

1 ROBBINS UMEDA LLP  
BRIAN J. ROBBINS (190264)  
2 KEVIN A. SEELY (19982)  
CHRISTOPHER L. WALTERS (205510)  
3 ASHLEY R. PALMER (246602)  
600 B Street, Suite 1900  
4 San Diego, CA 92101  
Telephone: (619) 525-3990  
5 Facsimile: (619) 525-3991

6 Lead Counsel for Plaintiffs

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

10 IN RE HANSEN MEDICAL, INC. ) Lead Case No. 1:09-CV-157170  
SHAREHOLDER DERIVATIVE )  
11 LITIGATION ) (Consolidated with Case No. 1:09-CV-157592)

12 This Document Relates To: ) **STIPULATION OF SETTLEMENT**  
13 )  
ALL ACTIONS )  
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1 This Stipulation of Settlement (the "Stipulation"),<sup>1</sup> dated December 21, 2011, is entered into,  
2 by and through their respective undersigned counsel, among and between: (i) State Plaintiff Sean  
3 Daneshmand ("Daneshmand"), original State Plaintiff and demanding shareholder Dawn Cates  
4 ("Cates") and Federal Plaintiff Michael Brown ("Brown"), each individually and derivatively on  
5 behalf of Hansen Medical, Inc. ("Hansen" or the "Company"); (ii) the individual defendants Frederic  
6 H. Moll, John G. Freund, Russell C. Hirsch, Kevin Hykes, Christopher P. Lowe, Joseph M.  
7 Mandato, James M. Shapiro, Gary C. Restani, Thomas C. McConnell, Steven M. Van Dick, and  
8 Christopher Sells (the "Individual Defendants"); and (iii) nominal defendant Hansen. This  
9 Stipulation is intended by the Parties to fully, finally, and forever compromise, resolve, discharge,  
10 and settle the Defendants' Released Claims and the Released Claims and dismiss the derivative  
11 actions brought on behalf of Hansen with prejudice, upon the terms and subject to the conditions set  
12 forth herein.

13 **I. BACKGROUND OF THE ACTIONS AND SETTLEMENT NEGOTIATIONS**

14 According to its public filings, Hansen is a Delaware corporation that develops,  
15 manufactures, and sells medical robotics for accurate positioning, manipulation, and stable control of  
16 catheters and catheter-based technologies. On October 19, 2009, Hansen disclosed that it was  
17 restating its fiscal 2008 through second quarter 2009 financial results to correct improper revenue  
18 recognition in connection with sales of its principal product, the Sensei Robotic Catheter System.  
19 Hansen also disclosed that a whistleblower report, regarding an accounting irregularity, triggered the  
20 discovery of the improper revenue recognition.

21 On November 12, 2009, and November 19, 2009, two shareholder derivative complaints  
22 were filed on behalf of Hansen in the Superior Court for the State of California, County of Santa  
23 Clara, *Daneshmand v. Moll*, Case No. 09-CV-157592 (the "*Daneshmand* Action"), and *Cates v.*  
24 *Moll*, Case No. 09-CV-157170 (the "*Cates* Action"). The complaints alleged, among other things,  
25 that the Individual Defendants breached their fiduciary duties of due care, loyalty, and good faith to  
26 the Company in connection with the accounting irregularities and improper revenue recognition.

27 \_\_\_\_\_  
28 <sup>1</sup> All capitalized terms are defined in Section IV.1 below, unless otherwise noted.

1 On December 15, 2009, the Federal Plaintiff filed a related derivative action against the  
2 Individual Defendants in the U.S. District Court for the Northern District of California under the  
3 caption *Brown v. Moll*, Case No. 09-CV-5881 (the "Federal Action").

4 On December 17, 2009, counsel for the parties to the *Cates* Action and *Daneshmand* Action  
5 executed and filed a stipulation to consolidate the actions and appoint lead counsel. On December  
6 22, 2009, the State Court entered an order consolidating the actions under the caption *In re Hansen*  
7 *Medical, Inc. Shareholder Derivative Litigation*, Lead Case No. 09-CV-157170 (the "State Action"),  
8 and appointing Robbins Umeda LLP and the Weiser Law Firm, P.C. as Plaintiffs' Co-Lead Counsel.<sup>2</sup>

9 The State Court's order also required the parties to the State Action to meet and confer regarding a  
10 schedule for the designation of an operative complaint or the filing of a consolidated complaint and  
11 Defendants' responses thereto.

12 On May 4, 2010, the parties to the State Action filed a stipulation to submit the case to  
13 mediation. On May 5, 2010, the State Court entered an order vacating the scheduled case  
14 management conference and scheduling a mediation status review for July 9, 2010. Similarly, the  
15 Federal Court extended the time for Defendants to respond to accommodate the scheduled  
16 mediation. On May 12, 2010, the parties to the Actions engaged in a private, in-person mediation  
17 with the Honorable William J. Cahill (Ret.). However, the mediation did not result in a resolution at  
18 that time.

19 On June 6, 2010, Defendants in the Federal Action moved to stay or, in the alternative, to  
20 dismiss the Federal Action. In an order dated July 21, 2010, the Federal Court denied Defendants'  
21 motion to stay but granted Defendants' motion to dismiss with leave to amend, finding that the  
22 complaint lacked particularized facts regarding demand futility.

23 On July 6, 2010, State Plaintiffs filed a stipulation and proposed order regarding a briefing  
24 schedule for State Plaintiffs' designation of an operative complaint or filing of a consolidated  
25 complaint and Defendants' responses thereto. On July 7, 2010, the State Court entered the proposed  
26 order setting the briefing schedule pursuant to State Plaintiffs' stipulation.

27 \_\_\_\_\_  
28 <sup>2</sup> On November 17, 2010, the Weiser Law Firm withdrew as Co-Lead Counsel for Plaintiffs.

1 On August 9, 2010, the Federal Plaintiff filed an amended complaint. On September 8, 2010,  
2 Defendants moved to dismiss the amended complaint, again contending, *inter alia*, that the Federal  
3 Plaintiff had failed to properly allege demand futility and failed to adequately plead any claims for  
4 relief. On October 8, 2010, the Federal Plaintiff filed his response in opposition to dismiss the  
5 amended complaint. Defendants filed their reply in support of their motion to dismiss on October  
6 25, 2010.

7 On August 30, 2010, State Plaintiffs filed a notice of designation of their operative  
8 complaint. On October 14, 2010, pursuant to a stipulation filed by Defendants, the State Court  
9 entered an order postponing the deadline for Defendants to respond to State Plaintiffs' operative  
10 complaint.

11 The Parties to the Actions attended a second mediation with Judge Cahill on September 29,  
12 2010. While significant progress was made on corporate governance terms, the Parties were not able  
13 to reach a resolution on all terms.

14 On November 3, 2010, Cates filed a request for dismissal, without prejudice, in the State  
15 Action, requesting to be removed as a named plaintiff. The requested dismissal without prejudice  
16 was entered that same day.

17 On November 5, 2010, the Federal Court heard argument on Defendants' second motion to  
18 dismiss the Federal Action. On November 12, 2010, the Federal Court issued an order and final  
19 judgment dismissing the Federal Action without leave to amend.

20 On November 16, 2010, the parties to the State Action filed a stipulation to postpone the  
21 deadline for Defendants to respond to the operative complaint until after the Federal Action's time  
22 for appeal had expired. Also on November 16, 2010, the State Court entered an order postponing the  
23 deadline for Defendants to respond to the operative complaint.

24 On December 13, 2010, the Federal Plaintiff filed a notice of appeal in the Federal Court.

25 On December 22, 2010, the parties to the State Action filed a stipulation to postpone the  
26 deadline for Defendants to respond to the operative complaint. On December 23, 2010, the State  
27 Court entered an order postponing the deadline for Defendants to respond to the operative complaint.  
28

1 On January 11, 2011, Cates, through her counsel, sent a letter to counsel for Hansen  
2 demanding that Hansen pursue claims against various individuals and entities relating to the same  
3 accounting and revenue recognition issues that are the subject of the State Action (the "Cates  
4 Demand"). On January 19, 2011, counsel for Hansen wrote to Cates' counsel informing them that  
5 the Company had investigated potential claims in connection with prior demand letters received by  
6 the Company relating to the same issues, and had determined that litigation would not be in the best  
7 interests of the Company.

8 On January 18, 2011, the State Action was reassigned from the Honorable Joseph H. Huber  
9 to the Honorable James P. Kleinberg.

10 On April 6, 2011, the Federal Plaintiff filed his opening appellate brief in the U.S. Court of  
11 Appeals for the Ninth Circuit (the "Appellate Court"). On May 31, 2011, Defendants filed their  
12 answering brief in the Appellate Court. The Federal Plaintiff filed his reply brief on July 1, 2011.

