed with the SEC. Emulex can give no assurance that the conditions to the Transaction will be satisfied. Emulex has no intent or obligation to publicly update or revise any of these forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 9. Exhibits

The following exhibits are filed herewith or incorporated herein by reference:

Exhibit No.	Description
(a)(1)(A)	Offer to Purchase, dated April 7, 2015 (incorporated by reference to Exhibit (a)(1)(i) of the Schedule TO filed with the SEC by Purchaser, Avago and Avago's Parent on April 7, 2015).

Exhibit No.	Description
(a)(1)(B)	Form of Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Form W-9) (incorporated by reference to Exhibit (a)(1)(ii) of the Schedule TO filed with the SEC by Purchaser, Avago and Avago's Parent on April 7, 2015).
(a)(1)(C)	Form of Notice of Guaranteed Delivery (incorporated by reference to Exhibit (a)(1)(iii) of the Schedule TO filed with the SEC by Purchaser, Avago and Avago's Parent on April 7, 2015).
(a)(1)(D)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit (a)(1)(iv) of the Schedule TO filed with the SEC by Purchaser, Avago and Avago's Parent on April 7, 2015).
(a)(1)(E)	Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees (incorporated by reference to Exhibit (a)(1)(v) of the Schedule TO filed by Purchaser, Avago and Avago's Parent on April 7, 2015).
(a)(1)(F)	Summary Advertisement as published in The New York Times on April 7, 2015 (incorporated by reference to Exhibit (a)(1)(vi) of the Schedule TO filed with the SEC by Purchaser,

Exhibit No.	Description
	Avago and Avago's Parent on April 7, 2015).
(a)(2)	Letter to Emulex Shareholders from the Chairman of the Board of Emulex, dated April 7, 2015 (filed with this Statement).
(a)(5)(A)	Joint Press Release, dated February 25, 2015 (incorporated by reference to Exhibit 99.1 on the Current Report on Form 8-K filed with the SEC by Emulex on February 25, 2015).
(a)(5)(B)	Fairness Opinion of Goldman, Sachs & Co., dated February 25, 2015 (incorporated by reference to Annex A attached to this Statement).
(e)(1)	Agreement and Plan of Merger, dated as of February 25, 2015, by and among Emulex, Avago and Purchaser (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K dated February 25, 2015 and filed with the SEC by Emulex on February 26, 2015).
(e)(2)	Tender and Support Agreement, dated as of February 25, 2015, by and among Avago, Purchaser and the directors and officers of Emulex party thereto (incorporated by reference to Exhibit 99.1 of the Current Report on Form 8-K dated February 25, 2015 and filed

Exhibit No.	Description
	with the SEC by Emulex on February 26, 2015).
(e)(3)	Confidentiality Agreement, dated as of August 28, 2014, by and between Emulex and Avago's Parent (incorporated by reference to Exhibit (d)(2) of the Schedule TO filed with the SEC by Purchaser, Avago and Avago's Parent on April 7, 2015).
(e)(4)	Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to Emulex's 1997 Annual Report on Form 10-K filed with the SEC on September 25, 1997)
(e)(5)	Amended and Restated Bylaws of Emulex dated as of February 21, 2015 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated February 21, 2015 and filed with the SEC by Emulex on February 26, 2015).
(e)(6)	Form of Indemnification Agreement between Emulex and each of its officers and directors (filed with this Statement).
(e)(7)	Amended Emulex Corporation Change in Control Retention Plan (incorporated by reference to Exhibit 10.5 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on October 29, 2012).

Exhibit No.	Description
(e)(8)	Amendment to Key Employee Retention Agreement between Emulex and Jeffrey W. Benck, dated July 12, 2013 (incorporated by reference to Exhibit 10.3 to Emulex's Current Report on Form 8-K filed with the SEC on July 15, 2013).
(e)(9)	Amended and Restated Key Employee Retention Agreement of Jeffrey W. Benck, effective as of January 1, 2013 (incorporated by reference to Exhibit 10.2 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on October 29, 2012).
(e)(10)	Amended and Restated Emulex Corporation 2005 Equity Incentive Plan (incorporated by reference to Appendix A to Emulex's definitive proxy statement on Schedule 14A for the 2012 annual meeting of its Shareholders filed with the SEC on October 9, 2012).
(e)(11)	Emulex Corporation Stock Award Plan for Non-Employee Directors, as amended (incorporated by reference to Appendix B to Emulex's definitive proxy statement on Schedule 14A for the 2012 annual meeting of its Shareholders filed with the SEC on October 9, 2012).
(e)(12)	Emulex Corporation Employee Stock Purchase Plan, as amended

Exhibit No.	Description
	(incorporated by reference to Appendix A to Emulex's definitive proxy statement on Schedule 14A for the 2013 annual meeting of its Shareholders filed with the SEC on December 23, 2013)
(e)(13)	Appendix to the Restricted Stock Unit Award Agreement for Non-U.S. Grantees under the Emulex Corporation Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Emulex's 2013 Annual Report on Form 10-K filed with the SEC on August 29, 2013).
(e)(14)	Emulex Corporation Stock Award Plan for Non-Employee Directors, as amended (incorporated by reference to Appendix B to Emulex's definitive proxy statement for the 2013 annual meeting of its Shareholders filed with the SEC on October 9, 2012).
(e)(15)	Form of Director Stock Option Agreement and related form of Grant Summary for grants made pursuant to the Stock Award Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.1 to Emulex's Current Report on Form 8-K filed with the SEC on August 30, 2005).
(e)(16)	Form of Amendment to Incentive Stock Option Agreements under the

Exhibit No.	Description
	Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.25 to Emulex's 2010 Annual Report on Form 10-K, filed with the SEC on August 26, 2010).
(e)(17)	Executive Incentive Compensation Plan of Emulex, as amended (incorporated by reference to Exhibit 10.1 to Emulex's Current Report on Form 8-K filed with the SEC on August 25, 2014).
(e)(18)	Form of Emulex Corporation 2005 Equity Incentive Plan Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 12, 2006).
(e)(19)	Form of Notice of Grant of Award and Award Agreement for the granting of Restricted Stock (incorporated by reference to Exhibit 10.2 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 12, 2006).
(e)(20)	Offer Letter, dated May 4, 2008, from Emulex to Jeffrey W. Benck (incorporated by reference to Exhibit 10.1 to Emulex's Current Report on Form 8-K filed with the SEC on May 12, 2008).

Exhibit No.	Description
(e)(21)	Form of Amendment to Non-Qualified Stock Option Agreement under the Emulex Corporation 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to Emulex's Current Report on Form 8-K filed with the SEC on January 16, 2009).
(e)(22)	Form of Amendment to Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.3 to Emulex's Current Report on Form 8-K filed with the SEC on January 16, 2009)
(e)(23)	Form of Notice of Grant of Award and Award Agreement for the granting of Restricted Stock Units (incorporated by reference to Exhibit 10.3 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on January 30, 2009).
(e)(24)	Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on January 30, 2009).
(e)(25)	Form of Restricted Stock Unit Award Agreement for Non-U.S. Grantees under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit

Exhibit No.	Description
	10.6 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on January 30, 2009).
(e)(26)	Form of Amendment to Restricted Stock Unit Agreements under the Emulex Corporation 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.52 to Emulex's 2010 Annual Report on Form 10-K filed with the SEC on August 26, 2010).
(e)(27)	Form of Performance Stock Unit Award Agreement under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.52 to Emulex's 2012 Annual Report on Form 10-K filed with the SEC on August 30, 2012).
(e)(28)	Employment Letter, dated January 3, 2014, between Emulex and Kyle Wescoat (incorporated by reference to Exhibit 10.1 to Emulex's Current Report on Form 8-K filed with the SEC on January 7, 2014).
(e)(29)	Severance Agreement, dated January 6, 2014, between Emulex and Kyle Wescoat (incorporated by reference to Exhibit 10.2 to Emulex's Current Report on Form 8-K filed with the SEC on January 7, 2014).

Exhibit No.	Description
(e)(30)	Form of Performance Cash Settled Unit Award Agreement under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2013).
(e)(31)	Form of Cash-Settled Restricted Stock Unit Award Agreement under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2013).
(e)(32)	Form of Amended and Restated Appendix to Restricted Stock Award Agreement, Restricted Stock Unit Award Agreement, Nonqualified Stock Option Agreement, Incentive Stock Option Agreement, Cash-Settled Restricted Stock Unit Award Agreement, and Performance Stock Unit Award Agreement for Change in Control Retention Plan Participants or Employees Covered by a Key Employee Retention Agreement under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2013).

Exhibit No.	Description
(e)(33)	Form of Appendix to Restricted Stock Unit Award Agreement for Non-U.S. Grantees under the Amended and Restated 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to Emulex's Quarterly Report on Form 10-Q filed with the SEC on May 10, 2013).
(e)(34)	Severance Agreement, dated July 12, 2013, between Emulex and Jeffrey W. Benck (incorporated by reference to Exhibit 10.2 to Emulex's Current Report on Form 8-K filed with the SEC on July 15, 2013).
(g)	None.
Annex A	Fairness Opinion of Goldman, Sachs & Co., dated February 25, 2015
Annex B	Section 262 of the Delaware General Corporation Law

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

EMULEX CORPORATION

By: s/ Jeffrey W. Benck

Name: Jeffrey W. Benck

Title: President and Chief Executive Officer

Dated: April 7, 2015

Annex A

200 West Street | New York, NY 10282-2198
Tel: 212-902-1000 | Fax: 212-902-3000

Goldman Sachs

PERSONAL AND CONFIDENTIAL

February 25, 2015

Board of Directors
Emulex Corporation
3333 Susan Street
Costa Mesa, CA 92626

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders (other than Avago Technologies Wireless (U.S.A.) Manufacturing Inc. ("Avago") and its affiliates) of the outstanding shares of common stock, par value $0.10 per share (the "Shares") , of Emulex Corporation (the "Company") of the $8.00 in cash per Share to be paid to such holders pursuant to the Agreement and Plan of Merger, dated as of February 25, 2015 (the "Agreement"), by and among Avago, Emerald Merger Sub, Inc., a wholly owned subsidiary of Avago ("Acquisition Sub"), and the Company. The Agreement provides for a tender offer for all of the Shares (the "Tender Offer") pursuant to which Acquisition Sub will pay $8.00 in cash per Share for each Share accepted. The Agreement further provides that. following completion of the Tender Offer, Acquisition Sub will be merged with and into the Company (the "Merger") and each outstanding Share (other than Shares held in the treasury of the

Company, Shares already owned by Avago or any of its direct or indirect wholly-owned subsidiaries, including Acquisition Sub, and dissenting Shares) will be converted into the right to be paid $8.00 in cash.

