

NOTICE OF MERGER EVENT AND SUPPLEMENTAL INDENTURE
NOTICE OF WEIGHTED AVERAGE OF TYPES AND AMOUNTS OF MERGER
CONSIDERATION
NOTICE OF MAKE-WHOLE FUNDAMENTAL CHANGE
FUNDAMENTAL CHANGE NOTICE
SETTLEMENT NOTICE

To the Holders of All Outstanding

FINISAR CORPORATION
0.50% Convertible Senior Notes due 2036
(CUSIP No. 31787AAP6)*

Reference is made to the Indenture, dated as of December 21, 2016 (the “**Indenture**”), by and between Finisar Corporation, a Delaware corporation (together with any successor, the “**Company**”), and Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America, as trustee (the “**Trustee**”), relating to the Company’s outstanding 0.50% Convertible Senior Notes due 2036 (the “**Securities**”). This Notice of Merger Event and Supplemental Indenture, Notice of Make-Whole Fundamental Change, Fundamental Change Notice and Notice of Weighted Average of Types and Amounts of Merger Consideration (collectively, this “**Notice**”) is hereby given by the Company, as required by and pursuant to Sections 14.05(b), 15.03(a), 15.07(a) and 15.07(b) of the Indenture.

IMPORTANT: The amount that you will receive for your Securities if you validly exercise the Fundamental Change Repurchase Right (as defined below) will be greater than the value that you would receive upon conversion of the Securities, as described below under “5. Notice of Make-Whole Fundamental Change: Conversion Right and Make-Whole Adjustment.”

Capitalized terms used in this Notice, unless otherwise defined herein, have the meanings ascribed to such terms in the Indenture.

In accordance with Sections 14.05(b), 15.03(a), 15.07(a) and 15.07(b) of the Indenture, the Company hereby notifies you as follows:

1. Notice of Merger Event

The Company previously entered into an Agreement and Plan of Merger, dated as of November 8, 2018 (the “**Merger Agreement**”), by and among II-VI Incorporated, a Pennsylvania corporation (“**II-VI**”), Mutation Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of II-VI (“**Merger Sub**”) and the Company. On September 24, 2019, pursuant to the terms of the Merger Agreement, Merger Sub merged with and into the Company, and the Company continued as the surviving corporation in the merger and a wholly owned subsidiary of II-VI (the “**Merger**”). At the effective time of the Merger (the “**Effective Time**”),

* The CUSIP Number has been assigned to this issue by the CUSIP Service Bureau and is included solely for the convenience of the holders of the Securities. Neither the Company nor the Trustee shall be responsible for the selection or use of this CUSIP Number, nor is any representation made as to its correctness on the Securities or as indicated in this Notice.

each share of common stock of the Company issued and outstanding immediately prior to the effective time (“**Company Common Stock**”), other than shares of Company Common Stock owned by II-VI, the Company or any of their wholly owned subsidiaries (the “**Excluded Shares**”), were converted into the right to receive, at the election of the holder of such share of Company Common Stock, consideration consisting of (i) \$26.00 in cash, without interest (subject to the proration adjustment procedures set forth in the Merger Agreement, the “**Cash Election Consideration**”), (ii) 0.5546 validly issued, fully paid and nonassessable shares of common stock of II-VI (“**II-VI Common Stock**”) (subject to the proration adjustment procedures set forth in the Merger Agreement, the “**Stock Election Consideration**”), or (iii) a combination of \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and nonassessable shares of II-VI Common Stock (the “**Mixed Election Consideration**,” and, together with the Cash Election Consideration and the Stock Election Consideration, the “**Merger Consideration**”). If no election was made as to a share of Company Common Stock, the holder of that share will receive the Mixed Election Consideration. The Cash Election Consideration and the Stock Election Consideration are subject to proration adjustment pursuant to the terms of the Merger Agreement such that the aggregate Merger Consideration will consist of approximately 60% cash and approximately 40% II-VI Common Stock (with the II-VI Common Stock valued at the closing price as of November 8, 2018, the date of the Merger Agreement). The consummation and effectiveness of the Merger on September 24, 2019 constitutes a Fundamental Change and a Make-Whole Fundamental Change under the Indenture.