13 On April 18, 2011, Defendants filed a demurrer to the operative complaint in the State Action  
14 on the grounds, *inter alia*, that State Plaintiff was collaterally estopped from asserting demand  
15 futility based on the final judgment issued in the Federal Action, had failed to allege particularized  
16 facts regarding demand futility and had failed to plead any claims for relief. On May 31, 2011, State  
17 Plaintiff filed its response in opposition to the demurrer. On June 2, 2011, pursuant to the parties'  
18 stipulation, the State Court entered an order continuing the hearing on Defendants' demurrer.  
19 Defendants filed their replies in support on June 27, 2011.

20 On August 9, 2011, the State Court rescheduled the hearing on Defendants' demurrer for  
21 October 7, 2011. Thereafter, the Parties to the Actions and the Cates Demand and each of their  
22 respective counsel continued the negotiations that had stalled following the second mediation with  
23 Judge Cahill in an effort to reach a final settlement of the Actions. In connection with these  
24 negotiations, both during the mediations and afterwards, Plaintiffs' Counsel undertook a  
25 comprehensive analysis of the corporate governance practices at Hansen and proposed numerous  
26 reforms to the Company's corporate governance practices. There were several rounds of post-  
27 mediation negotiations beginning in July 2011. The discussions focused on the corporate  
28 governance provisions put forth by each side. After the Parties had agreed to certain corporate

1 governance provisions as part of a potential settlement, the negotiations also included a discussion of  
2 appropriate attorney's fees to be paid to Plaintiffs' Counsel. On October 3, 2011, the Parties reached  
3 an agreement in principle to settle the Actions and the Cates Demand. On October 4, 2011, the  
4 parties to the State Action filed a stipulation to continue the hearing on Defendants' demurrer in light  
5 of their ongoing settlement negotiations. On October 5, 2011, the State Court entered an order  
6 taking the hearing on Defendants' demurrer off calendar.

7 **II. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

8 Plaintiffs believe the Actions have substantial merit. Nonetheless, Plaintiffs and Plaintiffs'  
9 Counsel recognize and acknowledge the significant risk, expense, and length of continued  
10 proceedings necessary to prosecute the Actions against the Individual Defendants through trial and  
11 through possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome and  
12 the risk of any litigation, especially in complex cases such as the Actions, as well as the difficulties  
13 and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems  
14 of proof and possible defenses to the claims alleged in such actions. Plaintiffs' Counsel have  
15 conducted a thorough review and analysis of the relevant facts, allegations, defenses, and controlling  
16 legal principles, and believe that the Settlement set forth in the Stipulation is fair, reasonable, and  
17 adequate, and confers substantial benefits upon Hansen and Current Hansen Shareholders. Based  
18 upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the Settlement is in the best  
19 interests of Hansen and Current Hansen Shareholders and have agreed to settle the Actions upon the  
20 terms and subject to the conditions set forth herein.

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

22 The Individual Defendants have denied and continue to deny they have committed,  
23 threatened, or attempted to commit, any violations of law, or breached any duty owed to Plaintiffs,  
24 Hansen, or its shareholders. Without admitting the validity of any allegations made in the Actions,  
25 or any liability with respect thereto, the Individual Defendants have concluded that it is desirable that  
26 the claims against them be settled on the terms reflected in the Stipulation. The Individual  
27 Defendants and Hansen are entering into this Settlement solely because it will eliminate the  
28 uncertainty, distraction, disruption, burden, risk, and expense of further litigation. Hansen also

1 acknowledges that the Settlement is fair, reasonable, adequate, and in the best interests of Hansen  
2 and Current Hansen Shareholders. Further, Hansen acknowledges and agrees that the corporate  
3 governance measures to be implemented as part of the Settlement are significant and extensive and  
4 confer substantial benefits upon Hansen and Current Hansen Shareholders by, among other things,  
5 helping to prevent a recurrence of the accounting errors and revenue recognition issues alleged in the  
6 Actions.

7 Neither this Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor any  
8 document or exhibit referred or attached to this Stipulation, nor any action taken to carry out this  
9 Stipulation, is, may be construed as, or may be used as evidence of the validity of any of the  
10 Released Claims or an admission by or against the Individual Defendants of any fault, wrongdoing,  
11 or concession of liability whatsoever.

12 **IV. TERMS OF STIPULATION OF SETTLEMENT**

13 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among  
14 Plaintiffs (on behalf of themselves and derivatively on behalf of Hansen), the Individual Defendants  
15 and Hansen, each by and through their respective counsel, that, subject to Court approval, the  
16 Released Claims shall be finally and fully compromised, settled, and released, and the Actions shall  
17 be dismissed with prejudice, as to all Parties, upon the terms and subject to the conditions set forth  
18 herein as follows:

19 **1. Definitions**

20 As used in this Stipulation, the following terms have the meanings specified below:

21 1.1 "Actions" means the Federal Action and the State Action.

22 1.2 "Cates Demand" means the January 11, 2011 letter sent by counsel for Cates to  
23 counsel for Hansen.

24 1.3 "Current Hansen Shareholders" means any Persons who owned Hansen common  
25 stock as of the date of the execution of the Stipulation and who continue to hold their Hansen  
26 common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, the  
27 current officers and directors of Hansen, members of their immediate families, and their legal  
28

1 representatives, heirs, successors, or assigns, and any entity in which Individual Defendants have or  
2 had a controlling interest.

3 1.4 "Defendants" means the Individual Defendants and nominal defendant Hansen.

4 1.5 "Defendants' Counsel" means Bingham McCutchen LLP, Three Embarcadero Center,  
5 San Francisco, California 94111 and Howard Rice Nemerovski Canady Falk & Rabkin, Three  
6 Embarcadero Center, Seventh Floor, San Francisco, California 94111.

7 1.6 "Defendants' Released Claims" means any and all claims, debts, rights, accountings,  
8 matters, issues, suits, causes of action or liabilities, of every nature and description whatsoever,  
9 whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation  
10 (whether foreign or domestic), including both known and Unknown Claims, accrued claims and not  
11 accrued claims, foreseen claims and unforeseen claims, matured claims and not matured claims, to  
12 the date of the entry of the Judgment that could have been asserted in any forum or in the action by  
13 the Released Persons against Plaintiffs or Plaintiffs' Counsel in connection with, based upon, arising  
14 out of, or relating to the institution, prosecution, or Settlement of the Actions (except for any claims  
15 to enforce the Settlement).

16 1.7 "Effective Date" means the first date by which all of the events and conditions  
17 specified in paragraph 6.1 herein have been met and have occurred.

18 1.8 "Federal Action" or "Federal Appeal" means the shareholder derivative action filed in  
19 the Federal Court under the caption *Brown v. Moll*, Case No. 09-CV-5881, and currently pending on  
20 appeal in the Appellate Court under the caption *Brown v. Moll*, Case No. 10-17811.

21 1.9 "Federal Court" means the U.S. District Court for the Northern District of California.

22 1.10 "Federal Plaintiff" means Michael Brown.

23 1.11 "Final" means the expiration of all times to seek appeal or other review of the  
24 Judgment, or if any appeal or other review of such Judgment is filed and not dismissed, after such  
25 Judgment is upheld on appeal in all material respects and is no longer subject to appeal, reargument,  
26 or review by writ of certiorari or otherwise.

27 1.12 "Hansen" or the "Company" means Hansen Medical, Inc. including, but not limited to,  
28 its predecessors, successors, joint ventures, subsidiaries, affiliates, divisions, and assigns.

1           1.13    "Individual Defendants" means Frederic H. Moll, John G. Freund, Russell C. Hirsch,  
2 Kevin Hykes, Christopher P. Lowe, Joseph M. Mandato, James M. Shapiro, Gary C. Restani,  
3 Thomas C. McConnell, Steven M. Van Dick, and Christopher Sells.

4           1.14    "Judgment" means the [Proposed] Final Order of Dismissal with Prejudice and  
5 Judgment to be rendered by the Court, substantially in the form of Exhibit E attached hereto.

6           1.15    "Parties" or "Settling Parties" means the Plaintiffs, the Individual Defendants, and  
7 Hansen.

8           1.16    "Person" means an individual, corporation, limited liability corporation, professional  
9 corporation, partnership, limited partnership, limited liability partnership, association, joint stock  
10 company, estate, legal representative, trust, unincorporated association, government or any political  
11 subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors,  
12 successors, representatives, or assignees.

13           1.17    "Plaintiffs" means collectively the Federal Plaintiff, State Plaintiff and Dawn Cates.

14           1.18    "Plaintiffs' Lead Counsel" means Robbins Umeda LLP, 600 B Street, Suite 1900, San  
15 Diego, California 92101.

16           1.19    "Plaintiffs' Counsel" means any counsel who have appeared on behalf of any plaintiff  
17 in the Actions.

18           1.20    "Preliminary Approval Order" means the proposed order preliminarily approving the  
19 Settlement and setting a date for the Settlement Hearing to be rendered by the Court, substantially in  
20 the form attached hereto as Exhibit B.