Goldman, Sachs & Co. and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman, Sachs & Co. and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, Avago, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transaction contemplated by the Agreement (the "Transaction"). We have acted as financial advisor to the Company in connection with, and have participated in certain of the negotiations leading to, the Transaction. We expect to receive fees for our services in connection with the Transaction, the principal portion of which is contingent upon consummation of the Transaction, and the Company has agreed to reimburse certain of our expenses ans1ng, and indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to the Company and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive,

compensation, including having acted as sole bookrunning manager with respect to an offering of the Company's 1.75% Convertible Senior Notes due November 15, 2018 (aggregate principal amount $175,000,000 in November 2013. We may also in the future provide financial advisory and/or underwriting services to the Company, Avago and their respective affiliates for which our Investment Banking Division may receive compensation.

In connection with this opinion, we have reviewed, among other things, the Agreement; annual reports to stockholders and Annual Reports on Form 1O-K of the Company for the five fiscal years ended June 29, 2014; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of the Company; certain other communications from the Company to its stockholders; certain publicly available research analyst reports for the Company; and certain internal financial analyses and forecasts for the Company prepared by its management, as approved for our use by the Company (the "Forecasts"). We have also held discussions with members of the senior management of the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company; reviewed the reported price and trading activity for the Shares; compared certain financial and stock market information for the Company with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the semiconductor industry and in other industries; and performed such other studies and analyses, and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. We have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or any of its subsidiaries and we have not been furnished with any such evaluation or appraisal. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the expected benefits of the Transaction in any way meaningful to our analysis. We have assumed that the Transaction will be consummated on the terms set forth in the Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. This opinion addresses only the fairness from a financial point of view to the holders (other than Avago and its

affiliates) of Shares, as of the date hereof, of the $8.00 in cash per Share to be paid to such holders pursuant to the Agreement. We do not express any view on, and our opinion does not address, any other term or aspect of the Agreement or Transaction or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into or amended in connection with the Transaction, including, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Transaction, whether relative to the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Agreement or otherwise. We are not expressing any opinion as to the impact of the Transaction on the solvency or viability of the Company or Avago or the ability of the Company or Avago to pay their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the Transaction and such opinion does not constitute a recommendation as to whether or not any

holder of Shares should tender such Shares in connection with the Tender Offer or how any holder of Shares should vote with respect to the Merger or any other matter. This opinion has been approved by a fairness committee of Goldman, Sachs & Co.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the $8.00 in cash per Share to be paid to the holders (other than Avago and its affiliates) of Shares pursuant to the Agreement is fair from a financial point of view to such holders.

Very truly yours,

s/ Goldman Sachs & Co.
(GOLDMAN, SACHS & CO.)

Annex B

SECTION 262 OF GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

§ 262. Appraisal rights

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or

consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title and, subject to paragraph (b)(3) of this section, § 251(h) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2) Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256,

257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 251(h), § 253 or § 267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(4) In the event of an amendment to a corporation's certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation," and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation."

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to

the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has

complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228, § 251(h), § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the tender or exchange offer contemplated by

§ 251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the tender or exchange offer contemplated by § 251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal

of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not

commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting

corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to

submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of

the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation,

reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an

appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

[Attorney information omitted]

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

GARY VARJABEDIAN, On Behalf of Himself and All Others Similarly Situated, Plaintiff, v. EMULEX CORPORATION, BRUCE C. EDWARDS, JEFFREY W. BENCK, GREGORY S. CLARK, GARY J. DAICHENDT, PAUL F. FOLINO, BEATRIZ V. INFANTE, JOHN A. KELLEY, RAHUL N. MERCHANT, NERSI NAZARI, DEAN A. YOOST, AVAGO TECHNOLOGIES WIRELESS (U.S.A.) MANUFACTURING, INC., and EMERALD MERGER SUB, INC., Defendants.	Case Number 8:15-cv-00554-CJC-JCG **AMENDED CLASS ACTION COMPLAINT FOR VIOLATION OF SECTIONS 14(d)4 , 14(e) AND 20(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AND 17 C.F.R. § 240.14d-9** **JURY TRIAL DEMANDED**

Lead Plaintiff Jerry Mutza ("Lead Plaintiff"), on behalf of himself and all others similarly situated, by his attorneys, alleges the following upon information and belief, except as to those allegations specifically pertaining to Lead Plaintiff and his counsel, which are made on personal knowledge, based on the investigation conducted by Lead Plaintiff's counsel.

That investigation included reviewing and analyzing information concerning Avago Technologies Wireless (U.S.A.) Manufacturing, Inc. ("Avago") acquisition of Emulex Corporation ("Emulex" or the "Company"), which Lead Plaintiff (through his counsel) obtained from, among other sources: i) Publicly available press releases, news articles, and other media reports; ii) Publicly available financial information concerning Emulex; and iii) Filings with the U.S. Securities and Exchange Commission ("SEC") made in connection with the Transaction (defined below).

NATURE OF THE CASE

1. This is a stockholder class action on behalf of the former holders of the common stock of Emulex, against Emulex, certain officers and/or directors of Emulex (the "Individual Defendants" or "Board"), Avago, and Emerald Merger Sub, Inc. ("Merger Sub" and collectively with the Individual Defendants, Emulex and Avago, the "Defendants"), for their violations of Sections 14(d)(4) , 14(e) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.SC. §§78n(d)(4),78n(e), 78t(a), and SEC Rule 14d-9, 17 C.F.R. §240.14d-9(d) ("Rule 14d-9").

2. Defendants have violated the above-referenced Sections of the Exchange Act by causing a materially incomplete and misleading Schedule 14D-9 Solicitation/Recommendation Statement ("Recommendation Statement") to be filed with the SEC[1]. The Recommendation Statement

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[1] Emulex, Inc., Solicitation/Recommendation Statement (Schedule 14D-9) (April 7, 2015), http://www.sec.gov/Archives/edgar/data/350917/000157104915002655/t1500561_sc14d9.htm (last visited Sept. 11, 2015).

recommended that Emulex stockholders tender their shares pursuant to the terms of a tender offer (the "Tender Offer"), whereby Avago acquired all the outstanding shares of common stock of Emulex for $8.00 per share (the "Merger Consideration").

3. On February 25, 2015, Emulex, Avago and Merger Sub entered into a definitive Agreement and Plan of Merger (the "Merger Agreement"). Concurrently with the execution of the Merger Agreement, certain Emulex directors and executive officers entered into a Tender and Support Agreement ("Support Agreement") with Avago and Merger Sub, pursuant to which they agreed to tender their Emulex shares, representing 2.5% of Emulex outstanding public stock, in the Tender Offer.

4. Pursuant to the terms of the Merger Agreement, Avago commenced the Tender Offer on April 7, 2015. The Tender Offer expired at 12:00 midnight EST on May 5, 2015, with only 60.58% of the outstanding shares of the Company's common stock tendered. Following the completion of the Tender Offer, Merger Sub merged with and into Emulex, with Emulex surviving as a wholly owned subsidiary of Avago (the "Merger" and together with the Tender Offer, the "Transaction").

5. The $8.00 per share Merger Consideration was inadequate, as Emulex had experienced significant growth in the months leading up to the Tender Offer and had consistently exceeded management's revenue and earnings expectations. The Merger Consideration also failed to adequately value Emulex's product portfolio and prospects for future growth.

6. Defendants also agreed to unreasonable deal-protection devices that unfairly favored Avago and discouraged other potential bidders from submitting a superior offer for the Company. These preclusive devices included: (i) a nonsolicitation provision that restricted the Board from soliciting other potentially superior offers for the Company; (ii) an "information rights" provision, which provided Avago with unfettered access to information about other potential proposals, gave Avago four business days to match any competing offer, and provided Avago with the perpetual right to attempt to match any superior bid; and (iii) a termination fee of $19.5 million, which deterred other potential suitors from making a superior proposal.

7. As discussed below, the consideration Emulex stockholders received in connection with the Transaction and the process by which Defendants consummated the Transaction were fundamentally unfair to Lead Plaintiff and the other common stockholders of the Company. Defendants asked Emulex stockholders to tender their shares for inadequate consideration based upon the materially incomplete and misleading representations and information contained in the Recommendation Statement, in violation of Sections 14(d)(4), 14(e), and 20(a) of the Exchange Act. Specifically, Defendants intentionally or recklessly omitted from the Recommendation Statement a material financial analysis performed by Goldman, Sachs & Co. ("Goldman Sachs"), the Board's financial advisor, commonly referred to as a "Precedent Transactions Analysis" or "Premium Analysis", and entitled the "Selected Semiconductor Transactions" Analysis in Goldman Sachs' presentations to the Board (*See*

Exhibit A, filed herewith, at ELX91). And the reason for that is clear – **the analysis showed that the premium Emulex's stockholders ultimately received in connection with the Transaction was drastically below the premium stockholders of similar companies had received in connection with comparable transactions in recent years**. Specifically, Goldman Sachs' analysis showed that while the median premium over the target company's undisturbed stock price for the transactions it reviewed was **50.8%,** Emulex's stockholders only received a **26.4%** premium to Emulex's closing price on the last trading day prior to the date the Transaction was announced; and while the median premium over the target company's 52-week high price for the transactions Goldman Sachs reviewed was **17.6%,** Emulex's stockholders only received a **4.8%** premium based on the Company's 52-week high closing price.

8. Despite having been presented with and reviewing Goldman Sachs' Selected Semiconductor Transaction Analysis before voting to approve the Transaction, and thus knowing that the premium Emulex's stockholders would receive paled in comparison to the premiums stockholders had received in connection with similar transactions in recent years, the Defendants nonetheless misleadingly touted the premium to Emulex's stockholders in the Recommendation Statement Indeed, the Recommendation Statement states that the premium Emulex's stockholders stood to receive was one of the factors the Board believed supported its recommendation that Emulex's stockholders tender their shares in the Tender Offer. The Recommendation Statement thus creates the

materially misleading impression that the premium Emulex's stockholders received was significant, or at the very least in line with premiums obtained in similar transactions, when in reality, the premium was drastically below the premiums stockholders had received in connection with similar merger transactions in recent years.

