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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF SANTA CLARA**

11	_____)	Lead Case No. 16-CV-294288
12	IN RE: HANSEN MEDICAL, INC.)	[Consolidated with Case Nos.
13	SHAREHOLDER LITIGATION)	16-CV-294554, 16-CV-294858 and 16-CV-
14	_____)	294862]
15	This Document Relates To:)	<u>CLASS ACTION</u>
16	ALL ACTIONS)	STIPULATION AND AGREEMENT
17)	OF SETTLEMENT,
18)	COMPROMISE, AND RELEASE
19	IN RE HANSEN MEDICAL, INC)	Delaware Chancery Court C.A. No. 12316-
20	STOCKHOLDERS LITIGATION)	VCMR
21)	
22)	
23	_____)	

1 This Stipulation and Agreement of Settlement, Compromise, and Release, dated February
2 5, 2019 (the “**Stipulation**”), is entered into by and among the following parties in the above-
3 captioned consolidated class actions (the “**Actions**”): (i) plaintiffs David Simonson, Joseph Liu,
4 Howard Huggins, Melvin Lax, Windward Venture Partners, LP, John Muir and Dawn Stevens-Juhl
5 (collectively, “**Plaintiffs**”), on behalf of themselves and the Class (defined below); (ii) defendants
6 Michael Eagle, Cary G. Vance, Christopher P. Lowe, Marjorie L. Bowen, Kevin Hykes, William
7 R. Rohn, Stephen L. Newman, M.D., and Nadim Yared (collectively, the “**Director Defendants**”);
8 (iii) defendants Jack Schuler, the Jack W. Schuler Living Trust, Renate Schuler, the Schuler Family
9 Foundation, the Tino Hans Schuler Trust, the Tanya Eva Schuler Trust, the Therese Heidi Schuler
10 Trust (collectively, the “**Schuler Defendants**”), Oracle Partners, L.P., Oracle Ten Fund Master,
11 LP; Oracle Institutional Partners, L.P., The Feinberg Family Foundation, Oracle Investment
12 Management, Inc. Employees’ Retirement Plan, the Feinberg Family Trust, Larry N. Feinberg
13 (collectively, the “**Feinberg Defendants**”), and Westwood SPV, LLC (“**Westwood**,” and together
14 with the Schuler Defendants and Feinberg Defendants, the “**Stockholder Defendants**,” and
15 collectively with the Director Defendants, the “**Defendants**”); and (iv) former (now-dismissed)
16 defendants Auris Surgical Robotics, Inc. (now known as Auris Health, Inc.) and its subsidiaries
17 Pineco Acquisition Corp. (“**Pineco**”) and Hansen Medical, Inc. (“**Hansen**” or the “**Company**”)
18 (collectively, “**Auris**”). Defendants, Auris, and Plaintiffs may be collectively referred to herein as
19 the “**Settling Parties**.” This Stipulation is submitted pursuant to California Code of Civil
20 Procedure § 382 and California Rule of Court 3.769.

21 Subject to the terms and conditions set forth herein and the approval of the Superior Court
22 of California, the Settlement (as defined below) embodied in this Stipulation is intended: (i) to be
23 a full and final disposition of the Actions; (ii) to state all of the terms of the Settlement and the
24 resolution of the Actions; (iii) to fully and finally compromise, resolve, dismiss, discharge and
25 settle each and every one of the Released Plaintiffs’ Claims (as defined below) against each and
26 every one of the Released Defendant Parties (as defined below); and (iv) to fully and finally
27 compromise, resolve, dismiss, discharge and settle each and every one of the Released Defendants’
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1 Claims (as defined below) against each and every one of the Released Plaintiff Parties (as defined
2 below).

3 **WHEREAS:**

4 A. Between April 25, 2016 and June 21, 2016, seven related actions were filed
5 in the Santa Clara County Superior Court of the State of California (the “**California Court**”) and
6 in the Court of Chancery of the State of Delaware (the “**Delaware Court**”), by stockholders of
7 Hansen alleging, among other things, that the Director Defendants and Stockholder Defendants had
8 breached fiduciary duties to the Company’s minority stockholders in connection with the
9 acquisition of Hansen by Auris Surgical Robotics, Inc. and its subsidiary Pineco (the “**Merger**”),
10 that Auris had aided and abetted those alleged breaches of fiduciary duty, and that, as a consequence
11 thereof, the Company’s minority stockholders suffered damages.

12 B. The related actions filed in the California Court, and their filing dates, are as follows:
13 (i) *Liu v. Hansen Medical, Inc., et al.*, No. 16CV294288, filed on April 25, 2016; (ii) *Stevens-Juhl*
14 *v. Hansen Medical, Inc., et al.*, No. 16CV294354, filed on April 26, 2016; (iii) *Huggins v. Hansen*
15 *Medical, Inc., et al.*, No. 16 CV294552, filed on May 2, 2016; (iv) *Lax v. Hansen Medical, Inc., et*
16 *al.*, No. 16CV294858, filed on May 6, 2016; and (v) *Simonson v. Hansen Medical, Inc., et al.*, No.
17 16CV294862, filed on May 6, 2016 (collectively, the “**Related California Actions**”). The
18 Plaintiffs who filed the Related California Actions are referred to herein as the “**California**
19 **Plaintiffs.**”

20 C. The related actions filed in the Delaware Court, and their filing dates, are as follows:
21 (i) *Windward Venture Partners, LP v. Hansen Medical, Inc., et al.*, C.A. No. 12316, filed on May
22 10, 2016; and (ii) *Muir v. Hansen Medical, Inc., et al.*, C.A. No. 12490, filed on June 21, 2016
23 (collectively, the “**Related Delaware Actions**”). The Plaintiffs who filed the Related Delaware
24 Actions are referred to herein as the “**Delaware Plaintiffs.**”

25 D. On May 16, 2016, the California Court entered an Order granting the request of
26 Plaintiff Stevens-Juhl to dismiss her Related California Action without prejudice, and on June 21,
27 2016, the California Court entered an Order consolidating the remaining Related California Actions
28 under the caption *In re Hansen Medical, Inc. Shareholder Litigation*, Lead Case No. 16CV294288

1 (the “**Consolidated California Action**”), and appointing Faruqi & Faruqi, LLP, Brodsky & Smith
2 LLC and Milberg LLP as co-lead counsel for the California Plaintiffs in the Consolidated California
3 Action (collectively, the “**California Co-Lead Counsel**”).

4 E. On July 11, 2016, the Delaware Court entered an Order consolidating the Related
5 Delaware Actions under the caption *In re Hansen Medical, Inc. Stockholders Litigation*, C.A. No.
6 12316-VCMR (the “**Consolidated Delaware Action**”), and appointing Wolf Popper LLP as lead
7 counsel for the Delaware Plaintiffs in the Consolidated Delaware Action (“**Delaware Lead**
8 **Counsel**”).

9 F. On July 12, 2016, the California Plaintiffs filed a motion for preliminary injunction
10 in the Consolidated California Action seeking to enjoin the Merger. The California Plaintiffs
11 engaged in discovery in support of their motion for preliminary injunction, including the review of
12 confidential Company documents related to the Merger. The California Plaintiffs also took the
13 deposition of Defendant Christopher P. Lowe, who was at that time Hansen’s interim Chief
14 Financial Officer and a member of the Company’s Board of Directors (“**Preliminary Injunction**
15 **Discovery**”). The Delaware Plaintiffs also participated in the Preliminary Injunction Discovery,
16 including reviewing the same documents provided to the California Plaintiffs and questioning Mr.
17 Lowe at his deposition.

18 G. On July 18, 2016, the Director Defendants filed briefs in opposition to the California
19 Plaintiffs’ motion for a preliminary injunction, and on July 20, 2016, following oral argument, the
20 California Court denied that motion.

21 H. On July 22, 2016, a majority of the Company’s stockholders voted to approve the
22 Merger, which closed on July 27, 2016.

23 I. On August 19, 2016, the Delaware Plaintiffs filed a Verified Consolidated Class
24 Action Complaint in the Consolidated Delaware Action.

25 J. On November 2, 2016, the California Plaintiffs filed a Consolidated Amended
26 Complaint for Breach of Fiduciary Duty and Violations of State Law in the Consolidated California
27 Action.

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1 K. On April 6, 2017, California Co-Lead Counsel, Delaware Lead Counsel, and
2 Defendants' counsel, as well as counsel for Auris, participated in a full-day mediation session (the
3 "**Initial Mediation**") before Robert A. Meyer of JAMS in an effort to resolve both Actions. Before
4 the Initial Mediation, the parties exchanged mediation statements and exhibits, which addressed
5 both liability and damages. The Initial Mediation did not lead to resolution of the Actions.

6 L. On June 13 and 14, 2017, the Director Defendants, the Stockholder Defendants, and
7 Auris Surgical Robotics, Inc. each filed motions for judgment on the pleadings in the Consolidated
8 Delaware Action, and on July 7, 2017, Defendants filed their respective opening briefs in support
9 of those motions. In lieu of filing oppositions to those motions, the Delaware Plaintiffs stated their
10 intention to further amend their Verified Consolidated Class Action Complaint.

11 M. On August 9, 2017, the California Court entered an order staying the Consolidated
12 California Action pending rulings by the Delaware Court on the then-pending motions for judgment
13 on the pleadings in the Consolidated Delaware Action, or any subsequent motion to dismiss a
14 further revised complaint in that action.

15 N. On September 18, 2017, the Delaware Plaintiffs filed their Verified Amended
16 Consolidated Class Action Complaint (the "**Operative Complaint**") in the Consolidated Delaware
17 Action. The Operative Complaint only named Cary G. Vance, Christopher P. Lowe, the Schuler
18 Defendants, the Feinberg Defendants, and Auris Surgical Robotics, Inc. as defendants (collectively,
19 the "**Remaining Delaware Defendants**").

20 O. On September 25, 2017, the Remaining Delaware Defendants filed motions to
21 dismiss the Operative Complaint. On October 24, 2017, the Delaware Plaintiffs filed their brief
22 opposing those motions to dismiss, and on November 3, 2017, the Remaining Delaware Defendants
23 filed their reply briefs in support of their respective motions to dismiss. On March 6, 2018, the
24 Delaware Court heard oral argument on those motions.

25 P. On June 18, 2018, the Delaware Court issued a memorandum opinion denying in
26 part and granting in part the Remaining Delaware Defendants' motions to dismiss. Specifically,
27 the Delaware Court denied Cary G. Vance, Christopher P. Lowe, the Schuler Defendants, and the
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1 Feinberg Defendants’ motions to dismiss, but granted Auris Surgical Robotics, Inc.’s motion to
2 dismiss.

3 Q. On July 10, 2018, upon consent of the parties in the Consolidated California Action,
4 the California Court entered orders dismissing Auris with prejudice from the Consolidated
5 California Action, and dismissing Westwood without prejudice from the Consolidated California
6 Action.

7 R. On July 11, 2018, the Schuler Defendants and Feinberg Defendants filed a motion
8 to quash summons and motion to dismiss for lack of personal jurisdiction (“**Motion to Quash**”) in
9 the Consolidated California Action, and on July 16, 2018, they filed a motion to stay the
10 Consolidated California Action (“**Motion to Stay**”). On September 5, the California Plaintiffs filed
11 oppositions to the Motion to Quash and Motion to Stay, and on September 6, 2018, the Director
12 Defendants filed a joinder to the Motion to Stay.

13 S. On October 29, 2018, California Co-Lead Counsel, Delaware Lead Counsel, and
14 Defendants’ counsel, as well as counsel for Auris, again engaged in a full-day mediation session,
15 this time before Michelle Yoshida of Phillips ADR (the “**Second Mediation**”), in a further effort
16 to resolve both Actions. Insurers for Defendants and certain of their counsel also participated in
17 the Second Mediation. The Settling Parties again exchanged statements and exhibits addressing
18 both liability and damages. After extensive, arm’s-length negotiations at the Second Mediation,
19 the Settling Parties reached an agreement in principle on October 29, 2018 to settle the Actions for
20 \$7,500,000 in cash, subject to approval by the California Court.

21 T. On October 31, 2018, Delaware Lead Counsel informed the Delaware Court that the
22 Settling Parties had reached an agreement in principle to settle the Actions, and that the Settlement
23 would be presented to the California Court for that Court’s approval, and that Delaware Lead
24 Counsel would be submitting a stipulation of dismissal with prejudice of the Consolidated
25 Delaware Action following such approval by the California Court.

26 U. On December 11, 2018, in connection with confirmatory discovery in support of the
27 Settlement, California Co-Lead Counsel took the deposition of Jason Forschler, a representative of
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1 Perella Weinberg Partners LP, the financial advisor retained to advise the Director Defendants in
2 connection with the Merger.

3 V. This Stipulation (together with the exhibits hereto) has been duly executed by the
4 undersigned signatories on behalf of their respective clients and reflects the final and binding
5 agreement between the Settling Parties.

6 W. Plaintiffs, through California Co-Lead Counsel and Delaware Lead Counsel, have
7 conducted a thorough investigation and pursued discovery relating to the claims and the underlying
8 events and transactions alleged in the Actions. California Co-Lead Counsel and Delaware Lead
9 Counsel have analyzed the evidence adduced during their investigation and through the discovery
10 described above, and they have also researched the applicable law with respect to the claims
11 asserted in the Actions and the potential defenses thereto. Additionally, the multiple mediation
12 statements prepared and exchanged between the Settling Parties, as well as Plaintiffs' and
13 Defendants' respective presentations concerning potential damages should any liability be proven,
14 have provided Plaintiffs with a detailed basis upon which to assess the relative strengths and
15 weaknesses of theirs and Defendants' respective positions in the Actions.

16 X. Based upon their investigation and prosecution of the Actions, Plaintiffs, California
17 Co-Lead Counsel and Delaware Lead Counsel have concluded that the terms and conditions of the
18 Settlement and this Stipulation are fair, reasonable, and adequate to, and in the best interests of,
19 Plaintiffs and the other members of the Class. Based on their direct oversight of the prosecution of
20 this litigation, along with the input of California Co-Lead Counsel and Delaware Lead Counsel,
21 and the participation and assistance of experienced mediators, Plaintiffs have decided and agreed
22 to settle the claims raised in the Actions pursuant to the terms and provisions of this Stipulation,
23 after considering: (i) the substantial benefits that Plaintiffs and the other members of the Class will
24 receive from the resolution of the Actions; (ii) the attendant risks of litigation; and (iii) the
25 desirability of permitting the Settlement to be consummated as provided by the terms of this
26 Stipulation. The Settlement and this Stipulation shall in no event be construed as, or deemed to be,
27 evidence of a concession by Plaintiffs of any infirmity in the claims asserted in the Actions.
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1 Y. Defendants deny all allegations of wrongdoing, fault, liability, or damage to
2 Plaintiffs and as well as each and every other member of the Class, and further deny that Plaintiffs
3 have asserted a valid claim as to any of them. Defendants further deny that they engaged in any
4 wrongdoing or committed, or aided or abetted, any violation of law or breach of duty and believe
5 that they acted properly, in good faith, and in a manner consistent with their legal duties, to the
6 extent any such duties existed, and are entering into this Settlement and Stipulation solely to avoid
7 the substantial burden, expense, inconvenience, and distraction of continued litigation and to
8 resolve each of the Released Plaintiffs' Claims (as defined below) as against the Released
9 Defendant Parties (as defined below). The Settlement and this Stipulation shall in no event be
10 construed as, or deemed to be, evidence of or an admission or concession on the part of any of the
11 Defendants with respect to any claim or factual allegation or of any fault or liability or wrongdoing
12 or damage whatsoever or any infirmity in the defenses that any of the Defendants have or could
13 have asserted.