21           1.21    "Related Persons" means each of the Individual Defendants' past or present legal  
22 representatives, heirs, assigns, agents, employees, attorneys, advisors, investment advisors, auditors,  
23 accountants, and any firm, trust, corporation, or other Person or entity in which any Individual  
24 Defendant has a controlling interest. "Related Persons" do not include any insurers, co-insurers, or  
25 reinsurers of the Individual Defendants.

26           1.22    "Released Claims" means any and all claims, debts, demands, rights, accountings,  
27 matters, issues, suits, causes of action or liabilities, of every nature and description whatsoever,  
28 whether based on federal, state, local, statutory, or common law or any other law, rule, or regulation

1 (whether foreign or domestic), including both known claims and Unknown Claims, accrued claims  
2 and not accrued claims, foreseen claims and unforeseen claims, matured claims and not matured  
3 claims, to the date of the entry of the Judgment that have been or could have been asserted in any  
4 forum or in the action by Plaintiffs, any Current Hansen Shareholders derivatively on behalf of  
5 Hansen, or by Hansen, against any of the Released Persons which arise out of or relate to: (i) the  
6 allegations, transactions, facts, disclosures, acts, matters or occurrences, statements, representations  
7 or omissions, or failures to act that were alleged in the Actions or the Cates Demand, or closely  
8 related thereto; or (ii) any claims in connection with, based upon, arising out of, or relating to the  
9 Settlement, except for any claims to enforce the Settlement. Notwithstanding the foregoing, nothing  
10 set forth herein shall constitute a release by Hansen of any claims Hansen may have (i) against any  
11 insurer, co-insurer or reinsurer, or (ii) against any Individual Defendant for (a) recovery of  
12 indemnification and advancement amounts paid by Hansen, or (b) contribution or indemnity.  
13 However, Hansen agrees that it will not seek indemnity or contribution from any Individual  
14 Defendant for any portion of the Fee Amount payment described in paragraph 5.1 below or any  
15 portion of the attorneys' fees or other litigation expenses it has incurred in connection with the  
16 Actions or the Cates Demand.

17           1.23    "Released Persons" means Hansen, each of the Individual Defendants and each of the  
18 Individual Defendants' Related Persons.

19           1.24    "State Action" means the consolidated shareholder derivative action pending in the  
20 State Court captioned *In re Hansen Medical, Inc. Shareholder Derivative Litigation*, Lead Case No.  
21 09-CV-157170.

22           1.25    "State Court" means the Superior Court for the State of California, County of Santa  
23 Clara.

24           1.26    "State Plaintiffs" means Dawn Cates and Sean Daneshmand.

25           1.27    "State Plaintiff" means Sean Daneshmand.

26           1.28    "Settlement" means the Settlement documented in this Stipulation.

27           1.29    "Settlement Hearing" means the hearing set by the Court to consider final approval of  
28 the Settlement.

1           1.30 "Unknown Claims" means any of the Released Claims and any of the Defendants'  
2 Released Claims that any Party does not know or suspect exists in his, her, or its favor at the time of  
3 the Settlement including, without limitation, those claims which, if known, might have affected the  
4 decision to enter into, or not object to, this Settlement. The Parties expressly waive, relinquish, and  
5 release any and all provisions, rights, and benefits conferred by or under Section 1542 of the  
6 California Civil Code ("Section 1542") or any other law of the United States or any state or territory  
7 of the United States, or principle of common law, which is similar, comparable, or equivalent to  
8 Section 1542, which provides:

9           **A general release does not extend to claims which the creditor does not know or**  
10           **suspect to exist in his or her favor at the time of executing the release, which if**  
11           **known by him or her must have materially affected his or her settlement with**  
12           **the debtor.**

13           The Parties acknowledge that they may discover facts in addition to or different from those now  
14 known or believed to be true by them, with respect to the Released Claims and Defendants' Released  
15 Claims in the Settlement, as the case may be, but it is the intention of the Parties to completely, fully,  
16 finally, and forever compromise, settle, release, discharge, and extinguish any and all Released  
17 Claims and Defendants' Released Claims known or unknown, suspect or unsuspected, contingent or  
18 absolute, accrued or unaccrued, apparent or unapparent, which do not exist, or heretofore existed, or  
19 may hereafter exist, and without regard to the subsequent discovery of additional or different facts.

## 20           **2. Terms of the Settlement**

21           2.1 As a direct result of the filing, prosecution, and Settlement of the Actions and the  
22 efforts of Plaintiffs' Counsel, Hansen has agreed to adopt the corporate governance measures set  
23 forth in Exhibit A attached hereto within thirty (30) days of the issuance of an order approving the  
24 Settlement of the Actions and will keep such measures in force and effect for a period of no less than  
25 five years, except where the time frame is expressly provided for herein, or except where further  
26 changes are necessary to reflect changes in the law, regulations, or exchange listing requirements.

27           2.2 Hansen acknowledges and agrees that the filing, prosecution, and Settlement of the  
28 Actions were a substantial and material factor behind the Company's decision to implement these  
corporate governance measures. Hansen further acknowledges and agrees that the corporate

1 governance measures are significant and extensive and confer substantial benefits upon Hansen and  
2 Current Hansen Shareholders by, among other things, helping to prevent a recurrence of the  
3 accounting errors and revenue recognition issues alleged in the Actions.

4 **3. Preliminary Approval and Notice**

5 3.1 Promptly after execution of the Stipulation, the State Plaintiff shall submit the  
6 Stipulation together with its exhibits to the State Court and shall apply for entry of the Preliminary  
7 Approval Order, substantially in the form of Exhibit B attached hereto, requesting: (i) preliminary  
8 approval of the Settlement set forth in this Stipulation; (ii) approval of the form and manner of  
9 providing notice of the Settlement to the Current Hansen Shareholders; and (iii) a date for the  
10 Settlement Hearing.

11 3.2 Notice to the Current Hansen Shareholders shall consist of the Summary Notice of  
12 Pendency and Proposed Settlement of Shareholder Derivative Actions ("Summary Notice"),  
13 substantially in the form attached hereto as Exhibit C, and the Notice of Pendency and Proposed  
14 Settlement of Shareholder Derivative Actions ("Notice"), substantially in the form attached hereto as  
15 Exhibit D. The Parties believe the content and manner of the notices requested constitute adequate  
16 and reasonable notice to Current Hansen Shareholders pursuant to applicable law and due process.

17 3.3 Within ten (10) calendar days after the entry of the Preliminary Approval Order,  
18 Hansen shall publish the Summary Notice once in *Investor's Business Daily*. Hansen shall be  
19 responsible for all costs associated with publishing the Summary Notice. If additional notice is  
20 required by the Court, the costs and administration of such additional notice will be borne by  
21 Hansen.

22 3.4 Within ten (10) calendar days after the entry of the Preliminary Approval Order,  
23 Hansen shall post copies of the Notice and the Stipulation on its corporate website and cause a copy  
24 of the Notice to be filed with the U.S. Securities and Exchange Commission (the "SEC") via a  
25 Current Report on Form 8-K. Hansen's website posting of the Notice and Stipulation shall be  
26 maintained through the date of the Settlement Hearing.

27 3.5 Within ten (10) calendar days after the entry of the Preliminary Approval Order,  
28 Robbins Umeda LLP shall post copies of the Notice and the Stipulation on its firm website.

1           3.6     Pending the State Court's determination as to final approval of the Settlement,  
2 Plaintiffs and the Current Hansen Shareholders are barred and enjoined from commencing,  
3 prosecuting, instigating, or in any way participating in the commencement or prosecution of any  
4 action asserting any Released Claim against any of the Released Persons.

5           3.7     Within five (5) calendar days after entry by the State Court of the Judgment approving  
6 the Settlement, the parties to the Federal Appeal shall jointly apply to the Appellate Court for a  
7 dismissal with prejudice of the Federal Appeal, and shall use their reasonable best efforts to take, or  
8 cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper,  
9 or advisable under applicable laws, regulations, and agreements, to secure such dismissal with  
10 prejudice.

11           **4.     Releases**

12           4.1     Upon the Effective Date, Plaintiffs, Hansen, and the Current Hansen Shareholders  
13 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever  
14 settled, released, discharged, extinguished, and dismissed with prejudice the Released Claims against  
15 the Released Persons; provided, however, that such release shall not affect any claims to enforce the  
16 terms of the Stipulation or the Settlement.

17           4.2     Upon the Effective Date, each of the Released Persons shall be deemed to have, and  
18 by operation of the Judgment shall have, fully, finally, and forever settled, released, discharged,  
19 extinguished, and dismissed with prejudice the Defendants' Released Claims against Plaintiffs and  
20 Plaintiffs' Counsel; provided, however, that such release shall not affect any claims to enforce the  
21 terms of the Stipulation or the Settlement.