9. For these reasons and as set forth in detail herein, Lead Plaintiff seeks to recover damages resulting from the Individual Defendants' violations of the Exchange Act.

JURISDICTION AND VENUE

10. The claims asserted herein arise under Sections 14(d),14(e), and 20(a) of the Exchange Act, 15 U.S.C. §78n. The Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act, 15 U.S.C. §78aa, and 28 U.S.C. §1331.

11. This Court has personal jurisdiction over all of the Defendants because each is either a corporation that conducts business in and maintains operations in this District, or is an individual who either is present in this District for jurisdictional purposes or has sufficient minimum contacts with this District so as to render the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

12. Venue is proper in the Central District of California under Section 27 of the Exchange Act, 15 U.S.C. §78aa, as well as pursuant to 28 U.S.C. §1391, because Emulex maintains its world headquarters in this District, each Defendant transacted business in this District, and a substantial part of the events or omissions giving rise to Lead Plaintiff's claims occurred in this District.

PARTIES

13. Lead Plaintiff held shares of common stock of Emulex at all relevant times prior to the completion of the Transaction, at which time his ownership stake in the Company was extinguished for the inadequate Merger Consideration. Lead Plaintiff is a citizen of Wisconsin.

14. Defendant Emulex is incorporated under the laws of Delaware and maintains its world headquarters and principles executive offices in Costa Mesa, California. Emulex provides converged networking solutions for data centers. The Company's product portfolio consists of storage adapters, network interface cards, encrypting adapters, controller chips, server management chips, embedded bridges, switches and routers, and connectivity management software. The Company's common stock was listed on the New York Stock Exchange under the symbol "ELX" until the Transaction was consummated.

15. Defendant Bruce C. Edwards ("Edwards") served as a director of Emulex from May 2000 and as Chairman of the Board since March 2014 through the date the Transaction was consummated. Edwards was also Chairman of the Compensation Committee of the Board. Edwards is a citizen of California.

16. Defendant Jeffrey W. Benck ("Benck") served as a director, Chief Executive Officer and President of Emulex until the date the Transaction was consummated. Benck joined Emulex in August 2010 as Executive Vice President and Chief Operating Officer and was subsequently appointed as President and Chief Operating Officer in August 2010. Benck was named a director of Emulex and President and

Chief Executive Officer of the Company in July 2013. Benck is a citizen of California.

17. Defendant Gregory S. Clark ("Clark") served as a director of Emulex from April 2013 through the date the Transaction was consummated. Clark is a citizen of California.

18. Defendant Gary J. Daichendt ("Daichendt") served as a director of Emulex from February 2014 through the date the Transaction was consummated. Daichendt is also a member of the board of directors of Juniper Networks, Inc. ("Juniper Networks"), along with Individual Defendant Rahul N. Merchant. Daichendt is a citizen of California.

19. Defendant Paul F. Folino ("Folino") served as director of Emulex through the date the Transaction was consummated. Folino joined Emulex in May 1993 as President, Chief Executive Officer and director. Folino was appointed Chairman of the Board in July 2002 and was subsequently appointed to the office of Executive Chairman of Emulex and Chairman of the Board of Directors in September 2006. Folino is a citizen of California.

20. Defendant Beatriz V. Infante ("Infante") served as a director of Emulex from May 2012 through the date the Transaction was consummated. Infante is a citizen of California.

21. Defendant John A. Kelley ("Kelley") was a director of Emulex at all relevant times through the date the Transaction was consummated. Kelley is a citizen of Colorado.

22. Defendant Rahul N. Merchant ("Merchant") served as a director of Emulex from February 2014 through the date the Transaction was consummated. Merchant is also a member of the board of directors of

Juniper Networks. Merchant is a citizen of New Jersey.

23. Defendant Nersi Nazari ("Nazari") served as a director of Emulex from June 2011 through the date the Transaction was consummated. Nazari is a citizen of California.

24. Defendant Dean A. Yoost ("Yoost") served as a director of Emulex from August 2005 through the date the Transaction was consummated. Yoost is a citizen of California.

25. Defendant Avago is incorporated under the laws of Delaware and maintains its principle executive offices at 350 West Trimble Road, San Jose, California 95131.

26. Defendant Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Avago, and was created for purposes of effectuating the Transaction.

CLASS ACTION ALLEGATIONS

27. Lead Plaintiff brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure, individually and on behalf of the other former public stockholders of Emulex who were harmed by Defendants' actions described herein (the "Class"). The Class specifically excludes Defendants herein, and any person, firm, trust, corporation or other entity related to, or affiliated with, any of the Defendants.

28. This action is properly maintainable as a class action.

29. The Class is so numerous that joinder of all members is impracticable. As of January 21, 2015 Emulex had in excess of 71 million shares of common stock outstanding. Members of the Class are

dispersed throughout the United States and are so numerous that it is impracticable to bring them all before this Court.

30. Questions of law and fact exist that are common to the Class and predominate over any questions affecting only individual Class members, including, among others:

(a) whether the Defendants have violated Sections 14(d)(4) , 14(e) and 20(a) of the Exchange Act in connection with the Transaction; and

(b) whether Lead Plaintiff and the other members of the Class were harmed by the actions of Defendants complained of herein.

31. Lead Plaintiff is committed to prosecuting this action and has retained competent counsel experienced in litigation of this nature. Lead Plaintiff's claims are typical of the claims of the other members of the Class and Lead Plaintiff has the same interests as the other members of the Class. Accordingly, Lead Plaintiff is an adequate representative of the Class and will fairly and adequately protect the interests of the Class.

32. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or

substantially impair or impede their ability to protect their interests.

33. Defendants have acted, or refused to act, on grounds generally applicable and causing injury to the Class, rendering final injunctive relief or corresponding declaration relief appropriate with respect the Class as a whole.

34. The class mechanism is superior to other available means for the fair and efficient adjudication of the claims of Lead Plaintiffs and Class members. Each individual Class member may lack the resources to undergo the burden and expense of individual prosecution of the complex and extensive litigation necessary to establish Defendants' liability. Individualized litigation increases the delay and expense to all parties and multiplies the burden on the judicial system presented by the complex legal and factual issues of this case. Individualized litigation also presents a potential for inconsistent or contradictory judgments. In contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court on the issue of Defendants' liability. Class treatment of the liability issues will ensure that all claims and claimants are before this Court for consistent adjudication of the liability issues.

SUBSTANTIVE ALLEGATIONS

A. Emulex's Background & Recent Financial Performance

35. Founded in 1979 and headquartered in Costa Mesa, California, Emulex is a leader in network connectivity, monitoring and management solutions for global networks that support enterprise, cloud,

government and telecommunications. Emulex provides connectivity, monitoring and management solutions for high-performance networks, delivering provisioning, end-to-end application visibility, optimization and acceleration for the next generation of software-defined, telco and Web-scale data centers. The Company's I/O connectivity portfolio, which has been designed into server and storage solutions from leading OEMs and ODMs worldwide, enables organizations to manage bandwidth, latency, security and virtualization. The Emulex network visibility portfolio enables global organizations to monitor and improve application and network performance management. Emulex sells its products to original equipment manufacturers, original design manufacturers, and end users, as well as through various distribution channels, including value added resellers, systems integrators, industrial distributors, direct market resellers, and other resellers.

36. The Company is a leading supplier of fiber-channel and related products selling primarily into server and enterprise storage OEM's. Emulex's fiber-channel business is considered to be very sustainable, and potential competitors face significant barriers to entry into the market. Accordingly, Emulex is likely to maintain its stronghold on the relevant market, which is expected to continue to grow.

37. Recognizing Emulex's intrinsic value and strong prospects for long-term growth, one of its competitors, Broadcom Corporation, submitted an $11 per share bid for the Company in 2009. The members of the Emulex board at that time, which included Individual Defendants Bruce C. Edwards, Paul F. Folino, and Dean A. Yoost, rejected Broadcom's offer on July 9, 2009.

38. In its July 2009 press release announcing its rejection of the Broadcom offer, Emulex stated that Broadcom's offer "significantly undervalue[d] Emulex's long-term prospects, [was] inadequate, and [was] not in the best interests of Emulex and its stockholders."

39. The Company's decision to reject the Broadcom bid, which was $3 or 37.5% higher than the $8 per share offer the Board accepted in connection with the Transaction, was heavily criticized by many of the Company's stockholders, including activist hedge-funds with significant holdings.

40. On December 5, 2012, Emulex announced its intent to acquire Endace Limited ("Endace"), a New Zealand company that specialized in network performance management, for $130 million.

41. The members of the Emulex board and/or management that approved the Endace acquisition included Individual Defendants Bruce C. Edwards, Jeffrey W. Benck, Paul F. Folino, Beatriz V. Infante, Nersi Nazari, and Dean A. Yoost.

42. The Company's decision to purchase Endace was heavily criticized by many of the Company's stockholders, including activist hedge-funds with significant holdings.

43. For example, Elliott Associates, L.P. and certain affiliated entities (together, "Elliott"), one of the Company's largest stockholders, stated that the Company should not waste its money on what it considered to be a pointless acquisition. And Altai Capital Management, L.P. (Altai Capital"), another of the Company's largest stockholders, stated that it was "perplexed by the Company's recent announcement to acquire Endace ... We would have

preferred that Emulex use 2 its strong net cash balance to continue to repurchase its undervalued shares."[2]

44. Despite the heavy criticism, Emulex completed its acquisition of Endace on April 1, 2013.

45. In November 2013, Emulex embarked on a strategic restructuring initiative to maximize stockholder value by cutting costs, refocusing the Company's product lines and implementing a major stock repurchase. Since then, Emulex has introduced well-received products and product enhancements. The price of the Company's stock dipped in late April 2014 following revenue and earnings below analysts' expectations in the third quarter of the Company's fiscal year 2014 due, in part, to restructuring costs. However, by January 2015, the price of Emulex stock had recovered nearly all of the value lost in mid-2014.

46. Emulex announced impressive financial results during the fiscal quarters preceding the consummation of the Transaction, which caused its stock price to increase by approximately 42% between October 2014 and the time the Transaction was announced in late-February 2015, as reflected by the graph below:

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[2] Chris Mellor, *Boardroom brouhahah brewing at Emulex after Endace buy*, The Register (Apr. 2, 2013), http://www.theregister.co.uk/2013/04/02/emulex_elliott/ (last visited Sept. 11, 2015).