14 Z. The Settling Parties recognize that the litigation has been filed and prosecuted by
15 Plaintiffs in good faith and defended by Defendants in good faith and further that the Settlement
16 Payment (as defined below) paid, and the other terms of the Settlement as set forth herein, were
17 negotiated at arm's-length, in good faith, and reflect an agreement that was reached voluntarily
18 after consultation with experienced legal counsel.

19 **NOW THEREFORE**, it is **STIPULATED AND AGREED**, by and among Plaintiffs
20 (individually and on behalf of the Class), and Defendants that, subject to the approval of the
21 California Court and the other conditions set forth in Article V, for good and valuable consideration
22 set forth herein and conferred on Plaintiffs and the Class, the sufficiency of which is acknowledged,
23 the Actions shall be finally and fully settled, compromised, and dismissed, on the merits and with
24 prejudice, and that the Released Plaintiffs' Claims (as defined below) shall be finally and fully
25 compromised, settled, released, discharged, and dismissed with prejudice against the Released
26 Defendant Parties (as defined below), and that the Released Defendants' Claims (as defined below)
27 shall be finally and fully compromised, settled, released, discharged, and dismissed with prejudice
28 against the Released Plaintiff Parties (as defined below), in the manner set forth herein.

1 **I. DEFINITIONS**

2 1. In addition to the terms defined elsewhere in this Stipulation, the following
3 capitalized terms, used in this Stipulation and any exhibits attached hereto and made a part hereof,
4 shall have the meanings given to them below:

5 (a) “**Account**” means the escrow account that is maintained by California Co-
6 Lead Counsel and into which the Settlement Payment shall be deposited. The funds deposited into
7 the Account shall be invested in instruments backed by the full faith and credit of the U.S.
8 Government or agency thereof, or if the yield on such instruments is negative, in an account fully
9 insured by the U.S. Government or an agency thereof.

10 (b) “**Administrative Costs**” means all costs, expenses, and fees associated with
11 administering or carrying out the terms of the Settlement, including Excess Notice Costs.
12 Administrative Costs are not part of the Fee and Expense Award.

13 (c) “**Cede**” means Cede & Co., Inc.

14 (d) “**Claims**” means any and all manner of claims, demands, rights, liabilities,
15 losses, obligations, duties, damages, diminutions in value, costs, debts, expenses, interest, penalties,
16 fines, sanctions, fees, attorneys’ fees, expert or consulting fees, actions, potential actions, causes of
17 action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature
18 or description whatsoever, for damages, equitable relief, or any other remedy, whether disclosed or
19 undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or
20 not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including
21 known claims and unknown claims, whether direct, derivative, individual, class, representative,
22 legal, equitable or of any other type, or in any other capacity, whether based on state, local, foreign,
23 federal, statutory, regulatory, common or any other law, rule, or authority (including, without
24 limitation, all claims within the exclusive jurisdiction of the federal courts, or any claims that could
25 be asserted derivatively on behalf of the Company).

26 (e) “**Class**” means any and all record and beneficial owners and holders of
27 Hansen common stock, as of July 27, 2016 (the date of the consummation of the Merger), including
28 any and all of their respective successors-in-interest, successors, predecessors-in-interest,

1 predecessors, representatives, trustees, executors, administrators, estates, heirs, assigns and
2 transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming
3 under, any of them, and each of them, together with their predecessors-in-interest, predecessors,
4 successors-in-interest, successors, and assigns, but excluding: (i) Defendants, their Immediate
5 Family, and any trust or other entity affiliated with or controlled by any Defendant, other than
6 employees of such entities who were not directors or officers of such entities as of the Closing; (ii)
7 any and all record and beneficial owners and holders of Hansen common stock who exercised their
8 appraisal rights under Section 262 of the General Corporation Law of the State of Delaware; and
9 (iii) any and all record and beneficial owners and holders of Hansen common stock who timely and
10 validly opt out of the Class and Settlement pursuant to Paragraphs 25-26 of this Stipulation.

11 (f) **“Class Member”** means a member of the Class.

12 (g) **“Closing”** means the consummation of the Merger on July 27, 2016.

13 (h) **“Closing Beneficial Ownership Position”** means, for each Eligible
14 Beneficial Owner, the number of shares of Hansen common stock beneficially owned by such
15 Eligible Beneficial Owner as of Closing, for which the Eligible Beneficial Owner received payment
16 of the Merger Consideration; provided, however, that no Excluded Shares may comprise any part
17 of any Closing Beneficial Ownership Position.

18 (i) **“Closing Security Position”** means, for each DTC Participant, the number
19 of shares of Hansen common stock reflected on the DTC allocation report used by DTC to distribute
20 the Merger Consideration.

21 (j) **“Defendants’ Counsel”** means the law firms of Orrick, Herrington &
22 Sutcliffe LLP, Willkie Farr & Gallagher LLP, Young Conaway Stargatt & Taylor LLP, Potter
23 Anderson & Corroon LLP and Kaufhold Gaskin LLP.

24 (k) **“DTC”** mean Depository Trust Company.

25 (l) **“DTC Participants”** means the DTC participants to which DTC distributed
26 the Merger Consideration.

27 (m) **“DTC Records”** mean the information to be obtained from DTC necessary
28 to facilitate DTC’s distribution of the Net Settlement Fund to Eligible Beneficial Owners.

1 (n) “**Effective Date**” means the first date by which all of the events and
2 conditions specified in Paragraph 12 of this Stipulation have been met and have occurred or have
3 been waived.

4 (o) “**Eligible Beneficial Owner**” means the ultimate beneficial owner of any
5 shares of Hansen common stock at the Closing, provided, however, that no Excluded Stockholder
6 may be an Eligible Beneficial Owner.

7 (p) “**Eligible Class Members**” means Class Members who held shares of
8 Hansen common stock at the Closing and therefore received or were entitled to receive the Merger
9 Consideration for their Eligible Shares. For the avoidance of doubt, Eligible Class Members
10 exclude all Excluded Stockholders.

11 (q) “**Eligible Registered Owners**” means the registered owners of Hansen
12 common stock who or which received or were entitled to receive the Merger Consideration.

13 (r) “**Eligible Shares**” means shares of Hansen common stock held by Eligible
14 Class Members at the Closing and for which Eligible Class Members received or were entitled to
15 receive the Merger Consideration, except for the Excluded Shares.

16 (s) “**Excess Notice Costs**” means all costs, expenses and fees associated with
17 providing notice of the Settlement to the Class that exceed \$12,000. Excess Notice Costs are part
18 of the Administrative Costs, but not part of the Fee and Expense Award.

19 (t) “**Excluded Shares**” means the shares of Hansen common stock owned by
20 the Excluded Stockholders.

21 (u) “**Excluded Stockholders**” means Defendants, their Immediate Family, and
22 any trust or other entity affiliated with or controlled by any Defendant, other than employees of
23 such entities who were not directors or officers of such entities as of the Closing; (ii) any and all
24 record and beneficial owners and holders of Hansen common stock who exercised their appraisal
25 rights under Section 262 of the General Corporation Law of the State of Delaware; and (iii) any
26 and all record and beneficial owners and holders of Hansen common stock who timely and validly
27 opted out of the Class and Settlement pursuant to Paragraphs 25-26 of this Stipulation
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1 (v) **“Fee and Expense Award”** means an award to Plaintiffs’ counsel of fees
2 and expenses to be paid from the Settlement Fund, approved by the California Court and in full
3 satisfaction of all claims for attorneys’ fees and expenses that have been, could be, or could have
4 been asserted by California Co-Lead Counsel, Delaware Lead Counsel, or any other counsel or any
5 Class Member with respect to the Settlement Fund or against Defendants. For the avoidance of
6 doubt, the Fee and Expense Award does not include Administrative Costs, which are to be paid
7 separately from the Settlement Fund.

8 (w) **“Final,”** when referring to a dismissal with prejudice, Judgment or any other
9 court order, means (i) if no appeal is filed, the expiration date of the time provided for filing or
10 noticing any appeal; or (ii) if there is an appeal from the Judgment or order, (a) the date of final
11 dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or
12 (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file
13 a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other
14 form of review, and, if certiorari or other form of review is granted, the date of final affirmance
15 following review pursuant to that grant; provided, however, that any disputes or appeals relating
16 solely to the amount, payment or allocation of attorneys’ fees and expenses shall have no effect on
17 finality for purposes of determining the date on which the Judgment becomes Final and shall not
18 otherwise prevent, limit or otherwise affect the Judgment, or prevent, limit, delay or hinder entry
19 of the Judgment.

20 (x) **“Immediate Family”** means children, stepchildren and spouses (a “spouse”
21 shall mean a husband, a wife, or a partner in a state-recognized domestic partnership or civil union).

22 (y) **“Judgment”** means the Order and Final Judgment to be entered by the
23 California Court in all material respects in the form attached as **Exhibit D** hereto.

24 (z) **“Initial Notice Costs”** means up to, but not exceeding, the first \$12,000 of
25 the costs, expenses and fees associated with providing notice of the Settlement to the Class. Initial
26 Notice Costs are not part of the Administrative Costs or the Fee and Expense Award.

27 (aa) **“Initial Notice Costs Payment”** means \$12,000 to be paid, in accordance
28 with Paragraph 2(a)(i) below, by the insurers for the Defendants into the Account to cover up to,

1 but not exceeding, the first \$12,000 of the costs, expenses and fees associated with providing notice
2 of the Settlement to the Class.

3 (bb) “**Long-Form Notice**” means the Notice of Pendency and Proposed
4 Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear, substantially in
5 the form attached hereto as **Exhibit B**, which is to be made available to Class Members via internet
6 distribution and by first-class mail.

7 (cc) “**Merger Consideration**” means the cash consideration of \$4 per share that
8 Hansen stockholders were entitled to receive under the terms of the Merger.

9 (dd) “**Net Settlement Fund**” means the Settlement Fund less (i) any and all
10 Administrative Costs; (ii) any and all Taxes; (iii) any Fee and Expense Award; and (iv) any other
11 fees, costs or expenses approved by the California Court.

12 (ee) “**Notice Costs**” means Initial Notice Costs and Excess Notice Costs
13 combined.

14 (ff) “**Per-Share Recovery**” means the per-share recovery under the Settlement,
15 which will be calculated by dividing the total amount of the Net Settlement Fund by the total
16 number of Eligible Shares held by all Eligible Class Members.

17 (gg) “**Publication Notice**” means the Summary Notice of Pendency and
18 Proposed Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear,
19 substantially in the form attached hereto as **Exhibit C**, to be published as set forth in in the
20 Investor’s Business Daily, via PR Newswire or other suitable online newswire.

21 (hh) “**Released Defendant Parties**” means (i) Defendants; (ii) Auris; (iii) the
22 Immediate Family of any Defendant; (iv) the past or present, current or former, direct or indirect,
23 affiliates, associates, members, partners, limited partners, general partners, partnerships, limited
24 partnerships, general partnerships, investment funds, investment advisors, investment managers,
25 investors, shareholders, joint venturers, subsidiaries, parents, divisions, subdivisions, predecessors,
26 successors, officers, directors, employees, agents, principals, owners, representatives, financial
27 advisors, advisors, insurers and attorneys (including Defendants’ Counsel and any additional
28 counsel retained by any current or former Defendant in connection with the Actions) of Auris or

1 the Defendants; and (v) the past or present, current or former, direct or indirect legal representatives,
2 heirs, executors, trustees, beneficiaries, administrators, trusts, trustees, predecessors, successors,
3 predecessors-in-interest, successors-in-interest and assigns of any of the foregoing.

4 (ii) **“Released Defendants’ Claims”** means any and all Claims, including
5 Unknown Claims, that have been or could have been asserted in the Actions, or in any court,
6 tribunal, forum or proceeding, by the Released Defendant Parties or any of their respective
7 successors and assigns against any of the Released Plaintiff Parties, which arise out of or relate in
8 any way to the institution, prosecution, settlement, or dismissal of either of the Actions; provided,
9 however, that as used herein the term “Released Defendants’ Claims” shall not include the right to
10 enforce this Stipulation or any part of it, and shall not include Claims based on the conduct of any
11 of the Settling Parties which occurs after the Effective Date.

12 (jj) **“Released Plaintiff Parties”** means (i) Plaintiffs and all other Class
13 Members; (ii) members of each individual Class Member’s Immediate Family; (iii) all Class
14 Members’ past or present, current or former, direct or indirect, affiliates, associates, members,
15 partners, limited partners, general partners, partnerships, limited partnerships, general partnerships,
16 investment funds, investment advisors, investment managers, investors, shareholders, joint
17 venturers, subsidiaries, parents, divisions, subdivisions, predecessors, successors, officers,
18 directors, employees, agents, principals, owners, representatives, advisors, insurers and attorneys
19 (including California Co-Lead Counsel and Delaware Lead Counsel) of Plaintiffs and the Class
20 Members and their respective affiliates; and (iv) the past or present, current or former, direct or
21 indirect legal representatives, heirs, executors, trustees, beneficiaries, administrators, trusts,
22 trustees, predecessors, successors, predecessors-in-interest, successors-in-interest and assigns of
23 any of the foregoing.

24 (kk) **“Released Plaintiffs’ Claims”** means any and all Claims that were asserted
25 or could have been asserted by Plaintiffs in the Actions on behalf of themselves and/or the Class,
26 and any and all Claims, including Unknown Claims, that are based on, arise out of, relate in any
27 way, or involve the same set of operative facts as the claims asserted by Plaintiffs against Released
28 Defendant Parties in the Actions and which relate to the ownership of Hansen common stock. The

1 Released Plaintiffs' Claims shall not include claims to enforce the Stipulation or any part of it, and
2 shall not include claims based on the conduct of any of the Settling Parties which occurs after the
3 Effective Date.

4 (ll) "**Releases**" means the releases set forth in Paragraphs 3-4 of this Stipulation.

5 (mm) "**Settlement**" means the settlement between the Settling Parties on the terms
6 and conditions set forth in this Stipulation.

7 (nn) "**Settlement Administrator**" means the settlement administrator selected
8 by Plaintiffs to administer the settlement.

9 (oo) "**Settlement Fund**" means the Settlement Payment plus any and all interest
10 earned thereon.

11 (pp) "**Final Approval Hearing**" means the hearing to be set by the California
12 Court to consider, among other things, final approval of the Settlement.

13 (qq) "**Settlement Payment**" means the \$7,500,000 payment in accordance with
14 Paragraph 2(b) below.

15 (rr) "**Taxes**" means: (i) all federal, state and/or local taxes of any kind on any
16 income earned by the Settlement Fund; and (ii) the reasonable expenses and costs incurred by
17 California Co-Lead Counsel or Delaware Lead Counsel in connection with determining the amount
18 of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of
19 tax attorneys and accountants).

20 (ss) "**Unknown Claims**" means any Released Plaintiffs' Claims that the
21 Released Plaintiff Parties do not know or suspect to exist in his, her, or its favor at the time of the
22 release of the Released Plaintiffs' Claims, and any Released Defendants' Claims that any Defendant
23 does not know or suspect to exist in his, her, or its favor at the time of the release of the Released
24 Defendants' Claims, which, if known by him, her, or it, might have affected his, her, or its
25 decision(s) with respect to the Settlement. The Settling Parties acknowledge, and the other Class
26 Members by operation of law are deemed to acknowledge, that they may discover facts in addition
27 to or different from those now known or believed to be true with respect to the Released Plaintiffs'
28 Claims and the Released Defendants' Claims, but that it is the intention of the Settling Parties, and

1 by operation of law the other Class Members, to completely, fully, finally and forever extinguish
2 any and all Released Plaintiffs' Claims and Released Defendants' Claims, known or unknown,
3 suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and
4 without regard to the subsequent discovery of additional or different facts. The Settling Parties also
5 acknowledge, and the other Class Members by operation of law are deemed to acknowledge, that
6 the inclusion of "Unknown Claims" in the definition of the Released Plaintiffs' Claims and the
7 Released Defendants' Claims is separately bargained for and is a key element of the Settlement.