22           **5.     Attorneys' Fees and Expenses**

23           5.1     In recognition of the substantial benefits conferred upon Hansen and Current Hansen  
24 Shareholders as a direct result of the initiation, prosecution, and Settlement of the Actions, and  
25 subject to State Court approval, Hansen or its successor(s) shall pay or cause its insurers to pay  
26 Plaintiffs' Counsel's attorneys' fees and expenses in the amount of \$300,000 (the "Fee Amount").  
27 The Fee Amount was negotiated after the Parties had substantially negotiated the material terms of  
28 the Settlement.

1           5.2     The Fee Amount shall be paid to Robbins Umeda LLP, as receiving agent for all of  
2 Plaintiffs' Counsel, within five (5) days after the State Court enters an order finally approving the  
3 Settlement.

4           5.3     Payment of the Fee Amount in the amount approved by the State Court shall  
5 constitute final and complete payment for Plaintiffs' Counsel's attorneys' fees and expenses that have  
6 been incurred or will be incurred in connection with the filing and prosecution of the Actions and the  
7 resolution of the claims alleged therein. Robbins Umeda LLP shall be solely responsible for the  
8 distribution of the Fee Amount to Plaintiffs' Counsel. Defendants and Defendants' Counsel shall  
9 have no responsibility for the distribution of the Fee Amount among Plaintiffs' Counsel. Defendants  
10 shall have no obligation to make any payment other than as provided herein to any Plaintiffs'  
11 Counsel.

12           5.4     Except as otherwise provided herein, each of the Parties shall bear his, her, or its own  
13 fees and costs.

14           **6.     Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination**

15           6.1     The Settlement shall be conditioned on the occurrence of all of the following events:

- 16                   (a)     State Court final approval of the Settlement following notice to the Current  
17 Hansen Shareholders and the Settlement Hearing;
- 18                   (b)     entry of the Judgment in the State Action;
- 19                   (c)     dismissal of the Federal Appeal with prejudice; and
- 20                   (d)     the Judgment has become Final.

21           6.2     If any of the conditions listed in paragraph 6.1 are not met, the Stipulation and any  
22 Settlement documentation shall be null and void and of no force and effect, unless Plaintiffs' Lead  
23 Counsel and Defendants' Counsel mutually agree in writing to proceed with the Stipulation. In the  
24 event that any of the conditions listed in paragraph 6.1 are not met, the Parties shall be restored to  
25 their positions on the date immediately prior to the execution date of the Stipulation, and the  
26 Stipulation shall not be deemed to constitute an admission of fact by any Party, and neither the  
27 existence of the Stipulation nor its contents, shall be admissible in evidence or be referred to for any  
28 purposes in the Actions or in any litigation or judicial proceeding.

1           6.3     If for any reason the Effective Date of the Stipulation does not occur, or if the  
2 Stipulation is in any way canceled or terminated or if the judgment specified in paragraph 6.1(d) is  
3 successfully attacked collaterally, then the payments to Plaintiffs' Counsel pursuant to Section 5, and  
4 any and all interest accrued thereon since payment, shall be returned to Hansen, its designee, and/or  
5 its successors within ten (10) business days of said event. The return obligation set forth in this  
6 paragraph is the obligation of Robbins Umeda LLP, which agrees to be subject to the jurisdiction of  
7 the Court for the purposes of enforcing this subparagraph. Robbins Umeda LLP reserves the right to  
8 seek contribution from other Plaintiffs' Counsel (and/or any other counsel that receives any portion  
9 of the Fee Amount) for the purpose of enforcing this subparagraph, and all Plaintiffs' Counsel (and/or  
10 any other counsel) who receive any portion of the Fee Amount shall subject themselves to the  
11 jurisdiction of the Court for enforcement of this subparagraph.

12           **7.     Bankruptcy**

13           7.1     In the event of any proceedings by or on behalf of Hansen, whether voluntary or  
14 involuntary, initiated under any chapter of the U.S. Bankruptcy Code, including any act of  
15 receivership, asset seizure, or similar federal or state law action ("Bankruptcy Proceedings"), the  
16 Parties agree to use their reasonable best efforts to obtain all necessary orders, consents, releases, and  
17 approvals for effectuation of this Stipulation in a timely and expeditious manner. By way of example  
18 only, the Parties agree to cooperate in making applications and motions to the Bankruptcy Court for  
19 relief from any stay, approval of the Settlement, authority to release funds, authority for Hansen's  
20 insurer to disburse insurance proceeds consistent with this Stipulation, authority to release claims  
21 and indemnify officers and directors, and authority for the Court to enter all necessary orders and  
22 judgments, and any other actions reasonably necessary to effectuate the terms of the Stipulation.

23           7.2     If any Bankruptcy Proceedings on behalf of Hansen are initiated prior to the payment  
24 of the Fee Amount, the Parties agree to seek an order from the Bankruptcy Court presiding over such  
25 Bankruptcy Proceedings: (i) either lifting the automatic stay for limited purposes of authorizing such  
26 payment, or finding that the payment of the Fee Amount on behalf of the Individual Defendants by  
27 their insurer or insurers under their respective policies or related compromise of coverage and the  
28 releases provided pursuant to this Stipulation does not violate the automatic stay; and (ii) finding that

1 the payment of the Fee Amount on behalf of the Individual Defendants by their insurer or insurers  
2 under their respective policies does not constitute a preference, voidable transfer, fraudulent transfer,  
3 or similar transaction. In addition, in the event of any Bankruptcy Proceedings by or on behalf of  
4 Hansen, the Parties agree that all dates and deadlines set forth herein will be extended for such  
5 periods of time as are necessary to obtain necessary orders, consents, releases, and approvals from  
6 the Bankruptcy Court to carry out the terms and conditions of the Stipulation.

7 **8. Miscellaneous Provisions**

8 8.1 The Parties: (i) acknowledge that it is their intent to consummate the Stipulation; and  
9 (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and  
10 conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and  
11 conditions of the Stipulation.

12 8.2 In the event that any part of the Settlement is found to be unlawful, void,  
13 unconscionable, or against public policy by a court of competent jurisdiction, any Party shall have  
14 the option to withdraw from the Settlement.

15 8.3 The Parties agree that terms of the Settlement were negotiated in good faith by the  
16 Parties, and reflect a Settlement that was reached voluntarily after consultation with competent legal  
17 counsel. In addition, the Parties agree that during the course of the Actions the Parties and their  
18 respective counsel at all times acted professionally and in compliance with California Code of Civil  
19 Procedure section 128.7, and any other court rule or statute with respect to any claims or defenses in  
20 the Actions. Accordingly, the Judgment in the Actions will contain a finding that during the course  
21 of the litigation, the Parties and their respective counsel at all times complied with the requirements  
22 of California Code of Civil Procedure section 128.7 and any other court rule or statute with respect to  
23 any claims or defenses in the Actions. The Parties reserve their right to rebut, in a manner that such  
24 Party determines to be appropriate, any contention made in any public forum that the Actions were  
25 brought or defended in bad faith or without a reasonable basis.

26 8.4 The existence of or the provisions contained in the Stipulation shall not be deemed to  
27 prejudice in any way the respective positions of the Parties with respect to the Actions or the Cates  
28 Demand, shall not be deemed a presumption, a concession, or admission by any of the Parties of any

1 fault, liability, or wrongdoing as to any facts, claims, or defenses that have been or might have been  
2 alleged or asserted in the Actions or the Cates Demand or with respect to any of the claims settled in  
3 the Actions or the Cates Demand, or any other action or proceeding, and shall not be interpreted,  
4 construed, deemed, invoked, offered, or received in evidence or otherwise used by any person in the  
5 Actions, or in any other action or proceeding, except for any litigation or judicial proceeding arising  
6 out of or relating to the Stipulation or the Settlement whether civil, criminal, or administrative, for  
7 any purpose other than as provided expressly herein.

8           8.5     The exhibits to the Stipulation are material and integral parts hereof and are fully  
9 incorporated herein by this reference. The Stipulation and the exhibits attached hereto represent the  
10 complete and final resolution of all disputes between the Parties with respect to the Actions and the  
11 Cates Demand, constitute the entire agreement among the Parties, and supersede any and all prior  
12 negotiations, discussions, agreements, or undertakings, whether oral or written, with respect to such  
13 matters.

14           8.6     The Stipulation may be modified or amended only by a writing signed by the  
15 signatories hereto.

16           8.7     The Stipulation shall be deemed drafted equally by all Parties hereto.

17           8.8     The Stipulation and the Settlement contemplated by it shall be governed by, and  
18 construed in accordance with, the laws of the State of California, without regard to California's  
19 conflict of law rules.

20           8.9     No representations, warranties, or inducements have been made to any of the Parties  
21 concerning the Stipulation or its exhibits other than the representations, warranties, and covenants  
22 contained and memorialized in such documents.

23           8.10    Each counsel or other Person executing the Stipulation or its exhibits on behalf of any  
24 of the Parties hereby warrants that such Person has the full authority to do so.

25           8.11    The Stipulation shall be binding upon and inure to the benefit of the Parties and their  
26 respective agents, executors, heirs, successors, and assigns.