47. On October 30, 2014, the Company announced the following impressive results for the first quarter of 2015: Total revenue was $104 million, up 4% sequentially and **above the $93 million to $99 million initial guidance range** provided during the Company's fiscal fourth quarter earnings call, driven by strength in Network and Storage Connectivity Products; non-GAAP diluted earnings of $0.14 and a GAAP loss of $0.01 per share as compared to guidance of $0.07 - $0.11 on a non-GAAP basis and a $0.07 - $0.11 loss on a GAAP basis; non-GAAP operating income of $13 million, up 90% versus the prior quarter, reflecting stronger revenue performance, consistent non-GAAP gross margin, and operational discipline; and $21 million in cash from operations in the quarter with an ending cash, cash equivalents, and investments balance of $174 million.

48. Commenting on the strong first quarter results, Individual Defendant Benck stated:

> We entered our fiscal 2015 on strong footing, with solid performance across multiple categories including our Ethernet and Fibre Channel products, **allowing us to outperform versus expectations...** Over the past forty-five days we have launched an **unprecedented** number of OEM and ODM design wins for our Connectivity products, designed to meet the performance requirements of Grantley-based servers, with more to come. We look forward to seeing these enterprise products ramp in the market over the coming year.

(emphasis added).

49. Most recently, on January 29, 2015, the Company announced the following impressive results for the second quarter of 2015: Total revenue was $111 million, **above the high end of the initial guidance range**, aided by strong sequential and year-on-year growth in Gen 5 (16Gb) Fibre Channel products; non-GAAP diluted earnings of $0.24, up 14% year-on-year, and GAAP earnings of $0.06 as compared to a prior year loss of $0.05, **both above their respective initial guidance range**; and non-GAAP operating margin of 18%, up 130 basis points year-on-year and 560 basis points sequentially, with GAAP operating income of $8 million as compared to an operating loss of $2 million in the prior year and operating income of $1 million in the prior quarter.

50. Commenting on the strong second quarter results, Individual Defendant Benck stated:

> The second quarter demonstrated continued progress with initiatives put in place at Emulex over the last 18 months, including the delivery of the broadest set of new Ethernet and Fibre Channel products in the Company's history, increased focus on execution, and a greater emphasis on fiscal discipline... Coupled with healthy demand for our Fibre Channel portfolio and share gains aided by accelerating adoption of our latest Gen 5 Fibre Channel products, **we again exceeded the high end of our initial revenue and earnings guidance.**

(emphasis added).

51. In sum, Emulex showed significant signs of growth during the quarters preceding the completion of the Transaction, exceeding management's revenue and earnings guidance. Despite the Company's strong financial prospects, the Board agreed to abruptly sell the Company at a price below its intrinsic value, to the detriment of Emulex's common stockholders.

B. The Transaction Undervalued Emulex Shares

52. On February 25, 2015, Emulex and Avago issued a joint press release announcing that they had entered into the Merger Agreement.

53. The $8.00 per share Merger Consideration that Emulex's public stockholders received was insufficient, as it failed to adequately account for the Company's strong financial prospects and the tremendous benefits Avago will reap from the Merger.

54. Indeed, analysts from *The Street*, a leading digital financial media company, recently reported that Emulex's strengths prior to the completion of the

Transaction could be seen in multiple areas, such as its increase in net income, good cash flow from operations and growth in earnings per share. The article went on to state that the Company's net income growth for the second quarter compared to the same quarter the previous year had significantly exceeded that of the S&P 500 and the communications equipment industry. The Company's net income increased by 80.3% when compared to the same quarter one year prior. The article further stated that the Company's net operating cash flow has significantly increased by 319.52% to $20.85 million when compared to the same quarter last year. In addition, the Company vastly surpassed the industry average cash flow growth rate.

55. Another article published by investor news service Zacks on February 12, 2015 identified Emulex as a "company that looks well positioned for solid gain, but has been overlooked by investors lately." The article went on to state that "this Computer Networks stock has actually seen estimates rise over the past month for the current fiscal year by about 38.9%. But that is not yet reflected in its price, as the stock lost 9.6% over the same time frame."[3]

56. Further, analysts from DA. Davidson & Co., Piper Jaffray, and BMO Capital Markets had each issued price targets above the $8.00 per share Merger Consideration within the twelve months preceding the announcement of the Transaction; D.A. Davidson and Piper Jaffray had each issued price targets of

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[3] *Should Emulex (ELX) Be On Your Radar Now?*, Zacks Equity Research (February 12, 2015), http://www.zacks.com/stock/news/164117/should-emulex-elx-be-on-your-radar-now (last visited Sept. 11, 2015).

$10.00 per share, 25% above the Merger Consideration.

57. And on September 16, 2013, Starboard Value LP ("Starboard"), one of Emulex's largest stockholders, conducted a detailed financial analysis of the Company and concluded that the Company was "extremely undervalued" when its shares were trading at approximately $7.85 per share, a mere 15 cents below the $8.00 per share Merger Consideration Emulex's stockholders ultimately received.

58. Additionally, Avago stated that the Transaction will be immediately accretive to earnings per share on a non-GAAP basis, and that it expects Emulex businesses to contribute approximately $250 million to $300 million in annual net revenue with improved operating margins beginning in fiscal year 2016.

59. In sum, Avago will capitalize on Emulex's significant prospects for future growth and profits, and has deprived the Company's stockholders of the ability to maintain equity in the post-Merger company without fairly compensating them for their Emulex shares.

C. Activist Hedge Fund Stockholders Threaten to Remove Directors and Push for a Quick Sale of the Company

60. The Emulex Board and management faced mounting pressure to sell the Company beginning in the fall of 2012, when Elliott acquired approximately 10% of the Company's outstanding shares. Elliott acquired most of its Emulex shares at prices significantly below the $8.00 per share Merger Consideration.

61. Elliott's reputation for pressuring boards to sell companies was undoubtedly well known to the Emulex Board. In 2010 Elliott pushed Novell Inc. to sell itself, and in 2012 Elliott pressed BMC Software Inc. for several months to consider a sale, resulting in a $1 billion share buyback. Elliott also previously amassed a stake in Brocade Communications Systems Inc., and a year later the company's CEO was forced to step down after trying to sell the company for more 4 than two years.[4]

62. Elliot used its influence as Emulex's largest stockholder to pressure the Company to add two of its hand-picked directors to the Board. Caving to the pressure, on March 27, 2013, the Board increased its size to 11 members and chose Eugene J. Frantz ("Frantz") and Individual Defendant Gregory S. Clark to fill the two vacancies that were created. The Board appointed each of Messrs. Frantz and Clark to serve as members of the Nominating/Corporate Governance Committee of the Board.

63. On March 27, 2013, the Company also entered into a letter agreement with Elliott. Among other things, the letter agreement limited Elliott's ownership of Company common stock to 15%, and precluded Elliott proxy contest activities and proposals for the sale or merger of the Company until March 2014 generally, and until August 2013 for proxy contests and certain other transactions as set forth in the letter agreement. The letter agreement

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[4] Serena Saitto, *Activist Investor Elliott Boosts Stake in Emulex to 11%*, Bloomberg Business (Dec. 14, 2012) http://www.bloomberg.com/news/articles/2012-12-14/activist-investor-elliott-increases-stake-in-emulex-to-11- (last visited Sept. 11, 2015).

also restricted changes in the Company's Board committee structure as applicable to Messrs. Frantz or Clark.

64. Clark and Frantz were both members of the Board throughout the Company's poorly run sale process,[5] and thus influenced the Board's decision making process. As Elliott's hand-picked directors, Clark and Frantz undoubtedly sought to advance the interests of Elliott, which, for the reasons discussed below, were not aligned with the interests of Lead Plaintiff and Emulex's other public stockholders.

65. On May 7, 2013, another activist hedge fund, Altai Capital, which owned approximately 5.4% of Emulex's common stock, sent a letter to Emulex's CEO, pressuring the Company to initiate a sale process and engage financial advisors immediately to undertake the process. Altai Capital acquired most of its Emulex shares at prices significantly below the $8.00 per share Merger Consideration. In the letter, Altai Capital further stated that absent a sale of the entire Company, it would only be satisfied "**in the event of wholesale change at the Board level**," **and suggested replacing the Board members who had rejected Broadcom's $11 per share bid for Emulex and those who oversaw the Company's purchase of Endace**.[6] Such Board

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[5] Frantz did not stand for re-election at the Company's annual meeting on February 18, 2015, and thus did not vote to approve the Merger Agreement on February 25, 2015. However, he maintained his seat on the Board through February 18, 2015, and thus served on the Board throughout nearly the entire sale process.

[6] Press Release, Altai Capital Management, L.P., Altai Capital Management Delivers Letter to Emulex Coporation

members included Individual Defendants Bruce C. Edwards, Jeffrey W. Benck, Paul F. Folino, Beatriz V. Infante, Nersi Nazari, and Dean A. Yoost. Thus, Altai Capital had put six of the ten directors that voted to approve the Transaction on notice that if they did not sell the Company, Altai Capital would seek to remove them from the Board.

66. On September 16, 2013, Starboard, one of the largest stockholders of Emulex at the time, with a beneficial ownership of approximately 7.9% of the Company's outstanding common stock, sent a letter to Individual Defendant Benck and the Company's Board, stating that based on its extensive research and analysis, the Company was "extremely undervalued" when its shares were trading at approximately $7.85 per share. Starboard acquired most of its Emulex shares at prices significantly below the $8.00 per share Merger Consideration.

67. In the same letter, Starboard stated:

> As a result of this historical track record, we believe that shareholders are skeptical of management's ability to properly allocate capital and manage expenses... While we recognize the Company has recently made a management change, it is unclear at this juncture whether the strategy going forward will be materially different from the past... **Also troubling is that the composition of the Board has remained stagnant with**

Outlining Recommendations for Potential Value Creation (May 7, 2013), *available at* http://www.businesswire.com/news home/20130507006933/en/Altai-Capital-Management-Delivers-Letter-Emulex- Corporation#.VfBSSrmFOUk (last visited Sept. 11, 2015).