2. Notice of Execution of Supplemental Indenture

Section 15.07(a) of the Indenture provides that, in connection with and as a result of the Merger, at and after the Effective Time, the right to convert each \$1,000 principal amount of Securities is changed into a right to convert such principal amount of Securities into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of Company Common Stock equal to the Conversion Rate immediately prior to the Effective Time would have owned or been entitled to receive upon the effectiveness of the Merger, and, prior to or at the Effective Time, the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture permitted under Section 9.01(b) of the Indenture providing for such change in the right to convert each \$1,000 principal amount of Securities; provided, however, that at and after the Effective Time (A) the Company shall continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of Securities in accordance with Section 15.02 of the Indenture and (B)(I) any amount payable in cash upon conversion of the Securities in accordance with Section 15.02 of the Indenture shall continue to be payable in cash, (II) any shares of Company Common Stock that the Company would have been required to deliver upon conversion of the Securities in accordance with Section 15.02 of the indenture shall instead be deliverable in the amount and type of Reference Property that a holder of that number of shares of Company Common Stock would have received in connection with the Merger and (III) the Daily VWAP shall be calculated based on the value of a unit of Reference Property.

On September 24, 2019, the Company and the Trustee executed and delivered a supplemental indenture (the “**Supplemental Indenture**”) permitted under Section 9.01(b) of the Indenture and required by Section 15.07(a) of the Indenture as described above. The

Supplemental Indenture provides that, for all conversions that occur after the Effective Time in accordance with and subject to Article 15 of the Indenture, the right to convert each \$1,000 principal amount of Securities into cash and/or Company Common Stock is hereby changed, effective as of the date hereof, to a right to convert such \$1,000 principal amount of Securities into cash and/or units of Reference Property.

A copy of the Supplemental Indenture will be filed by the Company with the United States Securities and Exchange Commission as an exhibit to a Current Report on Form 8-K within four business days of the Effective Time.

3. Notice of Weighted Average of Types and Amounts of Merger Consideration

Because each share of Company Common Stock, other than the Excluded Shares, was converted at the Effective Time into the right to receive more than a single type of consideration determined based in part upon the election by holders of Company Common Stock, and because there were holders of Company Common Stock that affirmatively made such an election, the Reference Property is deemed to be the weighted average of the types and amounts of consideration received by the holders of Company Common Stock that affirmatively made such an election. The weighted average of the types and amounts of consideration received as Merger Consideration by the holders of Company Common Stock that affirmatively made such an election was (x) \$15.60 in cash, without interest, and 0.2218 validly issued, fully paid and nonassessable shares of II-VI Common Stock.

4. Fundamental Change Notice: Holder's Right to Have the Company Repurchase Securities; Procedures for Exercising Such Right

The effective date of the Fundamental Change resulting from the consummation of the Merger is September 24, 2019. As a result of the Fundamental Change resulting from the consummation of the Merger, each holder of Securities has the right to require the Company to purchase all or any amount of such holder's Securities (in principal amounts of \$1,000 or an integral multiple thereof) at the Fundamental Change Repurchase Price (as defined below) on the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Right**"). The Company has set the Fundamental Change Repurchase Date as October 23, 2019. The "**Fundamental Change Repurchase Price**" is the amount equal to 100% of the principal amount of the Securities to be repurchased, together with accrued and unpaid interest, if any, to, but not including, the Fundamental Change Repurchase Date. The Company expects that there will be accrued and unpaid interest due as part of the Fundamental Change Repurchase Price equal to approximately \$1.76 per \$1,000 principal amount of Securities tendered for purchase. Accordingly, the total amount of consideration to be paid for each \$1,000 principal amount of Securities validly tendered pursuant to the Fundamental Change Repurchase Price is expected to be \$1,001.76.

IMPORTANT: The amount that you will receive for your Securities if you validly exercise the Fundamental Change Repurchase Right is expected to be greater than the value that you would receive upon conversion of the Securities, as described below under "5. Notice of Make-Whole Fundamental Change: Conversion Right; No Make-Whole Adjustment," during the Make-Whole Fundamental Change Period (as defined below).