27           8.12    The Stipulation may be executed in counterparts by the signatories hereto, including  
28 by facsimile, and as so executed shall constitute one agreement.


1           8.13 All proceedings in the Actions shall be stayed, except as provided in the Stipulation.  
2 Other than seeking approval of the Settlement or as permitted herein or as may be expressly required  
3 by the Court, Plaintiffs and Plaintiffs' Counsel agree that Plaintiffs will not take any action, take any  
4 discovery, or make any filings in the Actions other than those contemplated by the Stipulation.

5           8.14 The Court shall retain jurisdiction with respect to implementation and enforcement of  
6 the terms of the Stipulation, and the Parties submit to the jurisdiction of the Court for purposes of  
7 implementing and enforcing the Settlement embodied in the Stipulation.

8           IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed, by  
9 their duly authorized attorneys.

10 DATED: December 21, 2011

ROBBINS UMEDA LLP  
MARC M. UMEDA  
KEVIN A. SEELY  
CHRISTOPHER L. WALTERS  
ASHLEY R. PALMER

  
\_\_\_\_\_  
KEVIN A. SEELY

600 B Street, Suite 1900  
San Diego, CA 92101  
Telephone: (619) 525-3990  
Facsimile: (619) 525-3991

*Lead Counsel for State Plaintiff*

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1 DATED: December \_\_\_\_\_, 2011

THE WEISER LAW FIRM, P.C.  
ROBERT B. WEISER  
BRETT D. STECKER  
JEFFREY J. CIARLANTO

2  
3  
4 \_\_\_\_\_  
5 ROBERT B. WEISER

6 121 N. Wayne Avenue, Suite 100  
7 Wayne, PA 19087  
8 Telephone: (610) 225-2677  
9 Facsimile: (610) 225-2678

10 THE WEISER LAW FIRM, P.C.  
11 KATHLEEN A. HERKENHOFF  
12 12707 High Bluff Drive, Suite 200  
13 San Diego, CA 92130  
14 Telephone: (858) 794-1441  
15 Facsimile: (858) 794-1450

16 *Counsel for Dawn Cates*

17 DATED: December 20, 2011

18 JOHNSON & WEAVER, LLP  
19 FRANK J. JOHNSON  
20 SHAWN E. FIELDS

21 \_\_\_\_\_  
22   
23 FRANK J. JOHNSON

24 110 West A Street, Suite 750  
25 San Diego, California 92101  
26 Telephone: (619) 230-0063  
27 Facsimile: (619) 255-1856

28 *Counsel for Federal Plaintiff*

1 DATED: December 22, 2011

2 THE WEISER LAW FIRM, P.C.  
3 ROBERT B. WEISER  
4 BRETT D. STECKER  
5 JEFFREY J. CIARLANTO

6 *with permission*   
7 \_\_\_\_\_  
8 ROBERT B. WEISER

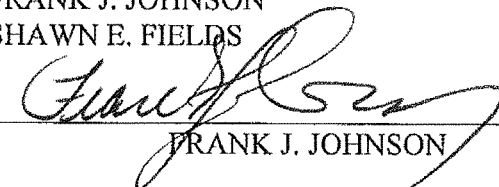
9 121 N. Wayne Avenue, Suite 100  
10 Wayne, PA 19087  
11 Telephone: (610) 225-2677  
12 Facsimile: (610) 225-2678

13 THE WEISER LAW FIRM, P.C.  
14 KATHLEEN A. HERKENHOFF  
15 12707 High Bluff Drive, Suite 200  
16 San Diego, CA 92130  
17 Telephone: (858) 794-1441  
18 Facsimile: (858) 794-1450

19 *Counsel for Dawn Cates*

20 DATED: December 20, 2011

21 JOHNSON & WEAVER, LLP  
22 FRANK J. JOHNSON  
23 SHAWN E. FIELDS

24   
25 \_\_\_\_\_  
26 FRANK J. JOHNSON

27 110 West A Street, Suite 750  
28 San Diego, California 92101  
Telephone: (619) 230-0063  
Facsimile: (619) 255-1856

*Counsel for Federal Plaintiff*

1 DATED: December 21, 2011

BINGHAM MCCUTCHEN LLP  
DAVID M. BALABANIAN  
CHARLENE S. SHIMADA  
JOHN D. PERNICK  
LUCY WANG

2  
3  
4  
5  / *L.W.*  
6 JOHN D. PERNICK

7 Three Embarcadero Center  
8 San Francisco, CA 94111  
9 Telephone: (415) 393-2000  
10 Facsimile: (415) 393-2286

11 *Counsel for Defendants Frederic H. Moll, John G.*  
12 *Freund, Russell C. Hirsch, Kevin Hykes,*  
13 *Christopher P. Lowe, Joseph M. Mandato, James*  
14 *M. Shapiro, Gary C. Restani, Thomas C.*  
15 *McConnell, and Steven M. Van Dick and Nominal*  
16 *Defendant Hansen Medical, Inc.*

17 DATED: December \_\_\_\_\_, 2011

18 HOWARD RICE NEMEROVSKI CANADY  
19 FALK & RABKIN  
20 A PROFESSIONAL CORPORATION  
21 SARAH A. GOOD  
22 JEREMY T. KAMRAS

23 \_\_\_\_\_  
24 SARAH A. GOOD

25 Three Embarcadero Center, Seventh Floor  
26 San Francisco, CA 94111  
27 Telephone: (415) 434-1600  
28 Facsimile: (415) 217-5910

*Counsel for Defendant Christopher Sells*

Stip of Settlement.DOC

1 DATED: December \_\_\_\_\_, 2011

BINGHAM MCCUTCHEN LLP  
DAVID M. BALABANIAN  
CHARLENE S. SHIMADA  
JOHN D. PERNICK  
LUCY WANG

2  
3  
4  
5 \_\_\_\_\_  
JOHN D. PERNICK

6  
7 Three Embarcadero Center  
San Francisco, CA 94111  
8 Telephone: (415) 393-2000  
Facsimile: (415) 393-2286

9  
10 *Counsel for Defendants Frederic H. Moll, John G.*  
11 *Freund, Russell C. Hirsch, Kevin Hykes,*  
12 *Christopher P. Lowe, Joseph M. Mandato, James*  
13 *M. Shapiro, Gary C. Restani, Thomas C.*  
14 *McConnell, and Steven M. Van Dick and Nominal*  
15 *Defendant Hansen Medical, Inc.*

16 DATED: December 21, 2011

17 HOWARD RICE NEMEROVSKI CANADY  
18 FALK & RABKIN  
19 A PROFESSIONAL CORPORATION  
20 SARAH A. GOOD  
21 JEREMY T. KAMRAS

22 \_\_\_\_\_  
  
SARAH A. GOOD

23 Three Embarcadero Center, Seventh Floor  
24 San Francisco, CA 94111  
25 Telephone: (415) 434-1600  
26 Facsimile: (415) 217-5910

27 *Counsel for Defendant Christopher Sells*

28 Stip of Settlement.DOC

# EXHIBIT A

EXHIBIT A  
CORPORATE GOVERNANCE MEASURES

**A. Audit Committee Review Process of Accounting Policies and Procedures Relating to Revenue Recognition and Internal Audit**

For five years following Court approval of the settlement, Hansen Medical ("Hansen" or the "Company") will retain an independent firm (either RoseRyan or similar firm) to assist the Company in the review and assessment of the Company's internal control structure that the Company performs on an annual basis as part of its internal audit of its internal control structure. Hansen's Audit Committee will also meet with RoseRyan (or similar firm) on an annual basis to review the Company's internal control structure. Hansen's CFO shall meet annually with Rose Ryan (or similar firm).

**B. Modification of Chief Compliance Officer Position**

Hansen's Chief Compliance Officer ("CCO") duties will be modified to include oversight and administration of the Code of Business Conduct and Ethics. The CCO position will also report to the Audit Committee at least twice annually. The CCO shall maintain a log of complaints, investigations and resolutions relating to the Company's Code of Business Conduct and Ethics. The CCO will also prepare a summary report annually relating to any complaints, investigations and resolutions relating to the Company's Code of Business Conduct and Ethics, copies of which shall be provided to the Board. Hansen will keep these procedures in place for five years following Court approval of the settlement.

**C. Audit Committee Responsibilities**

For five years following Court approval of the settlement, Hansen's Audit Committee will meet with the Company's independent auditor to review the Company's revenue recognition policies on at least an annual basis. The Audit Committee is required to meet with RoseRyan (or similar firm) on an annual basis to review the Company's internal control structure and must review all quarterly earnings releases prior to issuance.

**D. Cross-Functional Employee Training**

For five years following Court approval of the settlement, the Company shall conduct mandatory training meetings between accounting personnel and sales, clinical and field service personnel at least two times annually to review revenue recognition and related accounting policies.