> **little change despite dismal performance.** Apart from the addition of two new independent directors at the request of your largest shareholder earlier this year, **the remainder of the Board is composed primarily of long-time directors, who collectively have an average tenure on the Board of over 15 years.** Further, instead of implementing corporate governance best practices by having former CEOs step down from the Board upon their resignation as CEO, Emulex has made a terrible habit of allowing former CEOs to remain on the Board. In fact, the current Chairman is the former CEO, and the former Chairman, who remains on the Board, is a former CEO who served from 1993-2006... **It is time for a significant change at Emulex**. Specific changes must be made to address years of dismal operating and share price performance as well as sub-optimal corporate governance. **We believe a newly reconstituted Board comprised of independent directors** and shareholder advocates should be able to evaluate each of Emulex's businesses with a fresh perspective and determine the right 7 strategy to enhance shareholder value.[7]

68. Accordingly, just like Altai Capital, Starboard made it clear that it would actively seek to

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[7] Press Release, Starboard Value LP, Starboard Delivers Letter to Emulex CEO and Board of Directors (Sept. 16, 2013), *available at* http://www.prnewswire.com/news-releases/starboard-delivers-letter-to-emulex-ceo-and-board-of-directors-223943781.html (last visited Sept. 11, 2015).

completely revamp the composition of the Board, and thus have certain of the Individual Defendants removed, if significant changes to the Company's operations were not implemented.

69. In September 2013, Emulex announced that its Chief Financial Officer Michael J. Rockenbach ("Rockenbach") would resign at the end of the year. Rockenabach's resignation was driven by pressure from Elliott, Altai Capital, and Starboard.

70. In November 2013, under pressure from Elliott, Emulex announced that its Executive Chairman and former CEO, James McCluney, would step down from his position and not seek re-election.

71. Thus, by the fall of 2013, at least three of the Company's largest stockholders, each with significant financial resources and the ability to influence other stockholders, had sent a resoundingly clear message to the Board – they could either sell the Company, or face the embarrassment and stigma of losing their jobs for poor performance.

72. But the interests of Elliott, Altai Capital and Starboard were not aligned with Emulex's other public stockholders because each of the firms acquired a significant portion of their Emulex shares below the $8.00 per share Merger Consideration, and their primary goal was to quickly return cash to their investors rather than invest in the Company long-term. Hedge Funds such as Elliott, Altai Capital and Starboard are willing to liquidate their shares even in strong and viable companies because of their limited resources and the need to manage other portfolio firms. Hedge funds also seek to avoid situations in which an entity is profitable, but requires ongoing monitoring and where growth opportunities and

prospects for exit are not high enough to generate an attractive enough internal rate of return. Such companies are routinely liquidated via sales to larger companies for cash, allowing hedge funds to quickly exit on their investment and turn their efforts and attention to new ventures. Indeed, as one writer covering the industry wrote upon the news that Elliott had increased its stake in Emulex back in the fall and winter of 2012, "Elliott is Emulex's largest shareholder and, we surmise, will want to make a profit on that cash, a quick profit - a profit inside 12 months we'd say."[8]

D. The Board Caves to Activist Investor Pressure and Decides to Quickly Sell the Company, Enabling Them to Avoid the Embarrassment of Losing Their Jobs

73. The pressure exerted on the Board by Elliott, Altai Capital and Starboard undoubtedly influenced the Company's strategic review process. Indeed, Elliott had been able to exert its will to force certain Emulex officers and directors to resign and replace them with its own hand-picked directors, and the Board specifically authorized certain parties interested in acquiring Emulex to speak directly with representatives of Elliott. Recommendation Statement at 16. Further, according to its September 13, 2013 letter, representatives of Starboard were

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[8] Chris Mellor, *Bolshy investor sinks teeth into weakened Emulex, tears off another chunk*, The Register (Dec. 14, 2012), http://www.theregister.co.uk/2012/12/14/emulex_elliott/ (last visited Sept. 11, 2015).

given access to Emulex's senior management in order to research the Company's value.

74. Succumbing to the pressure exerted by Elliott, Altai Capital and Starboard, the Board retained Goldman Sachs to conduct a sale process in May 2013. *Id*. at 14. Goldman Sachs had previously worked for Avago and received lucrative fees in connection with serving as an underwriter and co-manager in connection with Avago's initial public offering in 2009, and two secondary offerings in 2010. Goldman Sachs' prior relationship with Avago may have materially influenced Emulex's strategic review process and improperly tainted the sale process toward a deal with Avago.

75. News that Emulex had hired a banker to sell the Company leaked to the public in July 2013. Accordingly, prospective bidders were put on notice that the Board was eager to sell the Company, which undoubtedly impacted the value of the offers that were ultimately received. Indeed, interested parties surely sensed that they could acquire Emulex at a discount given the pressure the Board faced to sell the Company.

76. After purportedly suspending the sale process on a temporary basis in November 2013, the Board decided to recommence the process in or around May 2014. *Id*. at 17.

77. The sale process that purportedly occurred after the Board's May 20, 2014 meeting was poorly run and designed to finalize a sale of the Company as quickly as possible rather than maximize stockholder value or even obtain fair value for the Company.

78. After receiving two drastically inadequate proposals to acquire the Company from two private

equity firms sometime between May and August 2014, the Board directed management to contact two operating companies, Avago and another unidentified company referred to in the Recommendation Statement as "Company A", to determine their interest in acquiring Emulex. *Id*.

79. Operating companies, as opposed to private equity firms, were much more likely to submit higher proposals to acquire the Company, because unlike private equity firms, they are able to obtain value in a merger as a result of obtaining significant synergies. Yet, after recommencing the sale process, the Board initially only authorized Goldman Sachs and management to contact two operating companies, one of which was Avago.

80. On August 23, 2014, a representative of Goldman Sachs contacted a representative of Avago to determine if Avago would be interested in exploring a strategic transaction involving Emulex. *Id*. On August 24, 2014, a representative of Avago expressed an interest in having a meeting to discuss Emulex's business. *Id*. Emulex entered into a confidentiality agreement with Avago on August 28, 2014 and thereafter Emulex made nonpublic information available to Avago. *Id*.

81. Representatives of Emulex made presentations to representatives of Avago on September 4, 18 and 19, 2014 and continued to make nonpublic information regarding Emulex available to Avago, including internal financial forecasts prepared by management regarding the anticipated future financial and operating performance of Emulex for the years 2015 through 2017. *Id*. Individual Defendant Benck met with Avago's CEO to discuss Emulex and its business on September 18, 2014. *Id*.

However, on September 30, 2014, representatives of Avago purportedly informed a representative of Emulex that it was not interested in further pursuing a potential strategic transaction involving Emulex at that time. *Id.*

82. On October 29, 2014, a representative of Company A purportedly informed a representative of Emulex that it was not interested in pursuing a possible strategic transaction involving Emulex. *Id.*

83. On January 7, 2015, a representative of Avago contacted Individual Defendant Benck to discuss Avago's possible renewed interest in Emulex and set up a subsequent meeting on January 14, 2015. *Id.* at 18.

84. Individual Defendant Benck and another member of Company management attended the January 14 meeting, along with Avago's CEO and other representatives. *Id.* During the meeting, the Emulex representatives described progress in Emulex's business since the fall of 2014 and preliminary financial results for the first half of its current fiscal year. *Id.* The Emulex representatives also provided Avago with an updated revenue forecast for certain of Emulex's business segments. *Id.*

85. Thereafter, on January 26, 2015, Avago submitted a written proposal to acquire Emulex at a price of $7.50 per share in cash. *Id.* Avago indicated that it believed that it was in the interest of both Emulex and Avago that any transaction be **negotiated quickly**. *Id.* Accordingly, a representative of Avago informed Emulex that its proposal was subject to using the material terms of a merger agreement Avago had recently used in

connection with another merger. Avago also requested a 45-day period of exclusivity. *Id.*

86. At the Board meeting immediately after Avago submitted its proposal to acquire Emulex for $7.50 per share, held on January 31, 2015, Emulex management presented to the Board an updated financial forecast for the second half of fiscal years 2015 through 2019 (the "Revised Downward Forecast"). *Id.* Emulex Management had previously prepared a financial forecast for fiscal years 2015 through 2017 in May 2014 (the "May 2014 Forecast"). *Id.* at 39. **Yet, at or around the same time it received Emulex's $7.50 offer, Emulex management suddenly decided that it needed to revise its May 2014 Forecast significantly downward.**

87. Specifically, the May 2014 Forecast was revised downward with the following changes: while the May 2014 Forecast had projected revenues of $420.1 million and $437.7 million in fiscal years 2016 and 2017, respectively, the Revised Downward Forecast projected revenues of $401.6 million and $423.4 million in fiscal years 2016 and 2017, respectively (*id.* at 39-40); while the May 2014 Forecast had projected Non-GAAP net income of $49.6 million, $56.7 million and $61.7 million in fiscal years 2015 through 2017, respectively, the Revised Downward Forecast projected Non-GAAP net income of $48.5 million, $43.0 million and $54.5 million in fiscal years 2015 through 2017, respectively, *id.*; and while the May 2014 Forecast had projected EBITDA of $76.3 million, $82.1 million and $87.6 million in fiscal years 2015 through 2017, respectively, the Revised Downward Forecast projected EBITDA of

$74.4 million, $65.9 million, and $78.9 million in fiscal years 2015 through 2017, respectively, *id*.

88. Further, while the Revised Downward Forecast contained unlevered free cash flow projections, the Recommendation Statement curiously omitted the unlevered free cash flow projections from the May 2014. *Id*. Accordingly, Emulex's stockholders were deprived of the ability to determine how management's downward revisions to the Company's financial projections impacted the Company's projected unlevered free cash flows.

89. The downward adjustments to management's projections had a significant negative impact on the Company's valuation and the implied values per share Goldman Sachs calculated in connection with the various financial analyses it performed to support its fairness opinion.

90. It is currently unclear if management's decision to suddenly revise the projections from the May 2014 Forecast drastically downward, which was made around the same time it received Avago's offer, was warranted by the Company's actual business performance and prospects, or a desire to make Avago's offers appear more fair to the Company's stockholders.

91. The Board met on January 31, 2015 to review Avago's January 26th offer to acquire Emulex for $7.50 per share. *Id*. at 18. Representatives of Goldman Sachs participated in the meeting. *Id*. The representatives of Goldman Sachs reviewed Goldman Sachs' preliminary observations regarding Avago's proposal and made a presentation including a preliminary financial analyses of the proposal. *Id*.

92. The Board determined that management should continue discussions with representatives of Avago, and purportedly directed Individual Defendant Benck to continue to work closely with the Chairman of the Board to determine the best negotiating approach. *Id*. While the Board did not determine whether to accept exclusivity as a condition to proceeding with discussions with Avago at the January 31st meeting, management was directed to leave the possibility open. *Id*.