8 **II. SETTLEMENT CONSIDERATION**

9 2. In consideration for the full and final release, settlement, and discharge of all
10 Released Plaintiffs' Claims against the Released Defendant Parties, the Settling Parties have agreed
11 to the following consideration:

12 (a) **Initial Notice Costs Payment:**

13 i. Within five business days of the execution of this Stipulation,
14 Defendants shall cause the insurers for the Defendants to deposit the \$12,000 Initial Notice Costs
15 Payment into the client trust account for Monteverde & Associates PC with JPMorgan Chase Bank
16 NA, account number 152763592 and swift code/routing number 021000021, which shall be used
17 to cover Initial Notice Costs. Under no circumstances shall any Defendant be liable or responsible
18 for funding, contributing to, guaranteeing, or indemnifying any part of the Initial Notice Costs
19 Payment. In the event that any amount of the Initial Notice Costs Payment remains after the
20 payment of all Notice Costs, such unused amount shall be returned to any person or entity who paid
21 any portion of the Initial Notice Costs Payment.

22 (b) **Settlement Payment:**

23 i. The Settlement Fund shall be used (a) to pay all Administrative
24 Costs; (b) to pay all Taxes; (c) to pay any Fee and Expense award; (d) to pay any other fees, costs
25 or expenses approved by the California Court; and following the payment of (a) - (d) herein, (e) for
26 subsequent disbursement of the Net Settlement Fund to the Eligible Class Members as provided in
27 Paragraph 2(b) herein. Except as provided in Paragraph 2(b)(iii) below, under no circumstances
28

1 shall any Defendant be liable or responsible for funding, contributing to, guaranteeing, or
2 indemnifying any part of the Settlement Payment.

3 ii. Within fifteen business days following entry of the Judgment by the
4 California Court, and notwithstanding the existence of any timely filed objections to the Settlement,
5 or potential for appeal from the Judgment, Defendants shall cause the insurers for the Defendants
6 to deposit \$7,125,000 of the Settlement Payment into the Account, provided that California Co-
7 Lead Counsel has provided at least fifteen business days before entry of Judgment by the California
8 Court complete wire transfer information and instructions (including a bank account number, swift
9 code/routing number, W-9, telephone and e-mail contact information, and a physical address for
10 the designated recipient of the settlement payment), to Defendants' Counsel and the insurers for
11 the Defendants.

12 iii. Within fifteen business days following entry of the Judgment by the
13 California Court, and notwithstanding the existence of any timely filed objections to the Settlement,
14 or potential for appeal from the Judgment, the Feinberg Defendants shall deposit, or cause to be
15 deposited, the remaining \$375,000 of the Settlement Payment into the Account, provided that
16 California Co-Lead Counsel has provided at least fifteen business days before entry of Judgment
17 by the California Court complete wire transfer information and instructions (including a bank
18 account number, swift code/routing number, W-9, telephone and e-mail contact information, and a
19 physical address for the designated recipient of the settlement payment), to the Feinberg
20 Defendants' Counsel.

21 iv. Apart from the payment of the Settlement Payment in accordance
22 with this Paragraph 2(b) and any and all costs associated with providing stockholder information
23 (including, without limitation, the Merger Records and DTC Records) pursuant to Paragraph 2(c)
24 below, Defendants shall have no further or other monetary obligation to Plaintiffs, the other Class
25 Members, California Co-Lead Counsel or Delaware Lead Counsel under the Settlement.

26 v. The Settlement Fund—less all Notice Costs and Administrative
27 Costs paid, incurred, or due consistent with this Stipulation—shall be returned to the person(s) that
28

1 paid their respective parts of the Settlement Payment within five business days of the termination
2 of the Settlement in accordance with the terms of this Stipulation.

3 (c) **Distribution of the Settlement Fund:**

4 i. Within ten (10) business days of the date of execution of this
5 Stipulation, Auris shall take reasonable steps to provide to or to cause to be provided to the
6 Settlement Administrator and California Co-Lead Counsel, at no cost to the Settlement Fund,
7 Plaintiffs, Plaintiffs' counsel, or the Settlement Administrator, the following information: (a) the
8 stockholder register from Hansen's transfer agent, which listing shall include the names and mailing
9 addresses for all Eligible Registered Owners, the number of Eligible Shares held by such Eligible
10 Registered Owners, and the account information (including financial institution and account
11 numbers where the Eligible Shares were held) for such Eligible Registered Owners; and (b) the
12 names and mailing addresses for each of the Excluded Stockholders set forth on Schedule 1 hereto,
13 the number of Excluded Shares held by such Excluded Stockholders, and the account information
14 (including financial institution and account numbers where the Excluded Shares were held) for such
15 Excluded Stockholders. The information to be provided to the Settlement Administrator and
16 California Co-Lead Counsel pursuant to this Paragraph 2(c)(i) is referred to herein as the "**Merger**
17 **Records.**"

18 ii. Following the Effective Date, the Net Settlement Fund will be
19 disbursed to Eligible Class Members, each of which will receive a *pro rata* distribution from the
20 Net Settlement Fund equal to the product of (a) the number of Eligible Shares held by the Eligible
21 Class Member and (b) the Per-Share Recovery under the Settlement.

22 iii. With respect to Hansen common stock held of record by Cede, the
23 Settlement Administrator will cause that portion of the Net Settlement Fund to be allocated to
24 Eligible Beneficial Owners who held their shares through DTC Participants to be paid to DTC.
25 DTC shall then distribute that portion of the Net Settlement Fund among the DTC Participants by
26 paying each the Per-Share Recovery times its respective Closing Security Position, using the same
27 mechanism that DTC used to distribute the Merger Consideration and subject to payment
28 suppression instructions with respect to Excluded Shares. The DTC Participants and their

1 respective customers, including any intermediaries, shall then ensure *pro rata* payment to each
2 Eligible Beneficial Owner in accordance with each Eligible Beneficial Owner's Closing Beneficial
3 Ownership Position.

4 iv. With respect to Hansen common stock held of record as of the
5 Closing other than by Cede, as nominee for DTC (a "**Closing Non-Cede Record Position**"), the
6 payment with respect to each such Closing Non-Cede Record Position shall be made by the
7 Settlement Administrator from the Net Settlement Fund directly to the record owner of each
8 Closing Non-Cede Record Position in an amount equal to the Per-Share Recovery times the number
9 of shares of Hansen common stock comprising such Closing Non-Cede Record Position.

10 v. For the avoidance of doubt, to the extent that any record owner, any
11 DTC Participants, or their respective customers, including any intermediaries, took or permitted
12 actions that had the effect of increasing the number of shares of Hansen common stock entitled to
13 payment of the Merger Consideration, whether through permitting naked short-selling or the cash
14 settlement of short positions or through any other means ("**Increased Merger Consideration**
15 **Entitlements**"), such record owner, DTC Participants, or their respective customer (including
16 intermediaries) shall be responsible for paying to the ultimate beneficial owners of such Increased
17 Merger Consideration Entitlements an amount equal to the Per-Share Recovery times the number
18 of the Increased Merger Consideration Entitlements.

19 vi. For the avoidance of doubt, a person or entity who acquired shares
20 of Hansen common stock on or before July 27, 2016 but had not settled those shares at the Merger's
21 Closing ("**Non-Settled Shares**") shall be treated as an Eligible Beneficial Owner with respect to
22 those Non-Settled Shares (except for the Excluded Shares), and a person who sold those Non-
23 Settled Shares on or before July 27, 2016 shall not be treated as an Eligible Beneficial Owner with
24 respect to those Non-Settled Shares.

25 vii. Payment from the Net Settlement Fund made pursuant to and in the
26 manner set forth above shall be deemed conclusive of compliance with this Stipulation.

27 viii. Defendants and any other Excluded Stockholder shall not have any
28 right to receive any part of the Settlement Fund for his, her, or its own account(s) (*i.e.*, accounts in

1 which he, she or it holds a proprietary interest), or any additional amount based on any claim
2 relating to the fact that Settlement proceeds are being received by any other stockholder, in each
3 case under any theory, including but not limited to contract, application of statutory or judicial law,
4 or equity.

5 ix. In the event that any payment from the Net Settlement Fund is
6 undeliverable or in the event a check is not cashed by the stale date (*i.e.*, more than six months from
7 the check's issue date), the DTC Participants or the holder of a Closing Non-Cede Record Position
8 shall follow their respective policies with respect to further attempted distribution or escheatment.

9 x. California Co-Lead Counsel shall be responsible for supervising the
10 administration of the Settlement and the disbursement of the Net Settlement Fund subject to
11 California Court approval. California Co-Lead Counsel believe that this proposed administration
12 and distribution represents a fair and efficient means of applying the settlement consideration
13 towards the resolution of all the claims and damages alleged in the Actions.

14 xi. The Net Settlement Fund shall be distributed to Eligible Class
15 Members only after the Effective Date of the Settlement and after: (a) all Administrative Costs,
16 including Notice Costs, and Taxes, and any Fee and Expense Award, have been paid from the
17 Settlement Fund or reserved; and (b) the California Court has entered an order authorizing the
18 specific distribution of the Net Settlement Fund (the "**Class Distribution Order**"). California Co-
19 Lead Counsel will apply to the California Court, on notice to Defendants' Counsel, for the Class
20 Distribution Order.

21 xii. Payment pursuant to the Class Distribution Order shall be final and
22 conclusive against all Class Members. Plaintiffs, Defendants, and Auris, as well as their respective
23 counsel, shall have no liability whatsoever for the investment or distribution of the Settlement Fund
24 or the Net Settlement Fund, the determination, administration, or calculation of any payment from
25 the Net Settlement Fund, the nonperformance of the Settlement Administrator or a nominee holding
26 shares on behalf of an Eligible Class Member, the payment or withholding of Taxes (including
27 interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.
28

1 xiii. All proceedings with respect to the administration of the Settlement
2 and distribution pursuant to the Class Distribution Order shall be subject to the exclusive
3 jurisdiction of the California Court.

4 (d) **Costs of Distribution**: California Co-Lead Counsel shall pay out of the
5 Account all Administrative Costs associated with the allocation and distribution of the Net
6 Settlement Fund (including the costs, if any, associated with escheat).

7 (e) **Investment and Disbursement of the Settlement Fund**:

8 i. The Settlement Fund deposited in accordance to Paragraph 2(b)
9 above shall be invested in instruments backed by the full faith and credit of the United States
10 Government or fully insured by the United States Government or an agency thereof, or if the yield
11 on such instruments is negative, in an account fully insured by the United States Government or an
12 agency thereof, and the proceeds of these instruments shall be reinvested as they mature in similar
13 instruments at then-current market rates. The Settlement Fund shall bear all risks related to
14 investment of the Settlement Fund and any proceeds thereof.

15 ii. The Settlement Fund shall not be disbursed except as provided in the
16 Stipulation or by an order of the California Court.

17 iii. The Settlement Fund shall be deemed and considered to be in
18 *custodial legis* of the California Court, and shall remain subject to the exclusive jurisdiction of that
19 Court, until such time as such funds shall be distributed in accordance to the Stipulation and/or
20 further order(s) of the California Court.

21 **III. SCOPE OF THE SETTLEMENT**

22 3. Upon the Effective Date, the Released Plaintiff Parties, Plaintiffs and all Class
23 Members, on behalf of themselves and their legal representatives, heirs, executors, administrators,
24 estates, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns, and
25 any person or entity acting for or on behalf of, or claiming under, any of them, shall thereupon be
26 deemed to have fully, finally and forever, released, settled and discharged the Released Defendant
27 Parties from and with respect to every one of the Released Plaintiffs' Claims, and shall thereupon
28 be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to

1 prosecute or pursuing in any fashion any Released Plaintiffs' Claims against any of the Released
2 Defendant Parties.

3 4. Upon the Effective Date, each of Released Defendant Parties, on behalf of
4 themselves and their legal representatives, heirs, executors, administrators, estates, predecessors,
5 successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity
6 acting for or on behalf of, or claiming under, any of them, shall thereupon be deemed to have fully,
7 finally and forever, released, settled and discharged the Released Plaintiff Parties from and with
8 respect to every one of the Released Defendants' Claims, and shall thereupon be forever barred and
9 enjoined from commencing, instituting or prosecuting or pursuing in any fashion any of the
10 Released Defendants' Claims against any of the Released Plaintiff Parties.

11 5. The contemplated releases given by the Settling Parties in this Stipulation extend to
12 Released Plaintiffs' Claims and Released Defendants' Claims (collectively, "**Released Claims**")
13 that the Settling Parties did not know or suspect to exist at the time of the release, which if known,
14 might have affected the decision to enter into this Stipulation.

15 6. Regarding the Released Claims, the Settling Parties shall be deemed to have waived
16 all provisions, rights, and benefits conferred by any law of the United States, any law of any state,
17 or principle of common law which governs or limits a person's release of Unknown Claims to the
18 fullest extent permitted by law, and to have relinquished, to the full extent permitted by law, the
19 provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

20 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
21 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
22 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF
23 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
24 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

25 7. For the avoidance of doubt, upon the occurrence of the Effective Date, Defendants
26 shall be dismissed with prejudice from the Actions regarding all Class Members (including
27 Plaintiffs) without the award of any damages, costs, or fees or the grant of further relief except for
28 the payments provided in Paragraphs 2(a)-(b).

1 **IV. SUBMISSION OF THE SETTLEMENT TO THE COURT FOR APPROVAL**

2 8. As soon as practicable after execution of this Stipulation, Plaintiffs shall (i) apply to
3 the California Court for entry of an Order in the form attached hereto as **Exhibit A** (the
4 **“Preliminary Approval Order”**), providing for, among other things: (a) the preliminary approval
5 of the Settlement; (b) dissemination by mail of the Notice of Pendency and Proposed Settlement of
6 Class Action (the **“Long-Form Notice”**), substantially in the form attached hereto as **Exhibit B**;
7 (c) the publication of the Summary Notice of Pendency and Proposed Settlement of Class Action
8 with Defendants (the **“Publication Notice”**), substantially in the form attached hereto as
9 **Exhibit C**;¹ and (d) the scheduling of the Final Approval Hearing to consider: (1) the proposed
10 Settlement, (2) the request that the Judgment be entered in all material respects in the form attached
11 hereto as **Exhibit D**, (3) California Co-Lead Counsel’s and Delaware Lead Counsel’s application
12 for an award of attorneys’ fees and expenses, and (4) any objections to any of the foregoing; and
13 (ii) take all reasonable and appropriate steps to seek and obtain entry of the Preliminary Approval
14 Order.

15 9. Plaintiffs shall request at the Final Approval Hearing that the California Court
16 approve the Settlement and enter the Judgment.

17 10. The Settling Parties shall take all reasonable and appropriate steps to obtain Final
18 entry of the Judgment in all material respects in the form attached hereto as **Exhibit D**.

19 11. Notwithstanding the fact that the Effective Date of the Settlement has not yet
20 occurred, California Co-Lead Counsel may pay from the Initial Notice Costs Payment, without
21 further approval from Defendants or their insurers or further order of the Court, all Initial Notice
22 Costs actually incurred and paid or payable. Notice shall be provided in accordance with the
23 Preliminary Approval Order. Plaintiffs shall retain a Settlement Administrator to disseminate
24 Notice and for the disbursement of the Net Settlement Fund to Eligible Class Members.