**E. Director Qualifications and Elections**

Provided the size of its Board is six or greater, two-thirds of directors at Hansen shall be "independent" as defined by the NASDAQ Stock Market. Hansen will keep this provision in place for five years following Court approval of the settlement. Each director shall be required to attend an appropriate program (as determined by Hansen's CCO) regarding director education within two years of Court approval of the settlement.

**F. Independent Meetings in Executive Session**

At least three times a year, the independent directors of the Board shall meet in executive session outside the presence of management directors. Hansen will keep these procedures in place for five years following Court approval of the settlement.

**G. Chairman of the Board**

Hansen shall appoint a Lead Outside Director when the Chairman is not an independent director. Hansen will keep this provision in place for five years following Court approval of the settlement.

**H. Corporate Governance and Nominating Committee**

Hansen shall increase the composition of the Corporate Governance and Nominating Committee to three members. Hansen will keep this provision in place for five years following Court approval of the settlement.

**I. Replacement and Rotation of Outside Auditor**

Hansen has replaced PricewaterhouseCoopers, LLP, with Deloitte & Touche LLP. The Audit Committee shall formally consider, on the seventh year following the retention of Deloitte & Touche or the assignment of a new audit partner, and every three years thereafter, whether the Company should retain a new outside audit firm or seek assignment of a new audit partner.

**J. Disclosure of Insider Trading Controls**

The Company shall post its Policy Against Insider Trading on the Basis of Insider Information ("Insider Trading Policy") on the Company's website.

**K. Code of Business Conduct Reporting**

Hansen shall maintain the current provisions Code of Business Conduct and Ethics for five years following Court approval of the settlement but will maintain the right to add to and/or revise the provisions as it deems necessary.

# EXHIBIT B

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

IN RE HANSEN MEDICAL, INC.	)	Lead Case No. 1:09-CV-157170
SHAREHOLDER DERIVATIVE	)	
LITIGATION	)	(Consolidated with Case No. 1:09-CV-157592)
<hr/>		
This Document Relates To:	)	[PROPOSED] ORDER PRELIMINARILY
	)	APPROVING SETTLEMENT AND
ALL ACTIONS	)	PROVIDING NOTICE
	)	
	)	Judge: James P. Kleinberg
	)	Dept: 1
	)	Date Action Filed: November 12, 2009

---

1           WHEREAS, the above-captioned shareholder derivative action is pending before the  
2 Court (the "State Action");

3           WHEREAS, a related shareholder derivative action was filed in the United States District  
4 Court for the Northern District of California under the caption *Brown v. Moll*, Case No. 09-CV-  
5 5881 and is currently pending on appeal in the U.S. Court of Appeals for the Ninth Circuit under  
6 the caption *Brown v. Moll*, Case No. 10-17811 (the "Federal Action" and collectively with the  
7 State Action, the "Actions");

8           WHEREAS, the Settling Parties have made an application for an order preliminarily  
9 approving the proposed Settlement of the Actions in accordance with the Stipulation of  
10 Settlement dated December 21, 2011 (the "Stipulation"), which together with the exhibits  
11 annexed thereto, sets forth the terms and conditions for the proposed Settlement of the Actions,  
12 and for dismissal of the Actions with prejudice;

13           WHEREAS, the Court having: (i) read and considered Plaintiffs' Unopposed Motion for  
14 Preliminary Approval of Shareholder Derivative Settlement together with the accompanying  
15 Memorandum of Points and Authorities; (ii) read and considered the Stipulation, as well as all  
16 the exhibits attached thereto; and (iii) heard and considered arguments by counsel for the Settling  
17 Parties in favor of preliminary approval of the Settlement;

18           WHEREAS, the Court finds, upon a preliminary evaluation, that the proposed Settlement  
19 falls within the range of possible approval criteria, as it provides a beneficial result for Hansen  
20 Medical, Inc. ("Hansen") and its shareholders and appears to be the product of good faith,  
21 informed, and non-collusive negotiations between experienced and able counsel for the Settling  
22 Parties;

23           WHEREAS, the Court also finds, upon a preliminary evaluation, that Current Hansen  
24 Shareholders should be apprised of the Settlement through the proposed form of notice, allowed  
25 to file objections, if any, thereto, and appear at the Settlement Hearing; and

26           WHEREAS, except as otherwise expressly provided herein, all capitalized terms shall  
27 have the same meanings and/or definitions as set forth in the Stipulation.

28

1 NOW, THEREFORE, UPON GOOD CAUSE SHOWN, IT IS HEREBY ORDERED as  
2 follows:

3 1. The Court does hereby preliminarily approve the Settlement as set forth in the  
4 Stipulation, subject to further consideration at the Settlement Hearing described below.

5 2. Pending the Court's determination as to final approval of the Settlement, Current  
6 Hansen Shareholders are barred and enjoined from commencing, prosecuting, instigating, or in  
7 any way participating in the commencement or prosecution of any action asserting any Released  
8 Claim against any of the Released Persons.

9 3. The Settlement Hearing shall be held on \_\_\_\_\_, 2012, at \_:\_ .m., before the  
10 Honorable James P. Kleinberg, in the Superior Court of California, County of Santa Clara, 191  
11 North First Street, San Jose, California 95113, to determine whether: (i) the Settlement of the  
12 Actions upon the terms and subject to the conditions set forth in the Stipulation is fair,  
13 reasonable, and adequate and should be approved by the Court; (ii) the Actions should be  
14 dismissed with prejudice; and (iii) the agreed upon Fee Amount should be approved. The Court  
15 may adjourn the Settlement Hearing without further notice to Current Hansen Shareholders.

16 4. The Court approves, as to form and content, the Summary Notice of Pendency  
17 and Proposed Settlement of Shareholder Derivative Actions ("Summary Notice") and the Notice  
18 of Pendency and Proposed Settlement of Shareholder Derivative Actions ("Notice") attached to  
19 the Stipulation as Exhibits C and D respectively, and finds that the provisions of the Summary  
20 Notice and Notice meet the requirements of California law and due process, and provide the best  
21 notice practicable under the circumstances, and shall constitute due and sufficient notice to all  
22 Persons entitled thereto. Non-material changes to the form of the Summary Notice and Notice  
23 may be made without further approval of the Court.

24 5. Hansen shall bear all financial responsibility for providing the Notice and  
25 Summary Notice to Current Hansen Shareholders.

26 6. Within ten calendar days after the entry of this Order (the "Preliminary Approval  
27 Order"), Hansen shall cause a copy of the Summary Notice to be published once in *Investor's*  
28

1 *Business Daily*, and shall file a Form 8-K with the U.S. Securities and Exchange Commission  
2 that includes the Summary Notice.

3 7. Within ten calendar days after entry of this Order, Hansen and Robbins Umeda  
4 LLP shall cause the Notice and Stipulation to be posted on each of their respective websites.

5 8. At least seven calendar days prior to the Settlement Hearing, Hansen shall file  
6 with the Court proof, by affidavit or declaration, of the publishing of the Summary Notice.

7 9. At least seven calendar days prior to the Settlement Hearing, Hansen and Lead  
8 Counsel shall file with the Court proof, by affidavit or declaration, of the posting of the Notice  
9 and Stipulation on their respective websites.

10 10. At least seven calendar days prior to the Settlement Hearing, all briefs supporting  
11 the Settlement, including any responses to shareholder objections, if any, shall be served and  
12 filed.

13 11. Any Current Hansen Shareholder may object and/or appear and show cause, if he,  
14 she or it has any concern, why the Settlement of the Actions should not be approved as fair,  
15 reasonable, and adequate, why the Judgment should not be entered thereon, or why the Fee  
16 Amount should not be approved; provided, however, unless otherwise ordered by the Court, no  
17 Current Hansen Shareholder shall be heard or entitled to contest the approval of the terms and  
18 conditions of the Settlement, or, if approved, the Judgment to be entered thereon approving the  
19 same, or the Fee Amount unless that shareholder has, at least fourteen calendar days prior to the  
20 Settlement Hearing: (1) filed with the Clerk of the Court a written objection to the Settlement  
21 setting forth: (a) the nature of the objection; (b) proof of ownership of Hansen common stock  
22 through the date of the Settlement Hearing, including the number of shares of Hansen common  
23 stock and the date of purchase; and (c) any documentation in support of such objection; and (2) if  
24 any Current Hansen Shareholder intends to appear and requests to be heard at the Settlement  
25 Hearing, such shareholder must have, in addition to the requirements of (1) above, filed with the  
26 Clerk of the Court: (a) a written notice of such shareholder's intention to appear; (b) a statement  
27 that indicates the basis for such appearance; and (c) the identities of any witnesses the  
28

1 shareholder intends to call at the Settlement Hearing and a statement of the subjects of their  
2 testimony.