93. During the course of the next week, Benck purportedly conducted price discussions with a representative of Avago, during which Beck initially proposed a price of $8.50 in cash per share, to which the Avago representative responded with their final $8.00 per share offer on February 5, 2015. *Id*. at 19.

94. Avago continued to demand that the parties finalize the Transaction as quickly as possible. *Id*. Avago's February 5th proposal reiterated the request for exclusivity and the condition that a transaction be based on the merger agreement Avago had used in connection with a recent merger in order to finalize an agreement quickly. *Id*. Specifically, a representative of Avago advised Individual Defendant Benck that Avago's proposal was based on the expectation that a definitive agreement **would be executed by late February** to facilitate an announcement in conjunction with Avago's first quarter earnings. *Id*. Representatives of Avago also stated that if the parties were unable to execute a merger agreement prior to Avago's release of first quarter earnings, the deal would likely fall apart and Avago would turn its attention to other projects. *Id*.

95. On February 7, 2015, the Board, along with representative of Goldman Sachs, met to consider

Avago's most recent proposal. *Id*. The Board purportedly determined that private equity firms would not be able to submit a competitive bid. *Id*. The Board then purportedly reviewed four possible additional strategic bidders, referred to in the Recommendation Statement as "Company A", "Company B", "Company C", and "Company D". *Id*. The Board quickly dismissed each of the four candidates, and determined that none of them were worth even contacting. *Id*. Simply put, the Board sensed a deal with Avago could be finalized quickly, and was prepared to get the deal done without so much as bothering to contact any other strategic bidders. *Id*. The Board then directed Emulex management to finalize discussions with Avago and gave management permission to enter into a 30-day exclusivity agreement. *Id*.

96. However, on February 10, 2015, Avago suddenly dropped its request for exclusivity. *Id*. Sometime between February 10 and February 20, representatives of Goldman Sachs purportedly contacted two of the strategic bidders that they had just three days earlier purportedly determined were not viable merger candidates, Company B and Company D. *Id*. at 20. Company B had purportedly initially agreed to consider the possibility of acquiring Emulex, but then ultimately stated that it would not be able to consider the matter at the present time. *Id*. Company D also purportedly told Goldman Sachs that it was still considering the matter. *Id*.

97. Eager to finalize a deal with Avago within the tight time constrains Avago had set, the representatives of Company B and Company D were likely advised by either Goldman Sachs or Emulex that the timeframe they would have to complete

diligence and submit a bid was tight. Given that Company B and Company D were first contacted sometime on or after February 10, 2015, and that the Board voted to approve the Transaction on February 25, 2015, the Board's decision to allow Goldman Sachs to contact Company B and Company D was likely driven more by a desire to create the false impression that an adequate sale process had been conducted, rather than actually eliciting bids from them. Indeed, no reasonable company could complete the diligence necessary to submit a bid within such a tight and unreasonably short time frame.

98. On February 17, 2015, Individual Defendant Benck informed the Board that Avago's CEO had requested a meeting with him on February 20, 2015. *Id*. The Board authorized Benck to attend. *Id*.

99. On February 21, 2015, the Board was informed that Avago would require each of them and Emulex's named executive officers to sign a tender and support agreement in which they would agree to tender their shares not to solicit alternative transactions. *Id*.

100. Also on February 21, 2015, Benck advised the Board that he had met with Avago's CEO on February 20, and that during their meeting, they discussed the possibility of Benck continuing as manager of the Emulex business unit within Avago once the parties finalized the deal. *Id*. at 21. It is currently unknown whether Benck maintained a position with Avago after the Transaction closed, but the opportunity to do so clearly created a conflict of interest.

101. During the February 21 Board meeting, a representative of Goldman Sachs led an extensive discussion of its analysis of the Transaction from a

financial point of view, which included reviewing various analyses Goldman Sachs had performed concerning the fairness of the $8.00 per share Merger Consideration. *Id.* The Goldman Sachs representative also specifically touted the premiums the $8.00 Merger Consideration represented compared to Emulex's closing trading price the previous day and to Emulex's 90-day trading average price. *Id.*

102. The Board then determined that Emulex should seek to finalize the Merger Agreement, despite the fact that Company D had stated that it was still considering submitting a bid. *Id.*

103. On February 25, 2015, the Board held a special meeting to vote on the Merger Agreement and approve the Transaction. *Id.* During the meeting, Goldman Sachs informed the Board that a representative of Company D had purportedly informed Goldman Sachs that it was not interested in pursuing a strategic transaction with Emulex. *Id.* at 22. Representatives of Goldman Sachs then provided their analysis of the Transaction. *Id.* At the conclusion of the presentation made by Goldman Sachs, which included several analyses concerning the fairness of the Merger Consideration including a "Precedent Transactions Analysis" or "Premium Analysis" slide entitled *Selected Semiconductor Transactions*, a Goldman Sachs representative presented its oral opinion that the $8.00 per share Merger Consideration was fair to Emulex's stockholders. *See id.* The Board then voted to approve the Merger Agreement. *Id.*

104. In sum, caving to activist hedge fund investor pressure, the Board oversaw a poorly run sale process between May 2014 and February 2015, during which

the goal was to sell the Company to the first bidder that presented anything close to a justifiably acceptable bid. Indeed**, only one other strategic company besides Avago was even contacted prior to February 10, 2015**.

105. The Board then purportedly authorized Goldman Sachs to contact two other strategic parties sometime between February 10, 2015 and February 21, 2015, but by that time Avago had already conducted significant diligence and submitted a bid. Thus, the purported overtures Goldman Sachs made to Company B and Company D were nothing more than poorly veiled attempts to create the impression that the Board had conducted some form of a legitimate sale process. In reality, the Individual Defendants were eager to finalize a deal with Avago as quickly as possible, enabling them to appease the activist hedge-fund investors and end their tenures with the Company cleanly.

E. The Individual Defendants Reap Personal Financial Gain From the Transaction

106. Beginning in May 2014, approximately the same time the Board decided to recommence the sale process and thus realized that a sale of the Company for some premium to the then-current stock price was imminent, certain of the Individual Defendants began to acquire significant amounts of Emulex common stock at prices well below the $8.00 per share Merger Consideration.

107. On May 6, 2014, Individual Defendant Daichendt purchased 200,000 Emulex common

shares at a price of $4.70 per share.[9] Prior to that date, Daichendt had only owned 27,100 Emulex common shares, and he thus significantly increased his ownership stake in the Company.

108. On May 6, 2014, Individual Defendant Edwards purchased 10,000 Emulex common shares at a price of $4.67 per share, and 10,000 Emulex common shares at a price of $4.68 per share.[10] Prior to that date, Edwards had only owned 92,360 Emulex common shares, and he thus increased his ownership stake by approximately 22%.

109. On May 7, 2014, Individual Defendant Yoost purchased 8,282 Emulex common shares at a purchase price of $5.00 per share.[11] Prior to that date, Yoost had owned approximately 91,000 Emulex common shares, and he thus increased his ownership stake by approximately 9%.

110. Accordingly, Individual Defendants Daichendt, Yoost and Edwards each increased their ownership stakes in the Company at a time when they knew a deal was forthcoming and thus would be able to obtain a quick premium on their investment.

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[9] Emulex Corp., Statement of Changes in Beneficial Ownership (Form 4) (May 6, 2014), http://www.sec.gov/Archives/edgar/data/350917/000119529314000004/xslF345X03/edgardoc.xml (last visited Sept. 11, 2015).

[10] Emulex Corp., Statement of Changes in Beneficial Ownership (Form 4) (May 6, 2014), http://www.sec.gov/Archives/edgar/data/350917/000119529314000002/xslF345X03/edgardoc.xml (last visited Sept. 11, 2015).

[11] Emulex Corp., Statement of Changes in Beneficial Ownership (Form 4) (May 8, 2014), http://www.sec.gov/Archives/edgar/data/350917/000133715614000004/xslF345X03/edgardoc.xml (last visited Sept. 11, 2015).

111. Further, each of the Individual Defendants will receive significant amounts of compensation as a result of the Transaction by virtue of receiving the Merger Consideration in exchange for their Emulex shares.

112. Individual Defendant Benck, who assumed primary responsibility for leading the sale process and engaging in negotiations with Avago, will receive total consideration of $5,653,623 as a result of the Emulex stock he owned upon the closing of the Transaction. *Id*. at 5.

113. Benck was also eligible to receive a change in control payment of $6,374,944 if his employment was terminated upon the closing of the Transaction. *Id*. at 9.

114. Individual Defendant Clark will receive total consideration of $394,592 as a result of the Transaction. *Id*. at 6.

115. Individual Defendant Daichendt will receive total consideration of $1,866,800 as a result of the Transaction. *Id*.

116. Individual Defendant Edwards will receive $900,880 in total consideration as a result of the Transaction. *Id*.

117. Individual Defendant Folino will receive $268,256 in total consideration as a result of the Transaction. *Id*.

118. Individual Defendant Infante will receive $444,120 in total consideration as a result of the Transaction. *Id*.

119. Individual Defendant Kelley will receive $266,800 in total consideration as a result of the Transaction. *Id*.

120. Individual Defendant Merchant will receive $266,800 in total consideration as a result of the Transaction. *Id*.

121. Individual Defendant Nazari will receive $543,472 in total consideration as a result of the Transaction. *Id*.

122. Individual Defendant Yoost will receive $848,104 in total consideration as a result of the transaction. *Id*.

123. In total, the named Individual Defendants, as well as certain Company executive officers, will receive $17,200,823 in total consideration as a result of the Transaction. *Id*.

124. In sum, certain of the Individual Defendants purchased significant amounts of Emulex common stock at prices well below the Merger Consideration during the months preceding the announcement of the Transaction, knowing that a sale of the Company was imminent and that they would be able to obtain a quick, easy premium on their investment within a few months' time.

125. And each of the Individual Defendants received significant payouts by virtue of their otherwise illiquid Emulex shares being exchanged for the Merger Consideration. The Individual Defendants were happy to accept the Merger Consideration because it provided them with a graceful exit from the Company with cold, hard cash.

126. Thus, the Individual Defendants, recognizing that their only options were to quickly sell the Company or lose their Board seats, were each able to personally profit from the Transaction.