25 **V. CONDITIONS OF SETTLEMENT**

26
27
28 _____
¹ Collectively, the Long-Form Notice and Publication Notice shall be referred to as the **“Notice.”**

1 12. The Effective Date of the Settlement shall be deemed to occur on the occurrence or
2 waiver of all of the following events, which the Settling Parties shall use their best efforts to
3 achieve:

4 (a) the California Court's entry in the Consolidated California Action of the
5 Preliminary Approval Order in all material respects in the form attached hereto as **Exhibit A**;

6 (b) the California Court's entry in the Consolidated California Action of the
7 Judgment in all material respect in the form attached hereto as **Exhibit D**;

8 (c) the Judgment becoming Final;

9 (d) The Consolidated Delaware Action being dismissed in its entirety with
10 prejudice, and that dismissal being Final; and

11 (e) the full amount of the \$7,500,000 Settlement Payment having been paid into
12 the Account in accordance with Paragraph 2(b) above.

13 13. Upon the occurrence of the Effective Date, any and all remaining interest or right of
14 Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and
15 the Releases herein shall be effective. Further, in the event that any amount of the Initial Notice
16 Costs Payment remains after the payment of all Notice Costs, such unused amount shall be returned
17 to the insurers or any other person who paid any portion of the Initial Notice Costs Payment.

18 **VI. ATTORNEYS' FEES AND EXPENSES; INCENTIVE AWARDS**

19 14. California Co-Lead Counsel and Delaware Lead Counsel will apply to the California
20 Court for an award of attorneys' fees in an amount not to exceed 1/3 of the Settlement Fund and up
21 to \$250,000.00 for the reimbursement of litigation expenses, to be paid solely from the Settlement
22 Fund (the "**Fee Application**"). Neither California Co-Lead Counsel's nor Delaware Lead
23 Counsel's Fee Application are or will be the subject of any agreement between Defendants and
24 Plaintiffs or any of their respective counsel, other than what is set forth in this Stipulation.

25 15. An amount equal to the Fee and Expense Award shall be payable to California Co-
26 Lead Counsel from the Settlement Fund immediately upon the occurrence of the Effective Date.

27 16. The disposition of the Fee Application is not a material term of this Stipulation, and
28 it is not a condition of this Stipulation that such application be granted. The Fee Application may

1 be considered separately from the proposed Stipulation. Any disapproval or modification of the
2 Fee Application by the California Court or on appeal shall not affect or delay the enforceability of
3 this Stipulation, provide any of the Settling Parties with the right to terminate the Settlement, or
4 affect or delay the binding effect or finality of the Judgment and the release of the Released
5 Plaintiffs' Claims. Final resolution of the Fee Application shall not be a condition to the dismissal,
6 with prejudice, of the Actions as to Defendants or effectiveness of the releases of the Released
7 Plaintiffs' Claims.

8 17. California Co-Lead Counsel and Delaware Lead Counsel shall allocate the
9 attorneys' fees awarded amongst Plaintiffs' counsel in a manner which they, in good faith and in
10 their sole discretion, determine and believe is fair and equitable. California Co-Lead Counsel and
11 Delaware Lead Counsel, in consultation with their clients, shall be solely responsible for
12 determining the allocation of any fees and expenses paid to Plaintiffs' counsel in the Actions.
13 Defendants and their counsel shall have no responsibility, authority, or liability with respect to the
14 allocation of any fee and expense award among Plaintiffs' counsel in the Actions.

15 18. Based on the substantial benefits that Plaintiffs have achieved for the Class through
16 their prosecution of the Actions, Plaintiffs' Counsel intends to seek the California Court's approval
17 for awards for each of the Plaintiffs, in an amount not to exceed \$1,000 for each Plaintiff (the
18 "**Incentive Awards**"). Defendants have agreed not to oppose a request for such Incentive Awards
19 that does not exceed \$6,000 in total. The Incentive Awards shall be paid out of the Fee and Expense
20 Award, if any, awarded to Plaintiffs' Counsel by the California Court.

21 **VII. STAY PENDING COURT APPROVAL**

22 19. The Settling Parties agree not to initiate any proceedings related to the Actions or
23 prosecution of the Actions against Defendants other than those incident to the Settlement itself
24 pending the occurrence of the Effective Date. The Settling Parties also agree to use their reasonable
25 best efforts to seek the stay and dismissal of, and to oppose entry of any interim or final relief in
26 favor of any Class Member in any other proceedings which challenge the Settlement or the Merger
27 or otherwise assert or involve the commencement or prosecution of any Released Plaintiffs' Claim,
28

1 either directly, representatively, derivatively, or in any other capacity, against any Released
2 Defendant Party.

3 20. The Settling Parties will request the California Court to order (in the Preliminary
4 Approval Order) that, pending final determination of whether the Settlement should be approved,
5 Plaintiffs and all Class Members are barred and enjoined from commencing, prosecuting,
6 instigating, or in any way participating in the commencement or prosecution of any Released
7 Plaintiffs' Claim, either directly, representatively, derivatively, or in any other capacity, against
8 any Released Defendant Party.

9 **VIII. TAXES**

10 21. The Settling Parties agree that the Settlement Fund together with all interest earned
11 on the Settlement Fund is intended to be a "qualified settlement fund" within the meaning of Treas.
12 Reg. § 1.468B-1. The Settlement Administrator shall timely make such elections as necessary or
13 advisable to carry out the provisions of this Article VIII, including, if necessary, the "relation-back
14 election" (as defined in Treas. Reg. § 1.468B-1(j)(2)) back to the earliest permitted date. Such
15 elections shall be made in compliance with the procedures and requirements contained in such
16 Treasury regulations promulgated under § 1.468B of the Internal Revenue Code of 1986. It shall
17 be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the
18 necessary documentation for signature by all necessary parties, and thereafter to cause the
19 appropriate filing to occur, and send copies of such filings to all counsel for the parties in the
20 Actions.

21 22. The Settlement Administrator shall timely and properly file all informational and
22 other tax returns necessary or advisable with respect to the Settlement Fund (including, without
23 limitation, the returns described in Treas. Reg. § 1.468B-2(k)). Such returns (as well as the election
24 described in Paragraph 21 above) shall be consistent with this Article VIII and in all events shall
25 reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by
26 the Settlement Fund shall be paid out of the Settlement Fund as provided in Paragraph 23 below.

27 23. All taxes shall be paid timely out of the Settlement Fund, as directed and
28 administered by California Co-Lead Counsel and Delaware Lead Counsel, without further order of

1 the California Court. Any tax returns prepared for the Settlement Fund (as well as the election set
2 forth herein) shall be consistent with this Article VIII and in all events shall reflect that all taxes on
3 the income earned by the Settlement Fund shall be paid out of the Settlement Fund, as provided
4 herein, and shall be timely filed by the Settlement Administrator, who shall send copies of such
5 filings to counsel for all parties in the Actions. Any costs for the preparation of applicable tax
6 returns shall be paid from the Settlement Fund. Defendants and Released Defendant Parties shall
7 not bear any tax liability in connection with the Settlement Fund, including any liability for income
8 taxes owed by any Class Member by virtue of their receipt of payment from the Settlement Fund.

9 24. Defendants and their counsel agree to cooperate with California Co-Lead Counsel
10 and Delaware Lead Counsel, as responsible for overseeing the administration of the Settlement
11 Fund, and their tax attorneys, accountants and/or the Settlement Administrator, to the extent
12 reasonably necessary to carry out and accomplish the provisions of this Section and of this
13 Stipulation.

14 **IX. OPT-OUT RIGHTS**

15 25. Prospective members of the Class shall have the right to opt out of, and request
16 exclusion from, the Class and Settlement. Any prospective member of the Class who does not
17 timely and validly request exclusion from the Class and Settlement shall be a Class Member and
18 shall be bound by the terms of this Stipulation, the Settlement and Judgment. Any prospective
19 member of the Class who timely and validly requests exclusion from the Class and Settlement shall
20 be excluded from the Class and the Settlement.

21 26. The Notice shall describe the procedure whereby prospective members of the Class
22 may exclude themselves from the Class and Settlement, which shall, at a minimum, provide that
23 any such requests must be made in writing, no later than twenty-one (21) days prior to the Final
24 Approval Hearing, and mailed by First-Class Mail postmarked to the address designated in the
25 Notice.

1 **X. TERMINATION OF SETTLEMENT; EFFECT OF TERMINATION; EFFECT OF**
2 **PARTIAL APPROVAL OF SETTLEMENT**

3 27. Subject to Paragraph 29 below, if either (i) the California Court finally refuses to
4 enter the Judgment in any material respect or alters the Judgment in any material respect prior to
5 entry, or (ii) the California Court enters the Judgment but on or following appellate review, the
6 Judgment is modified or reversed in any material respect, the Settlement and this Stipulation shall
7 be canceled and terminated unless each of the Settling Parties to this Stipulation, within ten business
8 days from receipt of such ruling, agrees in writing with the other Settling Parties hereto to proceed
9 with this Stipulation and Settlement, including only with such modifications, if any, as to which all
10 other Settling Parties in their sole judgment and discretion may agree. In addition to the foregoing,
11 Plaintiffs shall have the right to cancel and terminate the Settlement and this Stipulation in the event
12 that the Settlement Payment is not timely paid in accordance with Paragraph 2(b) above. For
13 purposes of this paragraph, an intent to proceed shall not be valid unless it is expressed in a signed
14 writing. Neither a modification nor a reversal on appeal of the amount of fees, costs and expenses
15 awarded by the California Court to California Co-Lead Counsel and/or Delaware Lead Counsel
16 shall be deemed a material modification of the Judgment or this Stipulation.

17 28. In addition to the foregoing, and subject to Paragraph 29 below, Defendants shall
18 also have the option (which must be exercised unanimously by all Defendants with capacity to do
19 so), but not the obligation, to terminate the Settlement and render this Stipulation null and void in
20 the event that the aggregate number of shares of Hansen common stock held by persons or entities
21 who would otherwise be Eligible Class Members, but who timely and validly opt out of the Class
22 and Settlement pursuant to Paragraphs 25-26 above, exceeds the level (the “**Opt-Out Threshold**”)
23 as set forth in a separate agreement (the “**Supplemental Side Agreement**”) executed between
24 California Co-Lead Counsel, Delaware Lead Counsel and Defendants’ Counsel on behalf of their
25 respective clients. The Opt-Out Threshold may be disclosed to the Court for purposes of approval
26 of the Settlement set forth in this Stipulation, as may be required by the Court, but such disclosure
27 shall be carried out to the fullest extent possible in accordance with the practices of the Court so as
28 to maintain the confidentiality of the Supplemental Side Agreement.

1 29. If this Stipulation is disapproved, canceled, or terminated pursuant to its terms or
2 the Effective Date of the Settlement otherwise fails to occur, (i) Plaintiffs and Defendants shall be
3 deemed to have reverted to their respective litigation status immediately before the execution of
4 the **Stipulation**, they shall negotiate a new case schedule for both Actions in good faith, and they
5 shall proceed as if the Stipulation had not been executed and the related orders had not been entered;
6 (ii) all of their respective claims and defenses as to any issue in the Actions shall be preserved
7 without prejudice in any way; and (iii) the statements made in connection with the negotiations of
8 this Stipulation shall not be deemed to prejudice in any way the positions of any of the Settling
9 Parties with respect to the Actions, or to constitute an admission of fact of wrongdoing by any
10 Settling Party, shall not be used or entitle any Settling Party to recover any fees, costs, or expenses
11 incurred in connection with the Actions, and neither the existence of this Stipulation nor its contents
12 nor any statements made in connection with its negotiation or any settlement communications shall
13 be admissible in evidence or shall be referred to for any purpose in the Actions, or in any other
14 litigation or judicial proceeding.

15 **XI. MISCELLANEOUS PROVISIONS**

16 30. All of the exhibits attached hereto are incorporated by reference as though fully set
17 forth herein. Notwithstanding the foregoing, if a conflict or inconsistency exists between the terms
18 of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall
19 prevail.

20 31. Defendants warrant that, as to the payments made or to be made on behalf of them,
21 at the time of entering into this Stipulation and at the time of such payment they, or to the best of
22 their knowledge any persons or entities contributing to the payment of the Settlement Payment,
23 were not insolvent, nor will the payment required to be made by or on behalf of them render them
24 insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code,
25 including §§ 101 and 547 thereof.

26 32. The Settling Parties intend this Stipulation and the Settlement to be a final and
27 complete resolution of all disputes asserted or which could be asserted by Plaintiffs and any other
28 Class Members against the Released Defendant Parties with respect to the Released Plaintiffs’

1 Claims. Accordingly, Plaintiffs and their counsel and Defendants and their counsel agree not to
2 assert in any forum that the Actions were brought by Plaintiffs or defended by Defendants (and/or
3 Auris), as well as their respective counsel, in bad faith or without a reasonable basis. The Settling
4 Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-
5 length and in good faith by the Settling Parties, including through a mediation process supervised
6 and conducted by Michelle Yoshida of Phillips ADR, and reflect the Settlement that was reached
7 voluntarily after extensive negotiations and consultation with experienced legal counsel, who were
8 fully competent to assess the strengths and weaknesses of their respective clients' claims or
9 defenses.

10 33. The Settling Parties and their counsel shall not make any accusations of wrongful
11 or actionable conduct by any Settling Party concerning the prosecution, defense, and resolution of
12 the Actions, and shall not otherwise suggest that the Settlement constitutes an admission of any
13 claim or defense alleged in the Actions.

14 34. The terms of the Settlement, as reflected in this Stipulation, may not be modified or
15 amended, nor may any of its provisions be waived except by a writing signed on behalf of all
16 Settling Parties (or their successors-in-interest).

17 35. The headings herein are used for the purpose of convenience only and are not
18 intended by the Settling Parties to, and shall not, have legal effect.

19 36. The administration and consummation of the Settlement as embodied in this
20 Stipulation shall be under the authority of the California Court, and that Court shall retain exclusive
21 jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses
22 to California Co-Lead Counsel and Delaware Lead Counsel, and enforcing the terms of this
23 Stipulation, including the distribution of the Net Settlement Fund to Class Members.

24 37. The waiver by one Party of any breach of this Stipulation by any other Party shall
25 not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

26 38. This Stipulation and its exhibits constitute the entire agreement among the Settling
27 Parties concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge
28 that no other agreements, representations, warranties, or inducements have been made by any Party

1 hereto concerning this Stipulation or its exhibits other than those contained and memorialized in
2 such documents.

3 39. This Stipulation may be executed in one or more counterparts, including by
4 signature transmitted via facsimile, or by a .pdf/.tiff image of the signature transmitted via email.
5 All executed counterparts and each of them shall be deemed to be one and the same instrument.

6 40. This Stipulation shall be binding upon and inure to the benefit of the successors and
7 assigns of the Settling Parties, as well as the Released Plaintiff Parties and Released Defendant
8 Parties, and any corporation, partnership, or other entity into or with which any such party hereto
9 may merge, consolidate or reorganize.

10 41. The construction, interpretation, operation, effect and validity of this Stipulation and
11 all documents necessary to effectuate it shall be governed by the laws of the State of California
12 without regard to conflicts of laws.

13 42. Any action arising under or to enforce this Stipulation or any portion thereof shall
14 be commenced and maintained only in the California Court.

15 43. This Stipulation shall not be construed more strictly against one Settling Party than
16 another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for
17 one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations
18 between the Settling Parties and that all Settling Parties have contributed substantially and
19 materially to the preparation of this Stipulation.

20 44. All counsel and all other persons executing this Stipulation and any of the exhibits
21 hereto, or any related Settlement documents, warrant and represent that they have the full authority
22 to do so and that they have the authority to take appropriate action required or permitted to be taken
23 pursuant to the Stipulation to effectuate its terms.

24 45. California Co-Lead Counsel, Delaware Lead Counsel and Defendants' Counsel
25 agree to cooperate fully with one another in seeking from the California Court the Preliminary
26 Approval Order, as embodied in this Stipulation, and to use best efforts to promptly agree upon and
27 execute all such other documentation as may be reasonably required to obtain final approval by the
28 California Court of the Settlement.