3 12. If any Current Hansen Shareholder files a written objection and/or written notice  
4 of intent to appear, such shareholder must also simultaneously serve copies of such notice, proof,  
5 statement, and documentation, together with copies of any other papers or briefs such  
6 shareholder files with the Court (either by hand delivery or by first class mail) upon each of the  
7 following:

8 ***The Court:***

9 Clerk of the Court  
10 Superior Court of California  
11 County of Santa Clara  
12 191 North First Street  
13 San Jose, CA 95113

8 ***Lead Counsel for Plaintiffs:***

9 ROBBINS UMEDA LLP  
10 Attn: Kevin A. Seely, Esq.  
11 600 B Street, Suite 1900  
12 San Diego, CA 92101

13 ***Counsel for Defendants:***

14 BINGHAM McCUTCHEN LLP  
15 Attn: John D. Pernick, Esq.  
16 Three Embarcadero Center  
17 San Francisco, CA 94111

18 13. Unless the Court otherwise directs, no Current Hansen Shareholder shall be  
19 entitled to object to the approval of the Settlement, to the Fee Amount, or to otherwise be heard,  
20 except by serving and filing a written objection and supporting papers and documents as  
21 prescribed above. Any Current Hansen Shareholder who does not make his, her, or its objection  
22 in the manner and within the time prescribed above shall be deemed to have waived the right to  
23 object (including the right to appeal) and shall forever be barred, in this proceeding or in any  
24 other proceeding, from raising such objection(s).

25 14. All Current Hansen Shareholders (and their successors, predecessors, and assigns)  
26 shall be bound by all determinations and judgments in the Actions concerning the Settlement,  
27 whether favorable or unfavorable to Current Hansen Shareholders.

28 15. If Court approval of the Settlement does not occur for any reason, the Settlement  
and the Stipulation shall be null and void and of no force and effect. In such event, the Settling

1 Parties shall return to their respective litigation positions in the Actions as of the time  
2 immediately prior to the date of the execution of the Stipulation, as though it were never  
3 executed or agreed to, and the Stipulation shall not be deemed to prejudice in any way the  
4 positions of the Settling Parties with respect to the Actions, nor constitute an admission of fact  
5 by any Settling Party, shall not entitle any Settling Party to recover any costs or expenses  
6 incurred in connection with the implementation of the Stipulation or the Settlement, and neither  
7 the existence of the Stipulation nor its contents shall be admissible in evidence or be referred to  
8 for any purposes in the Actions, or in any litigation or judicial proceeding, other than to enforce  
9 the terms therein.

10 16. All proceedings in the State Action, except for those proceedings related to the  
11 Settlement, shall be stayed until the resolution of all such settlement-related proceedings.

12 \* \* \*

13 **ORDER**

14 IT IS SO ORDERED.

15  
16 DATED: \_\_\_\_\_

\_\_\_\_\_  
17 HONORABLE JAMES P. KLEINBERG  
18 JUDGE OF THE SUPERIOR COURT  
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# EXHIBIT C

1 ROBBINS UMEDA LLP  
BRIAN J. ROBBINS (190264)  
2 KEVIN A. SEELY(199982)  
CHRISTOPHER L. WALTERS (205510)  
3 ASHLEY R. PALMER (246602)  
600 B Street, Suite 1900  
4 San Diego, CA 92101  
Telephone: (619) 525-3990  
5 Facsimile: (619) 525-3991

6 Lead Counsel for Plaintiffs

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

IN RE HANSEN MEDICAL, INC.	)	Lead Case No. 1:09-CV-157170
SHAREHOLDER DERIVATIVE	)	
LITIGATION	)	(Consolidated with Case No. 1:09-CV-157592)
<hr/>		
This Document Relates To:	)	SUMMARY NOTICE OF PENDENCY AND
	)	PROPOSED SETTLEMENT OF
ALL ACTIONS	)	SHAREHOLDER DERIVATIVE ACTIONS
	)	
	)	Judge: James P. Kleinberg
	)	Dept: 1
	)	Date Action Filed: November 12, 2009

1 **TO: ALL OWNERS OF HANSEN MEDICAL, INC. COMMON STOCK AS OF**  
2 **DECEMBER 21, 2011:**

3 YOU ARE HEREBY NOTIFIED, pursuant to an Order of the Superior Court of the State  
4 of California, County of Santa Clara (the "Court"), that the parties to the above captioned action, as  
5 well as the parties to an action filed in the U.S. District Court, Northern District of California under  
6 the caption *Brown v. Moll*, Case No. 09-CV-5881 and currently pending on appeal in the U.S.  
7 Court of Appeals for the Ninth Circuit under the caption *Brown v. Moll*, Case No. 10-17811 (the  
8 "Federal Action" collectively with the State Action, the "Actions"), have reached an agreement to  
9 settle the shareholder derivative claims brought on behalf and for the benefit of Hansen Medical,  
10 Inc. ("Hansen" or the "Company"). If you are a Hansen shareholder, your rights to pursue certain  
11 derivative claims on behalf of Hansen may be affected by this Settlement. This notice is not  
12 intended to be an expression of any opinion by the Court with respect to the merits of the claims made  
13 in the Actions, but is merely to advise you of the pendency and proposed Settlement of the Actions.

14 PLEASE BE FURTHER ADVISED that pursuant to an Order of the Court, a Settlement  
15 Hearing shall be held on \_\_\_\_\_, 2012, at \_\_\_\_\_.m., before the Honorable James P. Kleinberg,  
16 in the Superior Court of California, County of Santa Clara, 191 North First Street, San Jose,  
17 California 95113. At the Settlement Hearing, the Court will consider whether to grant final  
18 approval of the Settlement and the Fee Amount. The Court may adjourn the Settlement Hearing  
19 without further notice to Current Hansen Shareholders.

20 A detailed Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions  
21 ("Notice"), describing the Actions, the proposed Settlement, and the rights of Current Hansen  
22 Shareholders with regard to the Settlement, has been filed with the Court and is available for  
23 viewing on the websites of Robbins Umeda LLP at <http://www.robbinsumeda.com/notices.html>  
24 and Hansen at [http://www.hansenmedical.com/eu/global/investor-relations/  
25 corporate-profile.html](http://www.hansenmedical.com/eu/global/investor-relations/corporate-profile.html).

26 You have the right, but are not required, to appear in person or through counsel at the  
27 Settlement Hearing to object to the terms of the proposed Settlement or otherwise present evidence

1 or argument that may be proper and relevant. However, you shall not be heard, and no papers,  
2 briefs, or other documents by you shall be received and considered by the Court (unless the Court  
3 in its discretion shall thereafter otherwise direct, upon application of such person and for good  
4 cause shown), unless not later than fourteen calendar days prior to the Settlement Hearing, you file  
5 with the Court: (i) a written notice of objection with your name, address, and telephone number,  
6 along with a representation as to whether you intend to appear at the Settlement Hearing; (ii)  
7 competent evidence that you held shares of Hansen common stock as of December \_\_, 2011, and  
8 that you continue to hold shares of Hansen common stock as of the date of the Settlement Hearing;  
9 (iii) a statement of your objections to any matters before the Court, the grounds therefor or the  
10 reasons for your desiring to appear and be heard, as well as all documents or writings you desire  
11 the Court to consider; and (iv) the identities of any witnesses you plan on calling at the Settlement  
12 Hearing, along with a summary description of their likely testimony.

13 In addition, on or before the date of such filing, you must also serve the same documents  
14 via first class mail or overnight delivery upon each of the following:

15 ***The Court:***

16 Clerk of the Court  
17 Superior Court of California  
18 County of Santa Clara  
19 191 North First Street  
20 San Jose, CA 95113

15 ***Lead Counsel for Plaintiffs:***

16 ROBBINS UMEDA LLP  
17 Attn: Kevin A. Seely, Esq.  
18 600 B Street, Suite 1900  
19 San Diego, CA 92101

20 ***Counsel for Defendants:***

21 BINGHAM McCUTCHEN LLP  
22 Attn: John D. Pernick, Esq.  
23 Three Embarcadero Center  
24 San Francisco, CA 94111

25 Unless the Court otherwise directs, you shall not be entitled to object to the approval of the  
26 Settlement, to the Fee Amount, or to otherwise be heard, except by serving and filing a written  
27 objection and supporting papers and documents as prescribed above. If you fail to object in the  
28 manner and within the time prescribed above you shall be deemed to have waived your right to

1 object (including the right to appeal) and shall forever be barred, in this proceeding or in any other  
2 proceeding, from raising such objection(s).