F. The Preclusive Deal Protection Devices Deterred Superior Offers

127. After caving to pressure from activist hedge fund investors to quickly sell the Company, and in order to ensure that the consummation of the Transaction was not derailed, the Individual Defendants agreed to certain deal protection provisions in the Merger Agreement that operated conjunctively to lock-up the Transaction and ensured that no competing offers for the Company would emerge.

128. First, the Merger Agreement's no solicitation provision prohibited the Company or the Individual Defendants from taking any affirmative action to obtain a better offer for the Company's stockholders. Specifically, Section 5.3 of the Merger Agreement prohibited the Company and the Individual Defendants from soliciting, initiating, encouraging or facilitating any alternative acquisition proposal.

129. Furthermore, Section 5.3 of the Merger Agreement granted Avago recurring and unlimited matching rights, which provided Avago with: (i) unfettered access to confidential, non-public information about competing proposals from third parties which it could use to prepare a matching bid; and (ii) four business days to negotiate with Emulex, amend the terms of the Merger Agreement, and make a counter-offer in the event a superior offer was received.

130. The no solicitation and matching rights provisions essentially ensured that a superior bidder did not emerge, as any potential suitor was undoubtedly deterred from expending the time, cost, and effort of making a superior proposal while

knowing that Emulex could easily foreclose a competing bid. As a result, these provisions unreasonably favored Avago, to the detriment of the Class.

131. Additionally, Section 7.2 of the Merger Agreement provided that Emulex must pay Avago a termination fee of $19.5 million in the event the Company elected to terminate the Merger Agreement to pursue a superior proposal. The termination fee, which amounted to an unreasonably high 3.2% of the Transaction's equity value, further deterred other potential suitors from making a superior offer for the Company, as any competing bidder would have had to pay a naked premium for the right to provide Emulex's stockholders with a superior offer.

132. Ultimately, these deal protection provisions restrained the Board's ability to solicit or engage in negotiations with any third party regarding a proposal to acquire all or a significant interest in the Company.

G. The Board Intentionally Omits a Critical Financial Analysis From the Recommendation Statement, Rendering Certain Statements Materially Misleading

133. The Individual Defendants, having finalized a deal with Avago that would allow them to still reap personal financial gain and leave their positions gracefully rather than suffer the embarrassment of losing their jobs for poor performance amidst continued pressure from the activist hedge-fund investors, were eager to ensure the Transaction was successfully consummated.

134. Indeed, each of the Individual Defendants received sizeable aggregate payments in exchange for their Emulex shares, and Individual Defendant Benck was also involved in discussions with Avago to keep his lucrative job with the Company after the Transaction closed.

135. Accordingly, on April 7, 2015, the Board caused the Recommendation Statement to be filed with the SEC, which stated that the Board "unanimously (1) determined that the transactions contemplated by the Merger Agreement, including the [Tender] Offer and the Merger, are fair to, and in the best interests of, Emulex and its shareholders, (2) approved and declared advisable the Merger Agreement and the Transaction, including the Offer and the Merger, and (3) recommended that Shareholders accept the Offer, tender their Shares to Purchaser in the Offer and, to the extent applicable, approve and adopt the Merger Agreement and the Merger." *Id*. at 14.

136. The Board undoubtedly presumed that its recommendation, along with Goldman Sachs' fairness opinion and the financial analyses it performed to support its opinion, would convince Emulex's stockholder to tender their shares, thereby ensuring that the Transaction would be consummated as planned.

137. There was one significant problem however – one of the financial analyses Goldman Sachs performed in reviewing the fairness of the Merger Consideration, commonly referred to as a "Precedent

Transactions Analysis" or "Premium Analysis",[12] showed that, contrary to the Board's publicly stated determination, the Merger Consideration was drastically inadequate and fundamentally unfair to Emulex's stockholders.

138. Specifically, Goldman Sachs had performed a valuation analysis, entitled "Selected Semiconductor Transactions", whereby it selected certain transactions in the industry it deemed most similar to the Transaction and reviewed the respective premiums stockholders received in those transactions compared to the target company's undisturbed stock price and 52 week high stock price. *See* Exhibit A at ELX91.

139. Goldman Sachs' Selected Semiconductor Transactions Analysis, which appeared in the presentation it made to the Board on February 25, 2015, the date the Board approved the Transaction, is depicted below:

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[12] Such an analysis is one of "[t]he most common and accepted techniques" upon which a fairness opinion can rest. Steven M. Davidoff, *Fairness Opinions*, 55 Am. U.L. Rev. 1557, 1574 (2006).

Selected Semiconductor Transactions

($ in millions)

Announce Date	Acquirer	Target	Equity Consideration[1]	Enterprise Value	Premium Over Undisturbed[2]	Premium Over 52-Wk High	Target's 1 Year Forward Multiple[3] Revenue	Net Income
2014								
10/14/2014	Qualcomm	CSR	$ 2,500	$ 2,190	56.5 %	11.6 %	2.7 x	25.7 x
8/22/2014	Murata	Peregrine	469	471	62.5	7.4	2.6	NM
6/20/2014	Infineon	International Rectifier	3,019	2,400	50.6	39.3	2.0	26.5
6/23/2014	Avago	PLX Technology	309	293	9.4	(4.8)	2.5	23.8
6/16/2014	SanDisk	Fusion-IO	1,274	1,100	21.2	(27.0)	2.5	NM
6/9/2014	Analog	Hittite Microwave	2,466	1,974	34.7	NA	6.2	29.4
2/10/2014	Microchip	Supertex	389	246	23.4	21.6	3.3	42.0
4/29/2014	Cirrus Logic	Wolfson	488	467	77.4	NA	2.5	99.0
Mean					*42.0 %*	*8.0 %*	*3.0 x*	*41.1 x*
Median					*42.6*	*9.5*	*2.6*	*27.9*
2013								
12/16/2013	Avago	LSI	7,020	6,355	46.9	NA	2.7	19.4
8/15/2013	Maxim	Volterra	633	478	55.4	(10.5)	3.2	31.5
Mean / Median					*51.2 %*	*(10.5)%*	*3.0 x*	*25.4 x*
2012								
7/27/2012	Apple	AuthenTec	$ 393	$ 374	57.8 %	49.8 %	4.4 x	79.1 x
5/2/2012	Microchip	Standard Microsystems	970	808	37.9	31.0	1.9	24.8
Mean / Median					*47.8 %*	*40.4 %*	*3.2 x*	*51.9 x*
2011								
5/26/2011	Skyworks	Advanced Analogic Tech	$ 265	$ 181	51.0 %	22.4 %	1.6 x	73.5 x
7/20/2011	Microsemi	Zarlink	601	460	66.5	49.6	1.7	15.5
9/12/2011	Broadcom	NetLogic	3,912	3,693	56.7	14.4	7.4	27.8
4/4/2011	Texas Instruments	National Semiconductor	6,400	6,543	77.7	56.3	4.2	20.8
1/5/2011	Qualcomm	Atheros	3,807	3,241	21.6	2.5	3.0	20.6
Mean					*54.7 %*	*29.0 %*	*3.6 x*	*31.6 x*
Median					*56.7*	*22.4*	*3.0*	*20.8*
Mean					*44.8 %*	*17.6 %*	*3.0 x*	*35.0 x*
Median					*50.8*	*14.4*	*2.7*	*26.1*

Source: Press Releases and Bloomberg

[1] Represents fully diluted equity consideration at time of announcement as calculated with latest publicly available filings.

[2] Represents premium to closing price on date prior to first mention in publicly available news source.

[3] IBES 1 year forward estimates at the time of announcement.

140. Goldman Sachs' Selected Semiconductor Transactions Analysis revealed that the mean and median premiums over the target company's undisturbed stock price for the selected transactions were **44.8%** and **50.8%,** respectively, and the mean and median premiums over the target company's 52 week high were **17.6%** and **14.4%,** respectively.

141. Accordingly, Goldman Sachs' Selected Semiconductor Transactions Analysis clearly indicated that the corresponding premiums that Emulex's stockholders stood to receive, **26.4%** to the closing sales price the last trading day prior to the executing of the Merger Agreement (*i.e.* the undisturbed stock price) and **4.8%** based on the 52-week high closing share price, Recommendation Statement at 22-23, were significantly below the premiums stockholders had received in comparable transactions.

142. Goldman Sachs' Selected Semiconductor Transactions Analysis was presented to the Board on February 25, 2015, the date it voted to approve the Transaction, in a presentation Goldman Sachs gave to the Board.

143. On February 21, 2015, a representative of Goldman Sachs had also specifically led an extensive discussion with the Board concerning Goldman Sachs' analysis of the Transaction from a financial point of view based on the Merger Consideration of $8.00 in cash per share, during which the representative specifically discussed the premiums the Merger Consideration represented compared to Emulex's closing trading price on the most recent trading day and to Emulex's 90-day trading average price. *Id*. at 21.

144. Because Goldman Sachs' Selected Semiconductor Transactions Analysis clearly showed that the premium Emulex's stockholders stood to receive in connection with the Transaction was significantly below the premiums obtained in comparable transactions, and that the Merger Consideration was therefore inadequate and unfair, the Board intentionally or recklessly omitted the analysis from the Recommendation Statement.

145. Indeed, the Board decided to include in the Recommendation Statement another financial analysis performed by Goldman Sachs which appeared in the same section of the February 25 fairness presentation as the Selected Semiconductor Transactions Analysis. Specifically, Goldman Sachs' Selected Public Trading Comparables Analysis, which is referred to in the Recommendation Statement as the "Selected Companies Analysis", *id*. at 27-28, appeared in the February 25 Fairness Presentation in same section where the Selected Semiconductor Transactions Analysis appeared. *See* Exhibit A at ELX87.

146. Despite knowing that the premium Emulex's stockholders stood to receive in connection with the Transaction paled in comparison to the premiums stockholders of similar companies had received in connection with recently completed comparable transactions, the Board, via the Recommendation Statement, nonetheless continued to falsely and misleadingly tout that the premium was significant and supported the Board's recommendation that Emulex's stockholders tender their shares in the Tender Offer. Recommendation Statement at 22-23.