The name and address of the Paying Agent is Wells Fargo Bank, National Association, Corporate Trust Operations, MAC N9300-070, 600 South Fourth Street, Minneapolis, Minnesota 55402 (Finisar Corporation, 0.50% Convertible Senior Notes due 2036). In accordance with Section 14.05(a) of the Indenture, a holder of Securities may exercise its right to require the Company to repurchase for cash all or any portion of the Securities of such holder (in principal amounts of \$1,000 or an integral multiple thereof) by delivering a duly completed Fundamental Change Repurchase Right Notice (which is in substantially the form attached as Annex A and which may be delivered by first class mail, and, in the case of Global Securities, may be delivered in accordance with the applicable procedures of the Depository) to the Paying Agent, and delivering the Securities to the Paying Agent at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer) at the Corporate Trust Office or at the address given above, or book-entry transfer of the Securities, if the Securities are Global Securities, in compliance with the procedures of the Depository.

The Fundamental Change Repurchase Notice must be delivered prior to the close of business on the fifth Business Day prior to the Fundamental Change Repurchase Date and must state: (A) the certificate number of the Security which the holder will deliver to be purchased (if such Security is held other than as a Global Security), or, if the Security is held as a Global Security, any other items required to comply with the Applicable Procedures; (B) the portion of the principal amount of the Security which the holder will deliver to be purchased (if less than all); and (C) that such Security shall be purchased as of the Fundamental Change Repurchase Date pursuant to the terms and conditions specified in the Securities and in the Indenture. The delivery of a Security for which a Fundamental Change Repurchase Notice has been timely delivered to the Paying Agent at the office of the Paying Agent or in compliance with the applicable procedures of the Depository and not validly withdrawn prior to, on or after the Fundamental Change Repurchase Date (together with all necessary endorsements) shall be a condition to the receipt by the holder of the Fundamental Change Repurchase Price therefor. The Company is obligated to purchase a portion of a Security only if the principal amount of such portion is \$1,000 or an integral multiple thereof.

Unless the Company fails to pay such Fundamental Change Repurchase Price, Securities covered by any Fundamental Change Repurchase Notice will cease to be outstanding and interest will cease to accrue on and after the Fundamental Change Repurchase Date.

Any holder that delivers a Fundamental Change Repurchase Notice in accordance with the Indenture and this Notice shall have the right to withdraw such Fundamental Change Repurchase Notice in whole or in a portion thereof that is a principal amount of \$1,000 or an integral multiple thereof at any time prior to the close of business on the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent that states: (A) the principal amount of the Securities with respect to which such notice of withdrawal is being submitted; (B) the certificate number of the Securities in respect of which such notice of withdrawal is being submitted, if certificated Securities have been issued; and (C) the principal amount, if any, of such Security that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in a principal amount of \$1,000 or an integral multiple thereof. In the case of Global Securities, the notice must comply with appropriate procedures of the Depository.

5. Notice of Make-Whole Fundamental Change: Conversion Right; No Make-Whole Adjustment; Settlement Notice

The effective date of the Make-Whole Fundamental Change resulting from the consummation of the Merger is September 24, 2019 (the “**Make-Whole Effective Date**”). As an alternative to requiring the Company to purchase a holder’s Securities as described above in Section 4, all or any portion of a holder’s Securities (in principal amounts of \$1,000 or an integral multiple thereof) may be surrendered for conversion at any time from and after the Make-Whole Effective Date until the close of business (5:00 P.M. New York City Time) on the Fundamental Change Repurchase Date, in accordance with Section 15.01(a)(iii) of the Indenture.

In order to validly surrender Securities for conversion, a holder must withdraw any previously submitted Fundamental Change Repurchase Notice relating to such Securities in accordance with the terms of the Indenture, pursuant to the requirements of Section 14.08(b)(3) of the Indenture.

The Conversion Rate in effect immediately prior to the Make-Whole Fundamental Change is 22.6388 shares of Company Common Stock per \$1,000 principal amount of Securities (the “**Base Conversion Rate**”). The Conversion Rate applicable to Securities that are surrendered for conversion during the period from and including the Make-Whole Effective Date and ending at the close of business (5:00 P.M. New York City Time) on the Fundamental Change Repurchase Date (such period, the “**Make-Whole Fundamental Change Period**”) will not be adjusted pursuant to Section 15.03 of the Indenture. Section 15.03(d)(iii) of the Indenture provides that no Additional Shares shall be added to the Conversion Rate if the Stock Price is less than \$32.72 per share (subject to adjustment in accordance with the terms of the Indenture). Pursuant to Section 15.03(b) of the Indenture, the Stock Price is the average of the Last Reported Sale Prices of the Company Common Stock over the five (5) Trading Day period ending on, and including, the Trading Day immediately preceding the Make-Whole Effective Date. Accordingly, the Stock Price is \$23.43, which results in no Additional Shares being added to the Conversion Rate pursuant to Section 15.03 of the Indenture.