1 46. If any Settling Party is required to give notice to another Settling Party under this
2 Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt
3 of hand delivery or facsimile or email transmission, with confirmation of receipt. Notice shall be
4 provided as follows:

5 If to Plaintiffs, California Co-Lead
6 Counsel and/or Delaware Lead
7 Counsel:

MONTEVERDE & ASSOCIATES PC
Attn: Juan E. Monteverde, Esq.
The Empire State Building
350 Fifth Avenue, Suite 4405
New York, NY 10118
Tel.: (212) 971-1341
Fax: (212) 601-2610
Email: jmonteverde@monteverdelaw.com

WOLF POPPER LLP
Attn: Carl Stine, Esq.
845 Third Avenue
New York, NY 10022
Tel.: (212) 759-4600
Fax: (212) 486-2093
Email: cstine@wolfpopper.com

14 If to Defendants:

ORRICK, HERRINGTON & SUTCLIFFE LLP
Attn: Alexander K. Talarides, Esq.
The Orrick Building
405 Howard Street
San Francisco, CA 94105
Tel: (415) 773-5700
Fax: (415) 773-5759
Email: atarides@orrick.com

WILLKIE FARR & GALLAGHER LLP
Attn: Benjamin P. McCallen, Esq.
787 Seventh Avenue
New York, NY 10019
Tel.: (212) 728-8182
Fax: (212) 728-9182
Email: bmccallen@willkie.com

24 If to Auris:

ROPES & GRAY LLP
Attn: Martin J. Crisp, Esq.
1211 Avenue of the Americas
New York, NY 10036-8704
Tel.: (212) 596-9000
Fax: (212) 596-9090
Email: martin.crisp@ropesgray.com

1 47. Except as otherwise provided herein, each Settling Party shall bear its own costs.

2 48. Whether or not the Stipulation is approved by the California Court and whether or
3 not the Stipulation is consummated, or the Effective Date occurs, the Settling Parties and their
4 counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements,
5 drafts, documents signed and proceedings in connection with the Stipulation confidential.

6 49. All agreements made and orders entered during the course of the Actions relating to
7 the confidentiality of information shall survive this Settlement and be continuing, as limited only
8 by the requirements of applicable California and Delaware law.

9 50. No opinion or advice concerning the tax consequences of the proposed Settlement
10 to individual Class Members is being given or will be given by the Settling Parties or their counsel;
11 nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Class
12 Member's tax obligations, and the determination thereof, are the sole responsibility of the Class
13 Member, and it is understood that the tax consequences may vary depending on the particular
14 circumstances of each individual Class Member.

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1 DATED: February 5, 2019

MONTEVERDE & ASSOCIATES PC

2 

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4 David E. Bower (SBN 119546)
5 600 Corporate Pointe, Suite 1170
6 Culver City, CA 90230
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8 Fax: (212) 202-7880

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10 New York, NY 10118
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12 Fax: (212) 601-2610

FARUQI & FARUQI, LLP

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14 Tel.: (212) 983-9330
15 Fax: (212) 983-9331

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Counsel for Plaintiffs and the Class*

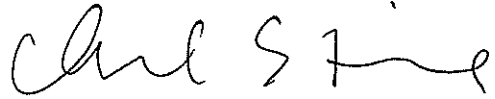
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Counsel for Plaintiffs and the Class*

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Lead Counsel for the Delaware Plaintiffs

1 DATED: February 5, 2019

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Hykes, William R. Rohn, Stephen L. Newman, and
Nadim Yared*

11 DATED: February 5, 2019

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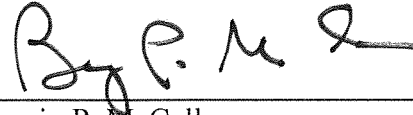
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*Attorneys for former Defendants Auris Surgical
Robotics, Inc. (now known as Auris Health, Inc.),
Pineco Acquisition Corp., and Hansen Medical, Inc.*

28

1 DATED: February 5, 2019

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EXHIBIT “A”

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Attorneys for Plaintiffs

[additional counsel appear on signature page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

IN RE HANSEN MEDICAL, INC)
SHAREHOLDER LITIGATION)

This Document Relates To:)

ALL ACTIONS)
_____)

Lead Case No. 16-CV-294288
CLASS ACTION
Assigned to: Judge Brian C. Walsh
**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT AND
PROVIDING FOR NOTICE**

1 WHEREAS, the plaintiffs (“Plaintiffs”) and the defendants (“Defendants”) in the above-
2 entitled action (the “Action”), and certain other parties including those in the consolidated action
3 pending in the Court of Chancery for the State of Delaware, captioned *In re Hansen Medical, Inc.*
4 *Stockholders Litigation*, C.A. No. 12316-VCMR, entered into a Stipulation and Agreement of
5 Settlement, Compromise, and Release dated February 5, 2019, (the “Stipulation” or “Settlement”),¹
6 which is subject to review by this Court and which, together with the Exhibits thereto, sets forth the
7 terms and conditions for the Settlement of the claims in the Action; and the Court having read and
8 considered the Stipulation and the accompanying documents; and the Parties having consented to
9 the entry of this Order;

10 IT IS HEREBY ORDERED that:

11 1. Pursuant to §382 of the California Code of Civil Procedure, the Court preliminarily
12 certifies, for purposes of effectuating the Settlement only, a Class of all record and beneficial owners
13 and holders of Hansen common stock, as of July 27, 2016, including any and all of their respective
14 successors-in-interest, successors, predecessors-in-interest, predecessors, representatives, trustees,
15 executors, administrators, estates, heirs, assigns and transferees, immediate and remote, and any
16 person or entity acting for or on behalf of, or claiming under, any of them, and each of them, together
17 with their predecessors-in-interest, predecessors, successors-in-interest, successors, and assigns, but
18 excluding: (i) Defendants, their Immediate Family, and any trust or other entity affiliated with or
19 controlled by any Defendant, other than employees of such entities who were not directors or
20 officers of such entities as of the Closing; and (ii) any and all record and beneficial owners of Hansen
21 common stock who exercised their appraisal rights under Section 262 of the General Corporation
22 Law of the State of Delaware.

23 2. With respect to the Class, and solely for purposes of effectuating the Settlement, this
24 Court finds and concludes that: (a) the members of the Class are so numerous that joinder of all
25 Class Members in the Action is impracticable; (b) there are questions of law and fact common to
26 the Class which predominate over any individual questions; (c) the claims of the Plaintiffs are
27 typical of the claims of the Class; (d) Plaintiffs and their counsel have fairly and adequately
28

¹ All capitalized terms herein have the same meanings as defined in the Stipulation, unless otherwise stated.

1 represented and protected the interests of all the Class Members; and (e) a class action is superior
2 to other methods for the fair and efficient adjudication of the matter.

3 3. The Court preliminarily finds and concludes that the Settlement as set forth in the
4 Stipulation results from arm's-length settlement negotiations, including mediation under the
5 direction of an experienced mediator, Michelle Yoshida of Phillips ADR, and is sufficiently fair,
6 reasonable, and adequate to warrant providing notice of the Settlement to the Class. As a result, the
7 Court preliminarily approves the Settlement and adopts the terms of the Stipulation for the purpose
8 of this Order Granting Preliminary Approval of Class Action Settlement and Providing for Notice
9 (the "Order").

10 4. A hearing (the "Settlement Hearing") shall be held before the Court on
11 _____ 2019, at : .m., in Department 1 of the Superior Court of the State of
12 California, County of Santa Clara, located at 191 North First Street San Jose, CA 95113 to
13 determine:

14 (a) whether the Settlement should be finally approved by the Court as fair,
15 reasonable, and adequate;

16 (b) whether the Order and Judgment attached as Exhibit D to the Stipulation
17 should be entered in all material respects;

18 (c) whether the proposed plan of distribution should be approved; and

19 (d) whether the Court should approve the award of Plaintiffs' Counsel's attorneys'
20 fees and expenses (the "Fee Application"), and incentive awards of up to \$1,000 for each
21 Plaintiff, for their time, effort and service in representing the Class in this Action and the
22 Consolidated Delaware Action (the "Incentive Awards").

23 5. Any moving papers filed in support of the final approval of the Settlement, the plan
24 of distribution, the Fee Application, or Incentive Awards, or Plaintiff service awards shall be filed
25 at least fourteen (14) calendar days prior to the deadline for objections reflected in ¶13 herein. All
26 reply papers shall be filed at least seven (7) calendar days prior to the Settlement Hearing.

27 6. The Court may adjourn or continue the Settlement Hearing or any part thereof,
28 without further notice of any kind to the Class.

1 7. The Court may approve the Settlement at or after the Settlement Hearing with such
2 modification as may be consented to by the Parties to the Stipulation and without further notice to
3 the Class.

4 8. Plaintiffs' Counsel are hereby authorized to retain the firm of Epiq Class Action &
5 Claims Solutions, Inc. ("Claims Administrator") to supervise and administer the notice procedure
6 as well as the processing of claims as more fully set forth below:

7 (b) Within fourteen (14) calendar days of the date of this Order (the "Notice
8 Date"), the Claims Administrator shall cause a copy of the Long-Form Notice, substantially
9 in the form annexed as Exhibit B to the Stipulation, to be mailed, by First-Class Mail, postage
10 prepaid, to all members of the Class who can be identified with reasonable effort;

11 (c) Within seven (7) calendar days of the Notice Date, the Claims Administrator
12 shall cause the Publication Notice, substantially in the form annexed as Exhibit C hereto, to
13 be published once over the Business Wire;

14 (d) Within fourteen (14) calendar days of the Notice Date, the Claims
15 Administrator shall post on www.HansenMedicalLitigation.com, the Stipulation and Notice;

16 (e) Within two (2) business days of filing, the Claims Administrator shall post on
17 www.HansenMedicalLitigation.com Plaintiffs' motion for final approval of the Settlement,
18 plan of distribution; and Fee Application and request for Incentive Awards; and

19 (f) At least seven (7) days prior to the Settlement Hearing, Plaintiffs' Counsel
20 shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration,
21 of such mailing and publication.

22 10. The Court approves, in form and content, the Long-Form Notice, and the Publication
23 Notice, substantially in the forms annexed as Exhibits B and C to the Stipulation, and finds that the
24 giving of notice as specified herein meets the requirements of the California Code of Civil Procedure
25 and due process, is the best notice practicable under the circumstances, including individual notice
26 to all Class Members who can be identified through reasonable efforts, and shall constitute due and
27 sufficient notice to all persons and entities entitled to receive notice.

28 12. All Class Members shall be bound by all determinations, releases and judgments in

1 this Action, whether favorable or unfavorable, and regardless of whether such Persons seek or obtain
2 by any means, any distribution from the Settlement Fund or Net Settlement Fund, unless they
3 request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class
4 Member wishing to make such request shall, no later than twenty-one (21) calendar days prior to
5 the Settlement Hearing, mail a request for exclusion in written form by First-Class Mail postmarked
6 to the address designated in the Notice. Such request for exclusion shall indicate the name, address
7 and telephone number of the Person seeking exclusion, that the Person requests to be excluded from
8 the Class, and must be signed by such Person. Such Persons requesting exclusion must also state
9 the number of shares of Hansen common stock they held or owned as of July 27, 2016, the date of
10 the consummation of the Merger. The request for exclusion shall not be effective unless it is made
11 in writing within the time stated above, and the exclusion is accepted by the Court. Class Members
12 requesting exclusion from the Class shall not be entitled to receive any payment out of the Net
13 Settlement Fund as described in the Stipulation and Notice. Upon receiving any request for
14 exclusion, Plaintiffs' Counsel or the Claims Administrator shall promptly, and in no case later than
15 fifteen (15) calendar days prior to the Settlement Hearing, notify Defendants' Counsel of such
16 request for exclusion and provide copies of such request for exclusion and any documentation
17 accompanying it by email.

18 13. The Court will consider objections to the Settlement, the plan of distribution, the
19 request for Incentive Awards to Plaintiffs for their representation of the Class, and/or the Fee
20 Application. Any person wanting to object may do so in writing. Such objections and any
21 supporting papers, accompanied by proof of Class membership, shall be filed with the Clerk of the
22 Court, Superior Court of the State of California, County of Santa Clara, 191 North First Street San
23 Jose, CA 95113, and copies of all such papers served such that they are received no later than
24 twenty-one (21) calendar days prior to the Settlement Hearing, upon the following: Juan
25 Monteverde, Esq., 350 Fifth Avenue, Suite 4405, New York, NY 10118, on behalf of the Plaintiffs
26 and the Class. Persons who object in writing to the Settlement, the plan of distribution, the Fee
27 Application and/or the request for Incentive Awards to Plaintiffs for representing the Class and
28 desire to present evidence at the Settlement Hearing must include in their written objections copies

1 of any exhibits they intend to introduce into evidence at the Settlement Hearing. If an objector hires
2 an attorney to represent him, her, or it for the purposes of making an objection, the attorney must
3 both effect service of a notice of appearance on counsel listed above and file it with the Court by no
4 later than twenty-one (21) calendar days prior to the Settlement Hearing. A Class Member who
5 files a written objection does not have to appear at the Settlement Hearing for the Court to consider
6 his, her or its objection. Any member of the Class who does not make his, her, or its objection in
7 the manner provided shall be deemed to have waived such objection and shall be foreclosed from
8 making any objection to the fairness or adequacy of the Settlement set forth in the Stipulation, to
9 the plan of distribution, and to the award of attorneys' fees and expenses to Plaintiffs' Counsel and
10 incentive awards to Plaintiffs for their representation of the Class, unless the Court orders otherwise.

11 14. No Person that is not a Class Member or counsel to the Plaintiffs shall have any right
12 to any portion of, or in the distribution of, the Settlement Fund unless otherwise ordered by the
13 Court or otherwise provided in the Stipulation.

14 15. All funds held in the account maintained by California Co-Lead Counsel and into
15 which the Settlement Payment shall be deposited (the "Account") shall be deemed and considered
16 to be in *custodia legis*, and shall remain subject to the jurisdiction of the Court, until such time as
17 such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

18 16. Neither the Released Defendant Parties nor their counsel shall have any responsibility
19 for the plan of distribution or any application for attorneys' fees and expenses submitted by
20 Plaintiffs' Counsel, or the Incentive Awards requested by Plaintiffs and such matters will be
21 considered separately from the fairness, reasonableness, and adequacy of the Settlement.

22 17. If the Settlement, including any amendment made in accordance with the Stipulation,
23 is not approved by the Court, is terminated in accordance with the Stipulation, or shall not become
24 effective for any reason whatsoever, the Settlement and Stipulation (including any modification
25 thereof), and any action taken or to be taken in connection therewith (including this Order and any
26 judgment entered herein) shall be terminated and shall become null and void and of no further force
27 and effect except that neither Plaintiffs nor any of their counsel shall have any obligation to repay
28 any Administrative Costs.

1 18. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiatio ns,
2 discussions, or proceedings connected with it, nor any act performed or document executed pursuant
3 to or in furtherance of the Stipulation or the Settlement, may be construed as an admission or
4 concession by the Released Defendant Parties or Released Plaintiff Parties of the truth of any of the
5 allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

6 19. The Court retains jurisdiction over all proceedings arising out of or related to the
7 Stipulation and/or the Settlement.

8 20. All proceedings in the Action, other than proceedings as may be necessary to carry
9 out the terms and conditions of the Settlement, are hereby stayed and suspended until further order
10 of this Court.

11 21. Without further order of the Court, the Parties may agree to reasonable extensions of
12 time to carry out any of the provisions of this Order or the Stipulation.

13 22. If the Settlement provided for in the Stipulation shall be approved by the Court
14 following the Settlement Hearing, a Judgment shall be entered as described in the Stipulation.