147. Specifically, the Recommendation Statement states that "**In** approving the Merger Agreement and

the transactions contemplated thereby and **making its recommendation that Shareholders tender their Shares in the Offer**, the Board considered a number of factors, including the following, **which the Board believes support these determinations**:

Premium to Market Price: **The Board considered that the Merger Consideration of $8.00 in cash per share represented**:

- **A premium of 26.4% to the closing sales price on February 24, 2015, the last trading day prior to the execution of the Merger Agreement;**
- a premium of 24.0% based on the 30-day average of $6.45 per Share as of February 24, 2015;
- a premium of 32.9% based on the 90-day average of $6.02 per Share as of February 24, 2015;
- **a premium of 4.8% based on the 52-week high closing Share price of $7.63 per Share as of February 24, 2015;**
- a premium of 79.4% based on the 52-week low closing Share price of $4.46 per Share as of February 24, 2015; and
- a premium of 33.3% based on the Institutional Brokers' Estimate System ("IBES") median price target of $6.00 per Share on February 24, 2015.

Id. (emphasis added).

148. The Board's intentional decision to omit Goldman Sachs' Selected Semiconductor Transactions Analysis from the Recommendation Statement renders the above-referenced statement in the Recommendation Statement materially

misleading because the above-referenced statements clearly create the impression that the premiums supported the fairness of the Merger Consideration, when in reality the premiums were materially below the premiums stockholders of similar companies have received in connection with recently completed comparable transactions.

149. Defendants knowingly, or at the very least recklessly, failed to disclose the material information from Goldman Sachs' Selected Semiconductor Transactions Analysis discussed above. The omission of the information from Goldman Sachs' Selected Semiconductor Transactions Analysis was material and rendered certain portions of the Recommendation Statement that touted the premium Emulex's stockholders received in connection with the Transaction materially misleading. As a result of this material omission and the misleading statements in the Recommendation Statement, Emulex's stockholders were unable to make an informed decision concerning whether or not to tender their shares, and suffered harm as a result.

H. Defendants Knowingly or Recklessly Disregarded that the Recommendation Statement Omitted Material Information and Contained Materially False or Misleading Statements

150. The Individual Defendants, and thus Emulex, knew or recklessly disregarded that the Recommendation Statement omitted any reference to or summary of Goldman Sachs' Selected Semiconductor Transactions Analysis, and contained the materially false and misleading statements referenced-above, which state, or at the very create a

clear impression that the premium obtained in connection with the Transaction supported the fairness of the Merger Consideration to Emulex's stockholders.

151. Specifically, Defendants undoubtedly reviewed the contents of the Recommendation Statement before it was filed with the SEC. Indeed, Individual Defendant Benck has attested that he made due inquiry concerning the information set forth in the Recommendation Statement. *Id.* at 48. Individual Defendant Benck was thus aware that the Recommendation Statement omitted any reference to or summary of Goldman Sachs' Selected Semiconductor Transactions Analysis, and contained the materially false and misleading statements touting the premium Emulex's stockholders received in the Transaction, referenced-above.

152. Further, the Recommendation Statement indicates that on February 21, 2015:

> A representative of Goldman Sachs then led **an extensive discussion** of Goldman Sachs' analysis of the possible transaction from a financial point of view based on the indicated price of $8.00 in cash per Share. He noted that Goldman Sachs' preliminary analysis, based on the work undertaken to date, on the factors and assumptions described and on the forecasts of Emulex's management, indicated that the $8.00 in cash per Share was in excess of the standalone value of Emulex indicated in Goldman Sachs' analysis. He also noted that $8.00 in cash per Share represented a 25% premium to the closing trading price on February 19, 2015 and a 34% premium to the

> 90-day trading average price on February 19, 2015...

Id. at 21.

153. The Recommendation Statement also indicates that on February 25, 2015 Goldman Sachs provided the Board with an analysis of the Transaction and presented its oral opinion that based upon and subject to the factors and assumptions set forth therein and reviewed at the meeting, the $8.00 per share Merger Consideration was fair from a financial point of view to Emulex's stockholders. *Id.* at 22. The Recommendation Statement further indicates that the Board considered the various financial analyses presented by Goldman Sachs in connection with approving the Merger Agreement and making its recommendation that Emulex stockholders tender their shares in the Tender Offer. *Id.* at 23.

154. Goldman Sachs' Selected Semiconductor Transactions Analysis specifically appeared in the presentation it made to the Board on February 25, 2015, the date the Board approved the Transaction. Accordingly, each of the Individual Defendants undoubtedly saw and reviewed the Semiconductor Transactions Analysis on February 25, 2015, and likely at previous Board meetings during which Goldman Sachs made presentations. The Individual Defendants thus knew, or recklessly disregarded the fact that the Recommendation Statement omitted any reference to or summary of Goldman Sachs' Selected Semiconductor Transactions Analysis, and contained the materially false and misleading statements touting the premium Emulex's stockholders received in the Transaction, referenced-above.

FIRST CAUSE OF ACTION

Claim for Violations of Section 14(e) of the Exchange Act Against All Defendants

155. Lead Plaintiff repeats and realleges each allegation contained above as if fully set forth herein.

156. Section 14(e) of the Exchange Act provides that it is unlawful "for any person to make any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or to engage in any fraudulent, deceptive, or manipulative acts or practices, in connection with any tender offer or request or invitation for tenders, or any solicitation of security holders in opposition to or in favor of any such offer, request, or invitation." 15 U.S.C. § 78n(e).

157. As discussed above, Emulex filed with the SEC and delivered the Recommendation Statement to its stockholders, which Defendants knew or recklessly disregarded contained material omissions and misstatements as set forth above.

158. During the relevant time period, Defendants disseminated the false and misleading Recommendation Statement above. Defendants knew or recklessly disregarded that the Recommendation Statement failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

159. The Recommendation Statement was prepared, reviewed and/or disseminated by Defendants. It misrepresented and/or omitted material facts, including material information about

the fairness of the consideration offered to Emulex stockholders via the Tender Offer.

160. In so doing, Defendants made untrue statements of material facts and omitted material facts necessary to make the statements that were made not misleading in violation of Section 14(e) of the Exchange Act. By virtue of their positions within the Company and/or roles in the process and in the preparation of the Recommendation Statement, Defendants were aware of this information and their obligation to disclose this information in the Recommendation Statement.

161. The omissions and incomplete and misleading statements in the Recommendation Statement are material in that a reasonable stockholder would consider them important in deciding whether to tender their shares or seek appraisal. In addition, a reasonable investor would view the information identified above which has been omitted from the Recommendation Statement as altering the "total mix" of information made available to stockholders.

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

163. The misrepresentations and omissions in the Recommendation Statement are material to Lead Plaintiff and the Class, and Lead Plaintiff and the Class were deprived of their entitlement to make a fully informed decision in connection with the Tender Offer, as such misrepresentations and omissions were not corrected prior to the expiration of the Tender Offer.

164. As a direct and proximate result of the above-referenced material misstatements or omissions, Lead Plaintiff and the Class suffered significant damages.

165. Accordingly, Defendants are liable for violating Section 14(e) of the Exchange Act.

166. Lead Plaintiff and the Class are therefore entitled to recover an amount to be determined at trial.

SECOND CAUSE OF ACTION

Claim for Violations of Section 14(d)(4) of the Exchange Act and SEC Rule 14d-9 (17 C.F.R. § 240.14d-9) Against All Defendants

167. Lead Plaintiff repeats and realleges each allegation contained above as if fully set forth herein.

168. Defendants caused the Recommendation Statement to be issued with the intention of soliciting stockholder support of the Transaction.

169. Section 14(d)(4) of the Exchange Act and SEC Rule 14d-9 promulgated thereunder require full and complete disclosure in connection with tender offers. Specifically, Section 14(d)(4) provides that:

> Any solicitation or recommendation to the holders of such a security to accept or reject a tender offer or request or invitation for tenders

> shall be made in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

170. SEC Rule 14d-9(d), which was adopted to implement Section 14(d)(4) of the Exchange Act, provides that:

> Information required in solicitation or recommendation. Any solicitation or recommendation to holders of a class of securities referred to in section 14(d)(1) of the Act with respect to a tender offer for such securities shall include the name of the person making such solicitation or recommendation and the information required by Items 1 through 8 of Schedule 14D-9 (§ 240.14d-101) or a fair and adequate summary thereof.

171. In accordance with Rule 14d-9, Item 8 of a Schedule 14D-9 requires a Company's directors to:

> Furnish such additional information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not materially misleading.

172. The Recommendation Statement violates Section 14(d)(4) and Rule 14d-9 because it omits material facts, including those set forth above. Moreover, Defendants knew or recklessly disregarded that the Recommendation Statement is materially misleading and omits material facts that are necessary to render them non-misleading.

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

174. The misrepresentations and omissions in the Recommendation Statement are material to Lead Plaintiff and the Class, and Plaintiff and the Class were deprived of their entitlement to make a fully informed decision concerning the Tender Offer because such misrepresentations and omissions were not corrected prior to the expiration of the Tender Offer.

175. As a direct and proximate result of the above-referenced material misstatements or omissions, Lead Plaintiff and the Class suffered significant damages.

176. Accordingly, Defendants are liable for violating Section 14(d)(4) of the Exchange Act and SEC Rule 14d-9.

177. Lead Plaintiff and the Class are therefore entitled to recover an amount to be determined at trial.

THIRD CAUSE OF ACTION

Claim for Violations of Section 20(a) of the Exchange Act Against the Individual Defendants

178. Lead Plaintiff repeats and realleges each allegation contained above as if fully set forth herein.

179. The Individual Defendants acted as controlling persons of Emulex within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers and/or directors of Emulex, and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false and misleading statements contained in the Recommendation Statement filed with the SEC, they had the power to influence and control and did influence and control, directly or indirectly, the decision making of the Company, including the content and dissemination of the various statements which Lead Plaintiff contends are false and misleading.

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

181. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations alleged herein, and exercised the same. The Recommendation Statement

at issue contains the unanimous recommendation of each of the Individual Defendants to approve the Transaction. They were, thus, directly involved in the making of this document.

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

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

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

PRAYER FOR RELIEF

WHEREFORE, Lead Plaintiff demands relief in his favor and in favor of the Class and against Defendants as follows:

A. Declaring that this action is properly maintainable as a Class action and certifying Lead Plaintiff as Class representative;

B. Rescinding, to the extent already implemented, the Transaction or any of the terms thereof, or granting Lead Plaintiff and the Class rescissory damages;

C. Directing the Individual Defendants to account to Lead Plaintiff and the Class for all damages suffered as a result of the Individual Defendants' wrongdoing;

D. Awarding Lead Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees; and

E. Granting such other and further equitable relief as this Court may deem just and proper.

Dated: September 11, 2015

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