IMPORTANT: The Settlement Amount to be paid for each \$1,000 principal amount of Securities surrendered for conversion during the Make-Whole Fundamental Change Conversion Period will be calculated in accordance with the terms of the Indenture. The amount that you will receive for your Securities if you validly exercise the Fundamental Change Repurchase Right, as described above under “4. Fundamental Change Notice: Holder’s Right to Have the Company Repurchase Securities; Procedures for Exercising Such Right,” is expected to be greater than the value that you would receive upon conversion of the Securities during the Make-Whole Fundamental Change Period.

The Company has elected to satisfy its Conversion Obligation in respect of any Securities surrendered for conversion during the Make-Whole Fundamental Change Conversion Period by Cash Settlement. Assuming that the market value of II-VI Common Stock is constant at \$40.00 at all times during the related Observation Period, the Daily VWAP (as calculated in accordance with the terms of the Indenture) would be \$24.4720 for each Trading Day during the related Observation Period. Under those circumstances, if you surrender \$1,000 principal amount of Securities for conversion during the Make-

Whole Fundamental Change Conversion Period, you would receive approximately \$554 in cash in respect of your \$1,000 principal amount of Securities surrendered for conversion. If you instead exercise the Fundamental Change Repurchase Right described above under “4. Fundamental Change Notice: Holder’s Right to Have the Company Repurchase Securities; Procedures for Exercising Such Right” in respect of \$1,000 principal amount of Securities, you would receive approximately \$1,001.76 in cash in respect of such \$1,000 principal amount of Securities.

The name and address of the Conversion Agent is Wells Fargo Bank, National Association, Corporate Trust Operations, MAC N9300-070, 600 South Fourth Street, Minneapolis, Minnesota 55402 (Finisar Corporation, 0.50% Convertible Senior Notes due 2036). A holder of Securities may exercise its right to convert its Securities by (i) completing, manually signing and delivering an irrevocable notice (which is in substantially the form attached as Annex B) (a “**Conversion Notice**”) or a facsimile thereof at the office of the Conversion Agent and stating in writing therein the principal amount of Securities to be converted, and (ii) in the case of Global Securities, complying with the procedures of the Depositary in effect at that time. In the case of certificated Securities, the holder must also (i) surrender such Securities, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement and transfer documents), at the office of the Conversion Agent, (ii) if required, furnish endorsement and transfer documents, and (iii) if required, pay all transfer and similar taxes. In addition, if required, holders of both certificated Securities and Global Securities must pay funds equal to the interest payable on the next Interest Payment Date to which such holder is not entitled.

6. Miscellaneous

Please refer to the Indenture for a more complete description of the rights and procedures described herein. In the event of any conflicting information in this Notice and the Indenture, the information in the Indenture will control. Holders should not assume that the information in this Notice is accurate as of any date other than the date hereof.

This Notice does not constitute any recommendation as to whether you should exercise the Fundamental Change Repurchase Right or any rights of conversion. Whether you choose to exercise the Fundamental Change Repurchase Right, convert your Securities, or retain your Securities may have materially different tax results for you. You should consult your own financial and tax advisors and must make your own decision as to whether or not to exercise any rights of conversion or repurchase, as outlined in this Notice and, if so, the amount of Securities for which to exercise such option.

DATED: September 24, 2019

By FINISAR CORPORATION

ANNEX A

FUNDAMENTAL CHANGE REPURCHASE RIGHT NOTICE

To: FINISAR CORPORATION
1389 Moffett Park Drive
Sunnyvale, CA 94089-1134

WELLS FARGO BANK, NATIONAL ASSOCIATION
333 S. Grand Avenue, 5th Floor, Suite 5A
MAC: E2-064-05A
Los Angeles, CA 90071
Facsimile No: (213) 253-7507
Attention: Corporate Trust Administration (Finisar)

WELLS FARGO BANK - DAPS Reorg.
MAC N9300-070
600 South 4th Street, 7th Floor
Minneapolis, MN 55418
Facsimile No: (866) 969-1290
Email: BONDHOLDERCOMMUNICATIONS@wellsfargo.com