15 23. Pending final determination of whether the Settlement should be finally approved,
16 neither the Plaintiffs, nor any Class Member, directly or indirectly, representatively, or in any other
17 capacity, shall commence, prosecute, or participate in the commencement or prosecution of any
18 Released Plaintiffs' Claim against any Released Defendant Party.

19
20 **IT IS SO ORDERED.**

21
22 Dated: _____

HONORABLE BRIAN C. WALSH
JUDGE OF THE SUPERIOR COURT

23
24
25 Submitted by:

26 **MONTEVERDE & ASSOCIATES PC**
27 David E. Bower (SBN 119546)
28 600 Corporate Pointe, Suite 1170
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Facsimile: (212) 868-1229

*Counsel for Plaintiff Melvin Lax and Co-Lead
Counsel for Plaintiffs and the Class*

EXHIBIT “B”

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6 Fax: (212) 202-7880

7 *Attorneys for Plaintiffs*

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

10 _____)
11 IN RE HANSEN MEDICAL, INC)
12 SHAREHOLDER LITIGATION)

Lead Case No. 16-CV-294288

13 CLASS ACTION

14 _____)
15 This Document Relates To:)

Assigned to: Judge Brian C. Walsh

16) **NOTICE OF PENDENCY OF CLASS**
17) **ACTION, PROPOSED SETTLEMENT,**
18) **SETTLEMENT HEARING AND RIGHT**
19) **TO APPEAR**

20 ALL ACTIONS)
21 _____)

22 **NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT,**
23 **SETTLEMENT HEARING AND RIGHT TO APPEAR**

24 TO: RECORD AND BENEFICIAL HOLDERS OF HANSEN MEDICAL, INC. (“HANSEN
25 MEDICAL”) COMMON STOCK DURING AS OF JULY 27, 2016, THE DATE OF THE
26 CONSUMMATION OF HANSEN MEDICAL’S MERGER WITH AURIS SURGICAL
27 ROBOTICS, INC. (THE “MERGER”), INCLUDING ANY AND ALL OF THEIR
28 RESPECTIVE SUCCESSORS-IN-INTEREST, SUCCESSORS, PREDECESSORS-IN-
INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS,
ADMINISTRATORS, ESTATES, HEIRS, ASSIGNS AND TRANSFEREES,
IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON
BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM,
TOGETHER WITH THEIR PREDECESSORS-IN-INTEREST, PREDECESSORS,
SUCCESSORS-IN-INTEREST, SUCCESSORS, AND ASSIGNS (THE “CLASS”).

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT, SETTLEMENT HEARING AND
RIGHT TO APPEAR

1 PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THE PARTIES TO A
2 SHAREHOLDER CLASS ACTION SUIT CONCERNING THE MERGER HAVE AGREED TO
3 A PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO COMPENSATION. YOUR
4 RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION AND
5 THE PROPOSED SETTLEMENT. IF THE COURT APPROVES THE PROPOSED
6 SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS,
7 REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND FROM
8 PURSUING THE SETTLED CLAIMS (DEFINED HEREIN).

9 IF YOU HELD HANSEN MEDICAL COMMON STOCK FOR THE BENEFIT OF ANOTHER,
10 PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

11 I. PURPOSE OF NOTICE

12 Pursuant to an Order of the Superior Court of California for Santa Clara County (the
13 “Court”) dated _____, 2019, and further pursuant to California Code of Civil
14 Procedure (“CCP”) Section 382, this Notice is to inform you of (i) the Court’s determination to
15 provisionally certify the above-captioned action (“Action”) pursuant to CCP § 382, (ii) the proposed
16 settlement of the Action (the “Settlement”) as provided for in a Stipulation and Agreement of
17 Settlement, Compromise, and Release (the “Stipulation”) dated as of February 5, 2019, and (iii)
18 your right to participate in a hearing to be held on _____, 2019 at ____ .m.,
19 before the Court at Department 1 of the Superior Court of the State of California, County of Santa
20 Clara, located at 191 North First Street San Jose, CA 95113 (the “Settlement Hearing”) to determine
21 whether the Court should (i) finally certify the Action pursuant to CCP § 382, (ii) certify plaintiffs
22 David Simonson, Joseph Liu, Howard Huggins, Melvin Lax, Windward Venture Partners, LP, John
23 Muir and Dawn Stevens-Juhl (“Plaintiffs”) in the Action as representatives of the Class, (iii) approve
24 the Settlement as fair, reasonable, adequate and in the best interests of the Class, including the
25 releases provided therein, and (iv) consider the attorneys’ fees and expenses to be paid to Plaintiffs’
26 Counsel and incentive awards to the Plaintiffs.

27 This Notice describes the rights you may have in the Action and pursuant to the Stipulation
28 and what steps you may take, but are not required to take, in relation to the Settlement.

29 If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing
30 to enter an Order and Final Judgment dismissing the Action with prejudice in accordance with the
31 terms of the Stipulation.

32 **THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE
33 COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE
34 UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE
35 MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.**

36 II. BACKGROUND

37 Hansen Medical, Inc. (“Hansen Medical” or the “Company”) was a Delaware corporation,
38 headquartered in California, that designed, developed, and marketed medical robotics. Auris
Surgical Robotics, Inc. (now known as Auris Health, Inc.) (“Auris”) is a private medical robotics

1 company whose Chief Executive Officer (“CEO”) and co-founder, Fred Moll, had also been the
2 CEO and co-founder of Hansen Medical. On April 19, 2016, Hansen Medical entered into a
3 definitive merger agreement to be acquired for \$4.00 per share in cash (the “Merger Price”) by Auris
(the “Merger”).

4 This litigation challenged the fairness of the 2016 sale of Hansen Medical to Auris alleging
5 that the Merger was the product of a severely conflicted and flawed sales process and that resulted
6 in Hansen Medical’s minority shareholders receiving an inadequate price for their Hansen Medical
7 stock and, further, that the flawed sales process was controlled by a group of insider stockholders,
8 who collectively held 64 percent of the voting power of Hansen Medical (the “Stockholder
9 Defendants”), and who secured approval of the merger without obtaining a fully informed, un-
10 coerced majority vote of Hansen Medical’s other minority stockholders.

11 After the Merger was publicly announced, between April 25, 2016 and June 21, 2016, seven
12 related actions were filed in the Santa Clara County Superior Court of the State of California (the
13 “California Court”) and in the Court of Chancery of the State of Delaware (the “Delaware Court”),
14 by stockholders of Hansen Medical alleging, among other things, that Board of Directors of Hansen
15 Medical the (“Director Defendants”) and Stockholder Defendants had breached fiduciary duties to
16 the Company’s minority stockholders in connection with the acquisition of Hansen Medical by
17 Auris, that Auris had aided and abetted those alleged breaches of fiduciary duty, and that, as a
18 consequence thereof, the Company’s minority stockholders suffered damages.

19 The related actions filed in the California Court, and their filing dates, are as follows: (i) *Liu*
20 *v. Hansen Medical, Inc., et al.*, No. 16CV294288, filed on April 25, 2016; (ii) *Stevens-Juhl v.*
21 *Hansen Medical, Inc., et al.*, No. 16CV294354, filed on April 26, 2016; (iii) *Huggins v. Hansen*
22 *Medical, Inc., et al.*, No. 16 CV294552, filed on May 2, 2016; (iv) *Lax v. Hansen Medical, Inc., et*
23 *al.*, No. 16CV294858, filed on May 6, 2016; and (v) *Simonson v. Hansen Medical, Inc., et al.*, No.
24 16CV294862, filed on May 6, 2016 (collectively, the “Related California Actions”). The Plaintiffs
25 who filed the Related California Actions are referred to herein as the “California Plaintiffs.”

26 The related actions filed in the Delaware Court, and their filing dates, are as follows: (i)
27 *Windward Venture Partners, LP v. Hansen Medical, Inc., et al.*, C.A. No. 12316, filed on May 10,
28 2016; and (ii) *Muir v. Hansen Medical, Inc., et al.*, C.A. No. 12490, filed on June 21, 2016
(collectively, the “Related Delaware Actions”). The Plaintiffs who filed the Related Delaware
Actions are referred to herein as the “Delaware Plaintiffs.”

On May 16, 2016, the California Court entered an Order granting the request of Plaintiff
Stevens-Juhl to dismiss her Related California Action without prejudice, and on June 21, 2016, the
California Court entered an Order consolidating the remaining Related California Actions under the
caption *In re Hansen Medical, Inc. Shareholder Litigation*, Lead Case No. 16CV294288 (the
“Consolidated California Action”), and appointing Faruqi & Faruqi, LLP, Brodsky & Smith LLC
and Milberg LLP as co-lead counsel for the California Plaintiffs in the Consolidated California
Action (collectively, the “California Co-Lead Counsel”).

On July 11, 2016, the Delaware Court entered an Order consolidating the Related Delaware
Actions under the caption *In re Hansen, Inc. Stockholders Litigation*, C.A. No. 12316-VCMR (the

1 “Consolidated Delaware Action”), and appointing Wolf Popper LLP as lead counsel for the
2 Delaware Plaintiffs in the Consolidated Delaware Action (“Delaware Lead Counsel”).

3 On July 12, 2016, the California Plaintiffs filed a motion for preliminary injunction in the
4 Consolidated California Action seeking to enjoin the Merger. The California Plaintiffs engaged in
5 discovery in support of their motion for preliminary injunction, including the review of confidential
6 Company documents related to the Merger. The California Plaintiffs also took the deposition of
7 Defendant Christopher P. Lowe, who was at that time Hansen’s interim Chief Financial Officer and
a member of the Company’s Board of Directors. The Delaware Plaintiffs also participated in this
discovery, including reviewing the same documents provided to the California Plaintiffs and
questioning Mr. Lowe at his deposition. (“Preliminary Injunction Discovery”).

8 On July 18, 2016, the Director Defendants filed briefs in opposition to the California
9 Plaintiffs’ motion for a preliminary injunction, and on July 20, 2016, following oral argument, the
California Court denied that motion.

10 On July 22, 2016, a majority of the Company’s stockholders voted to approve the Merger,
11 which closed on July 27, 2016.

12 On August 19, 2016, the Delaware Plaintiffs filed a Verified Consolidated Class Action
13 Complaint in the Consolidated Delaware Action.

14 On November 2, 2016, the California Plaintiffs filed a Consolidated Amended Complaint
15 for Breach of Fiduciary Duty and Violations of State Law in the Consolidated California Action.

16 On April 6, 2017, California Co-Lead Counsel, Delaware Lead Counsel, and Defendants’
17 counsel, as well as counsel for Auris, participated in a full-day mediation session (the “Initial
18 Mediation”) before Robert A. Meyer of JAMS in an effort to resolve both the Consolidated
California Action and the Consolidated Delaware Action (collectively, the “Actions”). Before the
Initial Mediation, the parties exchanged mediation statements and exhibits, which addressed both
liability and damages. The Initial Mediation did not lead to resolution of the Actions.

19 On June 13 and 14, 2017, the Director Defendants, the Stockholder Defendants, and Auris
20 Surgical Robotics, Inc. each filed a motion for judgment on the pleadings in the Consolidated
21 Delaware Action, and on July 7, 2017, Defendants filed their respective opening briefs in support
22 of those motions. In lieu of filing oppositions to those motions, the Delaware Plaintiffs stated their
intention to further amend their Verified Consolidated Class Action Complaint.

23 On August 9, 2017, the California Court entered an order staying the Consolidated California
24 Action pending rulings by the Delaware Court on the then-pending motions for judgment on the
25 pleadings in the Consolidated Delaware Action, or any subsequent motion to dismiss a further
revised complaint in that action.

26 On September 18, 2017, the Delaware Plaintiffs filed their Verified Amended Consolidated
27 Class Action Complaint (the “Operative Complaint”) in the Consolidated Delaware Action. The
Operative Complaint only named two of the Director Defendants (Cary G. Vance and Christopher
28 P. Lowe), two of the Stockholder Defendants (the “Schuler Defendants” and “Feinberg

1 Defendants”), and Auris Surgical Robotics, Inc. as defendants (collectively, the “Remaining
2 Delaware Defendants”).

3 On September 25, 2017, the Remaining Delaware Defendants filed motions to dismiss the
4 Operative Complaint. On October 24, 2017, the Delaware Plaintiffs filed their brief opposing those
5 motions to dismiss, and on November 3, 2017, the Remaining Delaware Defendants filed their reply
6 briefs in support of their respective motions to dismiss. On March 6, 2018, the Delaware Court
7 heard oral argument on those motions.

8 On June 18, 2018, the Delaware Court issued a memorandum opinion denying in part and
9 granting in part the Remaining Delaware Defendants’ motions to dismiss. Specifically, the
10 Delaware Court denied Cary G. Vance, Christopher P. Lowe, the Schuler Defendants, and the
11 Feinberg Defendants’ motions to dismiss, but granted Auris Surgical Robotics, Inc.’s motion to
12 dismiss.

13 On July 10, 2018, the California Court, upon consent of the parties in the Consolidated
14 California Action, entered orders dismissing Auris with prejudice from the Consolidated California
15 Action, and dismissing one of the Stockholder Defendants (“Westwood”) without prejudice from
16 the Consolidated California Action.

17 On July 11, 2018, the Schuler Defendants and Feinberg Defendants filed a motion to quash
18 summons and motion to dismiss for lack of personal jurisdiction (“Motion to Quash”) in the
19 Consolidated California Action, and on July 16, 2018, they filed a motion to stay the Consolidated
20 California Action (“Motion to Stay”). On September 5, the California Plaintiffs filed oppositions
21 to the Motion to Quash and Motion to Stay, and on September 6, 2018, the Director Defendants
22 filed a joinder to the Motion to Stay.

23 On October 29, 2018, California Co-Lead Counsel, Delaware Lead Counsel, and
24 Defendants’ counsel, as well as counsel for Auris, again engaged in a full-day mediation session,
25 this time before Michelle Yoshida of Phillips ADR (the “Second Mediation”), in a further effort to
26 resolve both of the consolidated Actions. Insurers for Defendants and certain of their counsel also
27 participated in the Second Mediation. The Settling Parties again exchanged statements and exhibits
28 addressing both liability and damages. After extensive, arm’s-length negotiations at the Second
29 Mediation, the Director Defendants, Stockholder Defendants, Auris, California Plaintiffs, and
30 Delaware Plaintiffs (the “Settling Parties”) reached an agreement in principle on October 29, 2018
31 to settle the Actions for \$7,500,000 in cash, subject to approval by the California Court.

32 On October 31, 2018, Delaware Lead Counsel informed the Delaware Court that the Settling
33 Parties had reached an agreement in principle to settle the Actions, and that the Settlement would
34 be presented to the California Court for that Court’s approval, and that Delaware Lead Counsel
35 would be submitting a stipulation of dismissal with prejudice of the Consolidated Delaware Action
36 following such approval by the California Court.

37 On December 11, 2018, in connection with confirmatory discovery in support of the
38 Settlement, California Co-Lead Counsel took the deposition of Jason Forschler, a representative of
39 Perella Weinberg Partners LP, the financial advisor retained to advise the Director Defendants in
40 connection with the Merger.

1
2 **III. REASONS FOR THE SETTLEMENT**

3 Plaintiffs believe that they brought their claims in good faith and continue to believe that
4 such claims have legal merit, but believe that the Settlement allows the Company's minority
5 shareholders to reap additional compensation for their Hansen Medical shares while eliminating
6 further litigation and delay of payment. Plaintiffs also believe that their efforts in prosecuting the
7 Action have resulted in a significant benefit for Hansen Medical and its stockholders which, under
8 the circumstances, is fair, reasonable, and adequate.

9 Defendants have denied, and continue to deny, all allegations of wrongdoing, fault, liability,
10 or damage to any of the respective Plaintiffs in the Action or the Class, deny that they engaged in
11 any wrongdoing, deny that they committed, aided, or abetted any violation of law, deny that they
12 acted improperly in any way, believe that they acted properly at all times, and maintain that they
13 have committed no disclosure violations or any other breach of duty whatsoever in connection with
14 the Merger or any public disclosures, but wish to settle solely because it will eliminate the
15 uncertainty, distraction, burden, and expense of further litigation.

16 **IV. CLASS ACTION DETERMINATION**

17 The Court has ordered that, for Settlement purposes only, the Action shall be maintained as
18 a class action pursuant to CCP § 382 on behalf of an opt-out class consisting of any and all record
19 and beneficial holders of Hansen common stock, as of July 27, 2016 (the date of the consummation
20 of the Merger), including any and all of their respective successors-in-interest, successors,
21 predecessors-in-interest, predecessors, representatives, trustees, executors, administrators, estates,
22 heirs, assigns and transferees, immediate and remote, and any person or entity acting for or on behalf
23 of, or claiming under, any of them, and each of them, together with their predecessors-in-interest,
24 predecessors, successors-in-interest, successors, and assigns, but excluding: (i) Defendants, their
25 Immediate Family (as defined in the Stipulation), and any trust or other entity affiliated with or
26 controlled by any Defendant, other than employees of such entities who were not directors or
27 officers of such entities as of July 27, 2016; (ii) any and all record and beneficial owners of Hansen
28 common stock who exercised their appraisal rights under Section 262 of the General Corporation
Law of the State of Delaware; and (iii) any and all record and beneficial owners of Hansen common
stock who timely and validly opt out of the Class and Settlement pursuant to the opt-out procedures
described below and in the Stipulation (the "Class").

V. THE SETTLEMENT

In consideration for the Settlement and dismissal with prejudice of the Action, and the
releases provided herein, Defendants agree to provide the Class additional compensation of
\$7,500,000 (the "Settlement Amount"). Any attorneys' fees, incentive awards, costs, expenses
(including notice and administrative expenses) or other Court-approved deductions shall be paid out
of — and shall not be in addition to — the Settlement Amount.

The Settlement Amount minus Court-approved deductions (the "Net Settlement Amount") will be
distributed to all members of the Class who owned Hansen Medical common stock as of July 27,
2016, the date of the consummation of the Merger ("Eligible Class Members") on a pro rata basis,

1 based on the number of outstanding Hansen Medical shares owned by each such Eligible Class
2 Member at that time. There were approximately 6,579,293 outstanding shares owned by Eligible
3 Class Members at the time of the Merger. Accordingly, the expected payment, assuming the
4 Court approves Plaintiffs' Counsel's request for attorneys' fees in the amount not to exceed one
third of the Settlement Amount, will be approximately \$.76 per share, but may vary based upon
the amount of other Court-approved deductions and costs.

5 Inquiries or comments about the Settlement may be directed to the attention of Counsel for
6 Plaintiffs as follows:

7 MONTEVERDE & ASSOCIATES PC
8 Juan E. Monteverde
9 The Empire State Building
10 350 Fifth Avenue, Suite 4405
11 New York, NY 10118
12 212-971-1341

13 WOLF POPPER LLP
14 Carl L. Stine
15 Matthew Insley-Pruitt
16 Adam J. Blander
17 845 Third Avenue
18 New York, NY 10022
19 212-759-4600

20 VI. SETTLEMENT HEARING

21 The Court has scheduled a Settlement Hearing which will be held on _____, 2019
22 at Department 1 of the Superior Court of the State of California, County of Santa Clara, located at
23 191 North First Street San Jose, CA 95113 at ____ .m., in the Court at to:

24 (a) whether the Settlement should be approved by the Court as fair, reasonable, and
25 adequate;

26 (b) whether the Judgment attached as Exhibit D to the Stipulation should be entered in all
27 material respects;

28 (c) whether the proposed plan of distribution should be approved; and

(d) whether the Court should approve the award of Plaintiffs' Counsel's attorneys' fees
and expenses (i.e., the "Fee and Expense Award"), and incentive awards of up to \$1,000 for each
Plaintiff, for their time, effort and service in representing the Class in this Action and the
Consolidated Delaware Action.

1 The Court has reserved the right to adjourn the Settlement Hearing or any adjournment
2 thereof, including the consideration an award of attorneys' fees, without further notice of any kind
3 other than oral announcement at the Settlement Hearing or any adjournment thereof.

4 The Court has also reserved the right to approve the Settlement at or after the Settlement
5 Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and
6 without further notice to the Class.

7 **VII. RIGHT TO APPEAR AND OBJECT**

8 If you are a member of the Class, you may object to the terms of the Settlement. Whether or
9 not you object to the terms of the Settlement, you may also object to the requested attorneys' fees
10 and expenses, the awards to Plaintiffs and/or the plan of distribution. In order for any objection to
11 be considered, you must file a written statement, accompanied by proof of Class membership, with
12 the Court, and send a copy to Plaintiffs' Counsel **such that it is received by _____, 2019.**
13 The Court's address is Clerk of the Court, Superior Court of the State of California, County of
14 Santa Clara, 191 North First Street San Jose, CA 95113, and copies of all such papers served upon
15 the following: Juan E. Monteverde, Esquire, 350 Fifth Avenue, Suite 4405, New York, NY 10118,
16 and Evan Smith, Esquire Brodsky & Smith, LLC, 9595 Wilshire Boulevard, Suite 900, Beverly
17 Hills, CA 90212, and Alexander K. Talarides, Orrick, Herrington & Sutcliffe LLP, 405 Howard
18 Street, San Francisco, CA 94105, and Steven Kaufhold, Kaufhold & Gaskin LLP, 388 Market
19 Street, Suite 1300, San Francisco, CA 94111. Persons who object in writing to the Settlement, the
20 plan of distribution, the Fee and Expense Application and/or the Incentive Award Application and
21 desire to present evidence at the Settlement Hearing must include in their written objections copies
22 of any exhibits they intend to introduce into evidence at the Settlement Hearing. If an objector hires
23 an attorney to represent him, her, or it for the purposes of making an objection, the attorney must
24 both effect service of a notice of appearance on counsel listed above and file it with the Court by no
25 later than fourteen calendar days prior to the Settlement Hearing. A member of the Class who files
26 a written objection does not have to appear at the Settlement Hearing for the Court to consider his,
27 her or its objection. Any objector may attend the Settlement hearing and make an objection whether
28 he or she files a written objection or not. Any member of the Class who does not make his, her, or
its objection in writing in the manner provided above, or appear in person to make an objection,
shall be deemed to have waived such objection and shall be foreclosed from making any objection
to the fairness or adequacy of the Settlement set forth in the Stipulation, to the plan of distribution,
and to the award of attorneys' fees and expenses to Plaintiffs' Counsel and Plaintiffs for their
representation of the Class, unless the Court orders otherwise.

23 **VIII. RIGHT TO EXCLUDE YOURSELF FROM THE CLASS AND SETTLEMENT**

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

27 To exclude yourself from the Class and Settlement, you must write and send a letter to the
28 Claims Administrator by First-Class Mail stating that you want to be excluded from the Class and
Settlement in this Action. Your letter must include your name, address, telephone number, and must

1 also be signed by you. Your letter must also include the number of shares of Hansen common stock
2 you held or owned as of July 27, 2016, the date of the consummation of the Merger.

3 Your exclusion request must be **postmarked no later than twenty-one (21) calendar days**
4 **prior to the Settlement Hearing, or by _____, 2019, and sent to the Claims Administrator at:**

5 You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you
6 will not receive your share of the Settlement Payment, you cannot object to the Settlement and you
7 will not be legally bound by anything that happens in this lawsuit. However, if you do not timely
8 and validly request exclusion from the Class and Settlement, you shall be deemed a member of the
9 Class and be legally bound by the terms of the Settlement, Stipulation and Order and Final Judgment
10 in this Action.

11 **IX. ORDER AND FINAL JUDGMENT OF THE COURT**

12 If the Court determines that the Settlement, as provided for in the Stipulation is fair,
13 reasonable, and adequate and in the best interests of the Class, the Parties shall jointly request that
14 the Court enter an Order and Final Judgment. The Order and Final Judgment shall, among other
15 things:

- 16 (a) make final the Court's previous determination to certify provisionally the
17 Action as a class action pursuant to CCP § 382;
 - 18 (b) determine that the requirements of the Court Rules and due process have
19 been satisfied in connection with the Notice;
 - 20 (c) approve the Settlement as fair, reasonable, and adequate and in the best
21 interests of the Class, including the releases contained therein;
 - 22 (d) authorize and direct the performance of the Settlement in accordance with
23 its terms and conditions and reserve jurisdiction to supervise the
24 consummation of the Settlement;
 - 25 (e) dismiss the Action with prejudice, on the merits, without costs except as
26 provided in the Order and Final Judgment, as against any and all
27 Defendants, and release the Released Defendant Parties and Released
28 Plaintiff parties (defined below) from the Released Claims (defined below);
- 29 and
- 30 (f) subject to Court approval, award attorneys' fees and expenses to
31 Plaintiffs' Counsel from the Settlement Amount and incentive awards to
32 the named Plaintiffs from the attorneys' fee award.

33 **X. RELEASES**

34 Upon the Effective Date of the Settlement (as defined in the Stipulation), the Released
35 Plaintiff Parties (as defined in the Stipulation), Plaintiffs and all Class Members, on behalf of
36 themselves and their legal representatives, heirs, executors, administrators, estates, predecessors,

1 successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity
2 acting for or on behalf of, or claiming under, any of them, shall thereupon be deemed to have fully,
3 finally and forever, released, settled and discharged the Released Defendant Parties (as defined in
4 the Stipulation) from and with respect to every one of the Released Plaintiffs' Claims (as defined in
5 the Stipulation), and shall thereupon be forever barred and enjoined from commencing, instituting,
6 prosecuting, or continuing to prosecute or pursuing in any fashion any Released Plaintiffs' Claims
7 against any of the Released Defendant Parties.

8 In addition, upon the Effective Date, each of Released Defendant Parties, on behalf of
9 themselves and their legal representatives, heirs, executors, administrators, estates, predecessors,
10 successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity
11 acting for or on behalf of, or claiming under, any of them, shall thereupon be deemed to have fully,
12 finally and forever, released, settled and discharged the Released Plaintiff Parties from and with
13 respect to every one of the Released Defendants' Claims (as defined in the Stipulation), and shall
14 thereupon be forever barred and enjoined from commencing, instituting or prosecuting or pursuing
15 in any fashion any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

16 The foregoing releases extend to Released Plaintiffs' Claims and Released Defendants'
17 Claims that the Settling Parties did not know or suspect to exist at the time of the release. Under
18 the terms of the Stipulation and Settlement, the following definitions apply:

19 1. **“Released Plaintiff Claims”** means any and all Claims that were asserted or could
20 have been asserted by Plaintiffs in the Actions on behalf of themselves and/or the Class, and any
21 and all Claims, that are based on, arise out of, relate in any way, or involve the same set of operative
22 facts as the claims asserted by Plaintiffs against Released Defendant Parties in the Actions and
23 which relate to the ownership of Hansen common stock. The Released Plaintiffs' Claims shall not
24 include claims to enforce the Stipulation or any part of it, and shall not include claims based on the
25 conduct of any of the Settling Parties which occurs after the Effective Date.

26 2. **“Released Defendant Claims”** means any and all Claims, including Unknown
27 Claims, that have been or could have been asserted in the Actions, or in any court, tribunal, forum
28 or proceeding, by the Released Defendant Parties or any of their respective successors and assigns
against any of the Released Plaintiff Parties, which arise out of or relate in any way to the institution,
prosecution, settlement, or dismissal of either of the consolidated Actions; provided, however, that
as used herein the term “Released Defendants' Claims” shall not include the right to enforce this
Stipulation or any part of it, and shall not include Claims based on the conduct of any of the Settling
Parties which occurs after the Effective Date.

3. **“Released Defendant Parties”** means (i) Defendants; (ii) Auris; (iii) the Immediate
Family of any Defendant; (iv) the past or present, current or former, direct or indirect, affiliates,
associates, members, partners, limited partners, general partners, partnerships, limited partnerships,
general partnerships, investment funds, investment advisors, investment managers, investors,
shareholders, joint venturers, subsidiaries, parents, divisions, subdivisions, predecessors,
successors, officers, directors, employees, agents, principals, owners, representatives, financial
advisors, advisors, insurers and attorneys (including Defendants' Counsel and any additional
counsel retained by any current or former Defendant in connection with the Actions) of Auris or the
Defendants; and (v) the past or present, current or former, direct or indirect legal representatives,

1 heirs, executors, trustees, beneficiaries, administrators, trusts, trustees, predecessors, successors,
2 predecessors-in-interest, successors-in-interest and assigns of any of the foregoing.

3 4. **“Released Plaintiff Parties”** means any and all Claims that were asserted or could
4 have been asserted by Plaintiffs in the Actions on behalf of themselves and/or the Class, and any
5 and all Claims, including Unknown Claims, that are based on, arise out of, relate in any way, or
6 involve the same set of operative facts as the claims asserted by Plaintiffs against Released
7 Defendant Parties in the Actions and which relate to the ownership of Hansen common stock. The
8 Released Plaintiffs’ Claims shall not include claims to enforce the Stipulation or any part of it, and
9 shall not include claims based on the conduct of any of the Settling Parties which occurs after the
10 Effective Date.

11 **XI. PLAINTIFFS’ COUNSEL’S ATTORNEYS’ FEES AND EXPENSES**

12 Plaintiffs’ Counsel intend to petition the Court for an award of attorneys’ fees and expenses
13 incurred in connection with the Action not to exceed one third of the Settlement Fund plus
14 reimbursement of expenses (the “Fee and Expense Application”), which shall be paid out of — and
15 shall not be in addition to — the Settlement Amount. Defendants have agreed not to oppose such
16 Fee and Expense Application.

17 In addition, Plaintiffs intend to apply for an incentive award not to exceed one thousand
18 dollars (\$1,000.00) for each named Plaintiff, subject to Court approval (the “Incentive Award
19 Application”). Any Court approved incentive award shall be paid from any Court approved award
20 of attorneys’ fees and expenses. Plaintiffs’ Counsel warrant that no portion of any such award of
21 attorneys’ fees or expenses shall be paid to any named Plaintiff or any other Class Member other
22 than the named Plaintiffs approved by the Court to receive such awards.

23 **XII. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON 24 BEHALF OF OTHERS**

25 Brokerage firms, banks and/or other persons or entities who held shares of the common stock
26 of Hansen Medical as of July 27, 2016, the date of the consummation of the Merger, for the benefit
27 of others are directed promptly to send this Notice to all of their respective beneficial owners. If
28 additional copies of the Notice are needed for forwarding to such beneficial owners, any requests
for such copies may be made to:

Hansen Medical Shareholder Litigation
C/O Epiq
PO Box 2838
Portland, OR 97208-2838

29 **XIII. SCOPE OF THIS NOTICE**

30 This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action,
31 the Stipulation and other papers and proceedings are only summaries and do not purport to be
32 comprehensive. A copy of the Stipulation is available at www.HansenMedicalLitigation.com. For

1 the further details of the Action, including the claims and defenses that have been asserted by the
2 parties, members of the Class are referred to the Court files in the Action. You or your attorney
3 may examine the Court files during regular business hours of each business day at the office of the
4 Clerk of the Court, Superior Court of the State of California, County of Santa Clara, 191 North First
5 Street San Jose, CA 95113.

DO NOT CALL THE COURT.