The undersigned registered owner of this Security hereby irrevocably acknowledges receipt of a notice from Finisar Corporation (the “**Company**”) regarding the right of holders to accept the Company’s offer to purchase the Securities upon the occurrence of a Fundamental Change with respect to the Company and accepts such offer and requests and instructs the Company to repay the entire principal amount of this Security, or the portion thereof (which is \$1,000 or an integral multiple thereof) below designated, in accordance with the terms of the Indenture at the price of 100% of such entire principal amount or portion thereof, together with accrued and unpaid Interest, if any, to, but excluding, the Fundamental Change Repurchase Date, to the registered holder hereof, *provided* that if such Fundamental Change Repurchase Date falls after a record date and on or prior to the corresponding interest payment date, then the full amount of Interest payable on such interest payment date shall be paid to the holders of record of the Securities on the applicable record date instead of the holders surrendering the Securities for repurchase on such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. The undersigned registered owner elects:

to withdraw this Fundamental Change Repurchase Right Notice as to \$_____ principal amount of the Securities to which this Fundamental Change Repurchase Right Notice relates (Certificate Numbers: _____), or

to accept the offer to receive cash in respect of \$_____ principal amount of the Securities to which this Fundamental Change Repurchase Right Notice relates.

Dated: _____

Signature(s)

Signature(s) must be guaranteed by an **“eligible guarantor institution”** meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (**“STAMP”**) or such other **“signature guarantee program”** as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Signature Guarantee

NOTICE: The above signatures of the holder(s) hereof must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatever.

Security Certificate Number (if applicable): _____

Principal amount to be repurchased (if less than all): _____

Social Security or Other Taxpayer Identification Number: _____

ANNEX B

NOTICE OF CONVERSION

To: FINISAR CORPORATION
1389 Moffett Park Drive
Sunnyvale, CA 94089-1134

WELLS FARGO BANK, NATIONAL ASSOCIATION
333 S. Grand Avenue 5th Floor, Suite 5A
MAC: E2064-05A
Los Angeles, CA 90071
Facsimile No: (213) 253-7598
Attention: Corporate Trust Administration (Finisar)

WELLS FARGO BANK - DAPS Reorg.
MAC N9300-070
600 S. 4th Street, 7th Floor
Minneapolis, MN 55415 Facsimile No: (866) 969-1290
Email: BONDHOLDERCOMMUNICATIONS@wellsfargo.com

The undersigned registered owner of this Security hereby irrevocably exercises the option to convert this Security, or the portion thereof (which is \$1,000 or an integral multiple thereof) below designated, into cash, common stock of II-VI Incorporated or a combination of cash and common stock of II-VI Incorporated in accordance with the terms of the Indenture referred to in this Security, and directs that the shares and/or cash issuable and deliverable upon such conversion, together with any check in payment for fractional shares and any Securities representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture. If shares or any portion of this Security not converted are to be issued in the name of a person other than the undersigned, the undersigned will provide the appropriate information below and pay all transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of Interest accompanies this Security.

Dated: _____

Signature(s)

Signature(s) must be guaranteed by an **“eligible guarantor institution”** meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (**“STAMP”**) or such other **“signature guarantee program”** as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Signature Guarantee

1. Total principal amount and serial or identification numbers of Securities to be converted: _____

Total principal amount of Securities: _____

Serial or identifying number of Securities: _____
(not required for Securities represented by a Global Security)

CUSIP/ISIN number of Securities: _____

N.B. If necessary, the serial or identifying numbers of Securities can be attached separately.

2. Name and address of the person in whose name Common Stock required to be delivered on conversion are to be registered:

Name: _____

Address: _____

3. I/We hereby request that the certificate for the Common Stock (together with any cash) required to be delivered upon conversion be dispatched (at my/our own risk and expense) to the local agent whose name and address is given below and in the manner specified below, or if the conditions specify that delivery of the Common Stock is to be made in book-entry form, the Common Stock be credited to the securities account specified below:

Name: _____

Address: _____

Contact Person: _____

Telephone No.: _____

Fax No.: _____

Manner of Dispatch: _____

Securities House: _____

Securities Account Number: _____

4. I/We hereby declare that any applicable condition to conversion of the Securities, if any, has been complied with by me/us.

5. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Stock of any other property or cash have been paid.

6. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion, issue or delivery of Common Stock or any other property or cash have been paid.