BY ORDER OF THE SUPERIOR COURT OF
CALIFORNIA FOR SANTA CLARA COUNTY
FOR THE STATE OF CALIFORNIA

Register in the Superior Court of California for Santa
Clara County

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Dated: _____

HONORABLE BRIAN C. WALSH
JUDGE OF THE SUPERIOR COURT

EXHIBIT “C”

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4 Culver City, CA 90230
5 Tel: (213) 446-6652
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7 *Attorneys for Plaintiffs*

8 [additional counsel appear on signature page]

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF SANTA CLARA**

11 _____)
12 IN RE HANSEN MEDICAL, INC)
13 SHAREHOLDER LITIGATION)

Lead Case No. 16-CV-294288

14) CLASS ACTION

15 This Document Relates To:)

Assigned to: Judge Brian C. Walsh

16 ALL ACTIONS)

17) **SUMMARY NOTICE OF PENDENCY**
18) **OF CLASS ACTION, PROPOSED**
19) **SETTLEMENT, SETTLEMENT**
20) **HEARING, AND RIGHT TO APPEAR**

21 **SUMMARY NOTICE OF PENDENCY OF CLASS**
22 **ACTION, PROPOSED SETTLEMENT, SETTLEMENT HEARING, AND RIGHT TO**
23 **APPEAR**

24 TO: RECORD AND BENEFICIALHOLDERS OF HANSEN MEDICAL, INC.'S ("HANSEN
25 MEDICAL") COMMON STOCK AS OF JULY 27, 2016, THE DATE OF THE
26 CONSUMMATION OF HANSEN MEDICAL'S MERGER WITH AURIS SURGICAL
27 ROBOTICS, INC. (THE "MERGER"), INCLUDING ANY AND ALL OF THEIR
28 RESPECTIVE SUCCESSORS-IN-INTEREST, SUCCESSORS, PREDECESSORS-IN-
INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS,
ADMINISTRATORS, ESTATES, HEIRS, ASSIGNS AND TRANSFEREES, IMMEDIATE
AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF,
OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, TOGETHER WITH
THEIR PREDECESSORS-IN-INTEREST, PREDECESSORS, SUCCESSORS-IN-
INTEREST, SUCCESSORS, AND ASSIGNS (THE "CLASS").

1 THE PARTIES TO A SHAREHOLDER CLASS ACTION SUIT CONCERNING THE
2 MERGER HAVE AGREED TO A PROPOSED SETTLEMENT. YOU MAY BE
3 ENTITLED TO COMPENSATION AS A RESULT OF THE PROPOSED SETTLEMENT
IN THE ACTION CAPTIONED:

4 *IN RE HANSEN MEDICAL INC. SHAREHOLDER LITIGATION*, Lead Case No. 16-CV-294288

5 YOU ARE HEREBY NOTIFIED, pursuant to California Code of Civil Procedure Section 382 and
6 an Order of the Court, that the above-captioned action has been provisionally certified as a class
7 action and that a settlement for \$7,500,000 has been proposed (the "Settlement"). Under the
8 Settlement, the settlement amount, minus any Court-approved attorneys' fees, incentive awards,
9 expenses, and administrative costs, will be distributed on a per share basis to Class members who
10 owned shares of Hansen Medical common stock as of July 27, 2016, the date of the consummation
11 of the Merger. A hearing will be held before the Honorable Brian C. Walsh in the Santa Clara
County Superior Court, Department 1, located at 191 North First Street San Jose, CA 95113, at ___
on _____, 2019 to determine whether the Settlement should be approved by the Court as fair,
reasonable, and adequate, and to consider the application of Plaintiffs' Counsel for attorneys' fees
and reimbursement of expenses and incentive awards for the named Plaintiffs (the "Settlement
Hearing").

12 IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE
13 AFFECTED BY THIS SETTLEMENT. IF THE COURT APPROVES THE SETTLEMENT,
14 YOU WILL BE FOREVER BARRED FROM PURSUING THE RELEASED CLAIMS. You may
15 obtain copies of the Stipulation of the Agreement of Settlement, Compromise, and Release,, a
16 detailed Notice of Pendency of Class Action, Proposed Settlement, Settlement Hearing, and Right
to Appear (the "Notice"), and instructions concerning your right to appear and object to the
Settlement or award of attorneys' fees by visiting the website www.HansenMedicalLitigation.com
or contacting Plaintiffs' Counsel:

17 Monteverde & Associates PC
18 Juan E. Monteverde
The Empire State Building
19 350 Fifth Avenue, Suite 4405
New York, NY 10118
20 212-971-1341

21 WOLF POPPER LLP
22 Carl L. Stine
Matthew Insley-Pruitt
23 Adam J. Blander
845 Third Avenue
24 New York, NY 10022
25 212-759-4600

26 As described more fully in the Notice, you need not file a written objection in order to object and
27 may appear at the Settlement Hearing personally to make an oral objection. In the event there is a

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written objection it shall be filed with the Court and served upon Plaintiff's counsel above such that they are received **no later than twenty-one (21) calendar days prior to the Settlement Hearing, or no later than _____, 2019.**

If you want to be excluded from the Class and Settlement, you must make a request in writing **no later than twenty-one (21) calendar days prior to the Settlement Hearing, or no later than _____, 2019.**

Further information may be obtained by contacting the Plaintiffs' counsel listed above.

PLEASE DO NOT CALL THE COURT.

By Order of The Court

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EXHIBIT “D”

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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA**

IN RE HANSEN MEDICAL, INC)
SHAREHOLDER LITIGATION)

This Document Relates To:)
ALL ACTIONS)
_____)

Lead Case No. 16-CV-294288
CLASS ACTION
Assigned to: Judge Brian C. Walsh
**[PROPOSED] ORDER AND FINAL
JUDGMENT**

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This matter having come before the Superior Court of the State of California for the County of Santa Clara (the “Court”) for hearing (the “Settlement Hearing”) on a motion for final approval of the terms of the Stipulation and Agreement of Settlement, Compromise and Release dated February 5, 2019 (the “Stipulation”)¹; and due and adequate notice of the Settlement Hearing having been given to the Class as ordered in the Court’s _____, 2019 Order Granting Preliminary Approval of Class Action Settlement and Providing for Notice (the “Order”); and the Court having considered the papers filed and proceedings herein and otherwise being fully informed, and good cause appearing therefore, it is now ORDERED, ADJUDGED AND DECREED THAT:

1. This Court has jurisdiction over the subject matter of this Action and over all of the parties to the Action, including all members of the Class.

2. This Order and Final Judgment (the “Judgment”) incorporates and makes part hereof to the Stipulation and (i) the Court-approved Long-Form Notice and (ii) Publication Notice (collectively, the “Notice”), which were filed with the Court as Exhibits B and C to the Stipulation.

3. The Notice given to the Class was the best practicable under the circumstances, including individual notice to all members of the Class who could be identified through reasonable effort along with the Publication Notice. The Notice provided due and adequate notice of the Action and of the matters set forth in the Stipulation, including the Settlement, and the Notice fully satisfied the requirements of state law and due process, and any other applicable law, statute or rule. A full opportunity to be heard has been afforded to all Parties and the Class.

4. Pursuant to §382 of the California Code of Civil Procedure and consistent with the preliminary certification granted in the Order, the Court hereby finally certifies a Class, for purposes of settlement only, of all record and beneficial holders

¹ Except as otherwise expressly provided herein, all capitalized terms shall have the same meanings and/or definitions as set forth in the Stipulation.

1 and owners of Hansen common stock, as of July 27, 2016 (the date of the
2 consummation of the Merger), including any and all of their respective successors-
3 in-interest, successors, predecessors-in-interest, predecessors, representatives,
4 trustees, executors, administrators, estates, heirs, assigns and transferees, immediate
5 and remote, and any person or entity acting for or on behalf of, or claiming under, any
6 of them, and each of them, together with their predecessors-in-interest, predecessors,
7 successors-in-interest, successors, and assigns, but excluding: (i) Defendants, their
8 Immediate Family, and any trust or other entity affiliated with or controlled by any
9 Defendant, other than employees of such entities who were not directors or officers
10 of such entities as of the Closing; (ii) any and all record and beneficial owners and
11 holders of Hansen common stock who exercised their appraisal rights under Section
12 262 of the General Corporation Law of the State of Delaware; and (iii) any and all
13 record and beneficial owners and holders of Hansen common stock who timely and
14 validly opt out of the Class and Settlement pursuant to the procedures set forth in the
15 Court's Order.

16 5. The Court hereby finds that the Settlement as set forth in the Stipulation
17 should be approved in that the Settlement is, in all respects, fair, reasonable, and
18 adequate to the Class. Accordingly, the Stipulation and the terms of the Settlement,
19 as described in the Stipulation, are hereby approved in their entirety, pursuant to the
20 requirements of §382 of the California Code of Civil Procedure and Rule 3.769 of the
21 California Rules of Court. The Parties are hereby directed to effectuate the Settlement
22 according to the terms of the Stipulation. The Parties and all Class Members are
23 hereby bound by this Judgment and by the terms of the Settlement as set forth in the
24 Stipulation.

25 6. The Parties are to bear their own costs and fees, except as otherwise
26 provided in the Stipulation.

27 7. Upon the Effective Date, Plaintiffs, each and every Class Member, and
28 all other Released Plaintiff Parties shall be deemed to have, and by operation of this

1 Judgment shall have, fully, finally, and forever waived, released, relinquished, any
2 and all Released Plaintiffs' Claims, which, as defined in the Stipulation, means any
3 and all Claims that were asserted or could have been asserted by Plaintiffs in the
4 Actions on behalf of themselves and/or the Class, and any and all Claims, including
5 Unknown Claims, that are based on, arise out of, relate in any way, or involve the
6 same set of operative facts as the claims asserted by Plaintiffs against Released
7 Defendant Parties in the Actions and which relate to the ownership of Hansen
8 common stock; *provided, however*, that the term Released Plaintiffs' Claims shall not
9 include claims to enforce the Stipulation or any part of it, and shall not include claims
10 based on the conduct of any of the Settling Parties which occurs after the Effective
11 Date.

12 8. Upon the Effective Date, Plaintiffs, each and every Class Member, and
13 all other Released Plaintiff Parties shall be deemed to have fully, finally, and forever,
14 released, settled, and discharged the Released Defendant Parties from and with
15 respect to every one of the Released Plaintiffs' Claims, and shall thereupon be forever
16 barred and enjoined from commencing, instituting, prosecuting, or continuing to
17 prosecute any Released Plaintiffs' Claims against any of the Released Defendant
18 Parties.

19 9. Upon the Effective Date, each of the Released Defendant Parties shall be
20 deemed to have, and by operation of this Judgment shall have, fully, finally, and
21 forever released, relinquished, and discharged Released Plaintiff Parties from the
22 Released Defendants' Claims.

23 10. Upon the Effective Date, with respect to any and all Released Plaintiffs'
24 Claims and Released Defendants' Claims, Plaintiffs and Defendants shall expressly
25 waive, and each of the Class Members shall be deemed to have, and by operation of
26 this Judgment shall have expressly, waived all provisions, rights, and benefits
27 conferred by any law of the United States, any law of any state, or principle of
28 common law which governs or limits a person's release of Unknown Claims to the

1 fullest extent permitted by law, and to have relinquished, to the full extent permitted
2 by law, the provisions, rights, and benefits of Section 1542 of the California Civil
3 Code, which provides:

4
5 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
6 WHICH THE CREDITOR OR RELEASING PARTY DOES NOT
7 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE
8 TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN
9 BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS
OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
PARTY.

10 11. Neither this Judgment, the Stipulation nor the Settlement, nor any act
11 performed or document executed pursuant to or in furtherance of the Stipulation or
12 the Settlement: (a) is or may be deemed to be, or may be used as, a presumption,
13 concession, or admission of, or evidence of, the validity of any Released Plaintiffs’
14 Claim or of any wrongdoing or liability of the Released Defendant Parties; or (b) is
15 or may be deemed to be, or may be used as, a presumption, concession, or admission
16 of, or evidence of, any fault or omission of any of the Released Defendant Parties in
17 any civil, criminal, or administrative proceeding in any court, administrative agency,
18 or other tribunal; or (c) is or may be deemed to be an admission or evidence that any
19 claims asserted by Plaintiffs or their counsel were not valid in any civil, criminal, or
20 administrative proceeding. The Released Defendant Parties may file the Stipulation
21 and/or this Judgment in any action that may be brought against them in order to
22 support a defense or counterclaim based on principles of res judicata, collateral
23 estoppel, release, good faith settlement, judgment bar or reduction, or any other theory
24 of claim preclusion or issue preclusion or similar defense or counterclaim.

25 12. The Action is hereby concluded, provided however, and without affecting
26 the finality of this Judgment in any way, this Court hereby retains jurisdiction over:
27 (a) interpretation, implementation and enforcement of the Stipulation; and (b) all
28 parties hereto for the purpose of enforcement and administration of the Settlement.

1 This Judgment shall not discharge or release any claim to enforce, or any claim arising
2 out of or relating to, any breach of the Stipulation.

3 13. In the event that the Settlement does not become effective in accordance
4 with the terms of the Stipulation, or the Effective Date does not occur, then this
5 Judgment shall be rendered null and void to the extent provided by and in accordance
6 with the Stipulation and shall be vacated and, in such event, all orders entered and
7 releases delivered in connection herewith shall be null and void to the extent provided
8 by and in accordance with the Stipulation.

9 14. Plaintiffs' Counsel in the Consolidated California Action and
10 Consolidated Delaware Action are together awarded attorneys' fees in the total sum
11 of \$ _____ in connection with those actions, which sum the Court finds to
12 be fair and reasonable, and reimbursement of expenses in the amount of
13 \$ _____ (the "Fee and Expense Award"). Such sums shall be paid solely
14 from the Settlement Fund, pursuant to the provisions of the Stipulation. No counsel
15 representing any Plaintiff in this Action or the Consolidated Delaware Action shall
16 make any further or additional application for fees and expenses to the Court or any
17 other court, nor shall counsel for any other Class Member make any further or
18 additional application for fees and expenses to the Court pursuant to the Settlement.

19 15. Plaintiffs David Simonson, Joseph Liu, Howard Huggins, Melvin Lax,
20 Windward Venture Partners, LP, John Muir and Dawn Stevens-Juhl are each awarded
21 plaintiff incentive awards in the sum of \$1,000.00 in connection with the Actions,
22 which sum the Court finds to be fair and reasonable to compensate them for their lost
23 business and/or wages, time and out-of-pocket expenses, in connection with the
24 prosecution of the Actions on behalf of the Class. Such sums shall not preclude
25 Plaintiffs from seeking payment of their *pro rata* shares of the Settlement Fund
26 pursuant to the procedures and plan for allocating the Settlement Fund, and shall be
27 paid solely from the Fee and Expense Award pursuant to the provisions of the
28 Stipulation.

1 16. Any plan of distribution submitted by Class Counsel or any order entered
2 regarding any attorneys' fee and expense application shall in no way disturb or affect
3 this Judgment and shall be considered separate from this Judgment.

4 17. The Court finds that during the course of the Action, the Parties and their
5 respective counsel at all times acted professionally and in compliance with California
6 Code of Civil Procedure §128.7, and all other similar statutes or court rules with
7 respect to any claims or defenses in the Action.

8 18. Without further order of the Court, the Parties may agree to reasonable
9 extensions of time to carry out any of the provisions of the Stipulation.

10 19. There being no just reason for delay, the Court hereby directs that this
11 Judgment be entered by the Clerk of the Court.

12 20. Plaintiffs shall give notice of this Judgment to all Parties.

13 **IT IS SO ORDERED.**

14
15 Dated: _____

16 HONORABLE BRIAN C. WALSH
17 JUDGE OF THE SUPERIOR COURT

18 Submitted by:

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Facsimile: (212) 868-1229

*Counsel for Plaintiff Melvin Lax and Co-
Lead Counsel for Plaintiffs and the Class*