3 **PLEASE DO NOT TELEPHONE THE COURT OR HANSEN**  
4 **REGARDING THIS NOTICE**

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1 ROBBINS UMEDA LLP  
BRIAN J. ROBBINS (190264)  
2 KEVIN A. SEELY(199982)  
CHRISTOPHER L. WALTERS (205510)  
3 ASHLEY R. PALMER (246602)  
600 B Street, Suite 1900  
4 San Diego, CA 92101  
Telephone: (619) 525-3990  
5 Facsimile: (619) 525-3991

6 Lead Counsel for Plaintiffs

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

IN RE HANSEN MEDICAL, INC. ) Lead Case No. 1:09-CV-157170  
SHAREHOLDER DERIVATIVE )  
LITIGATION ) (Consolidated with Case No. 1:09-CV-157592)  
----- )  
This Document Relates To: ) NOTICE OF PENDENCY AND PROPOSED  
ALL ACTIONS ) SETTLEMENT OF SHAREHOLDER  
DERIVATIVE ACTIONS  
)  
)  
) Judge: James P. Kleinberg  
) Dept: 1  
) Date Action Filed: November 12, 2009

1 **TO: ALL OWNERS OF HANSEN MEDICAL, INC. ("HANSEN") COMMON STOCK**  
2 **AS OF DECEMBER 21, 2011:**

3 **THIS NOTICE RELATES TO THE PENDENCY AND PROPOSED SETTLEMENT OF**  
4 **SHAREHOLDER DERIVATIVE LITIGATION. PLEASE READ THIS NOTICE**  
5 **CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A HANSEN SHAREHOLDER,**  
6 **THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.**

7 **YOU ARE HEREBY NOTIFIED**, pursuant to an Order of the Superior Court of the State  
8 of California, County of Santa Clara (the "Court"), that the parties to the above captioned action  
9 (the "State Action"), as well as the parties to an action filed in the U.S. District Court for the  
10 Northern District of California under the caption *Brown v. Moll*, Case No. 09-CV-5881 and  
11 currently pending on appeal in the U.S. Court of Appeals for the Ninth Circuit under the caption  
12 *Brown v. Moll*, Case No. 10-17811 (the "Federal Action" and collectively with the State Action,  
13 the "Actions"), have reached an agreement to settle the shareholder derivative claims brought on  
14 behalf and for the benefit of Hansen Medical, Inc. ("Hansen" or the "Company").

15 As explained below, the Court will hold a Settlement Hearing on \_\_\_\_\_, 2012 at \_\_\_:\_\_\_  
16 \_\_.m., before the Honorable James P. Kleinberg, in the Superior Court of California, County of  
17 Santa Clara, 191 North First Street, San Jose, California 95113, to determine whether to approve  
18 the Settlement. You have an opportunity to be heard at this hearing.

19 The terms of the Settlement are set forth in a Stipulation of Settlement dated December 21,  
20 2011, (the "Stipulation"). The Settlement provides for corporate governance measures that are  
21 designed to strengthen the Company's internal controls and protect the Company going forward. If  
22 approved by the Court, the Settlement will fully resolve the Actions on the terms set forth in the  
23 Stipulation and summarized in this notice, including the dismissal of the Actions with prejudice.  
24 For a more detailed statement of the matters involved in the Actions, the Settlement, and the terms  
25 discussed in this notice, the Stipulation may be inspected at the Clerk of Court's office at the Santa  
26 Clara Superior Courthouse, 191 North First Street, San Jose, California 95113. The Stipulation is  
27 also available for viewing on the websites of Robbins Umeda LLP at  
28 <http://www.robbinsumeda.com/notices.html> and Hansen at  
<http://www.hansenmedical.com/eu/global/investor-relations/corporate-profile.html>.

1 This notice is not intended to be an expression of any opinion by the Court with respect to the  
2 merits of the claims made in the Actions, but is merely to advise you of the pendency and Settlement  
3 of the Actions.

4 **There is no claims procedure.** This case was brought to protect the interests of Hansen and  
5 its shareholders. The Settlement will result in changes to the Company's corporate governance, not in  
6 payment to individuals, and accordingly, there will be no claims procedure.

7 **I. THE DERIVATIVE ACTIONS**

8 According to its public filings, Hansen is a Delaware corporation that develops,  
9 manufactures, and sells medical robotics for accurate positioning, manipulation, and stable control  
10 of catheters and catheter-based technologies. On October 19, 2009, Hansen disclosed that it was  
11 restating its fiscal 2008 through second quarter 2009 financial results to correct improper revenue  
12 recognition in connection with sales of its principal product, the Sensei Robotic Catheter System.  
13 Hansen also disclosed that a whistleblower report, regarding accounting irregularities, triggered  
14 the discovery of the improper revenue recognition.

15 The Actions are brought by Plaintiffs solely on behalf of and for the benefit of Hansen and  
16 against the Individual Defendants. Plaintiffs generally allege, among other things, that the  
17 Individual Defendants breached their fiduciary duties of due care, loyalty, and good faith to the  
18 Company in connection with the accounting irregularities and improper revenue recognition.

19 **II. TERMS OF THE SETTLEMENT**

20 The terms and conditions of the proposed Settlement are set forth in the Stipulation  
21 described above. The Stipulation has been filed with the Court and is also available for viewing on  
22 the websites of Robbins Umeda LLP at <http://www.robbinsumeda.com/notices.html> and Hansen  
23 at <http://www.hansenmedical.com/eu/global/investor-relations/corporate-profile.html>. The  
24 following is only a summary of its terms.

25 In consideration for the Settlement, Hansen has agreed to adopt significant corporate  
26 governance measures designed to strengthen the Company's internal controls. Hansen and the  
27 Individual Defendants acknowledge and agree that the filing, prosecution, and Settlement of the  
28 Actions were a substantial material factor behind the Company's decision to implement these

1 corporate governance measures. Hansen and the Individual Defendants further acknowledge and  
2 agree that the corporate governance measures are significant and extensive and confer substantial  
3 benefits upon Hansen and its shareholders by, among other things, helping to prevent a recurrence  
4 of the wrongdoing alleged in the Actions.

5 For example, the corporate governance measures set forth policies and procedures that are  
6 designed to strengthen, among other things, the Company's accounting policies and procedures  
7 relating to revenue recognition and the internal audit function. In particular, the reforms require  
8 that Hansen's Audit Committee retain an independent firm to assist the Company in the review and  
9 assessment of the Company's internal control structure. The Audit Committee will be required to  
10 meet with the independent firm on an annual basis to review the Company's internal control  
11 structure and must review all quarterly earnings releases prior to issuance. In addition, Hansen has  
12 replaced PricewaterhouseCoopers, LLP, with Deloitte & Touche LLP, and the Audit Committee  
13 shall formally consider, on the seventh year following the retention of Deloitte & Touche or the  
14 assignment of a new audit partner, and every three years thereafter, whether the Company should  
15 retain a new outside audit firm or seek assignment of a new audit partner.

16 In addition to strengthening Hansen's accounting policies and procedures, the corporate  
17 governance measures are also designed to strengthen the independence of the Board of Directors  
18 (the "Board"). For example, the Company will implement policies requiring that at least  
19 two-thirds of the members of the Board be independent directors and the independent directors  
20 meet in executive session at least three times annually. Additionally, once the current Chairman  
21 steps down, the position of Chairman (or Lead Independent Director) shall be held by an  
22 independent director.

23 The reforms also require that the Company adopt certain policies designed to ensure that  
24 Hansen's directors stay abreast of developments in legal standards related to corporate governance,  
25 accounting policies, and industry specific issues.

26 Hansen has agreed to adopt the corporate governance measures within thirty days after  
27 dismissal of the Actions with prejudice and to maintain such reforms for a period of not less than  
28 five years from the date the respective corporate governance measures are adopted.

1 This Notice provides a summary of some, but not all, of the corporate governance  
2 measures that Hansen has agreed to adopt as consideration for the Settlement. For a list of all of  
3 the corporate governance measures, please see the Stipulation, which may be inspected during  
4 business hours at the office of the Clerk of the Court and/or viewed on the websites of Robbins  
5 Umeda LLP at <http://www.robbinsumeda.com/notices.html> and Hansen at  
6 <http://www.hansenmedical.com/eu/global/investor-relations/corporate-profile.html>.

7 **III. DISMISSAL AND RELEASES**

8 The Settlement is conditioned, among other things, upon: (i) entry of an order by the Court  
9 approving the Settlement and dismissing the State Action with prejudice; and (ii) dismissal of the  
10 Federal Action with prejudice. The Settlement will not become effective until such dismissals  
11 have been entered and have become final and non-appealable (the "Effective Date").

12 Upon the Effective Date, Hansen, Plaintiffs, and Current Hansen Shareholders shall be  
13 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled  
14 released, discharged, extinguished, and dismissed with prejudice any and all claims, debts,  
15 demands, rights, accountings, matters, issues, suits, causes of action or liabilities, of every nature  
16 and description whatsoever, whether based on federal, state, local, statutory, or common law or  
17 any other law, rule, or regulation (whether foreign or domestic), including both known claims and  
18 Unknown Claims, accrued claims and not accrued claims, foreseen claims and unforeseen claims,  
19 matured claims and not matured claims, to the date of the entry of the Judgment that have been or  
20 could have been asserted in any forum or in the action by Plaintiffs, any Current Hansen  
21 Shareholders derivatively on behalf of Hansen, or by Hansen, against Hansen, each of the  
22 Individual Defendants and each of the Individual Defendants' past or present legal representatives,  
23 heirs, assigns, agents, employees, attorneys, advisors, investment advisors, auditors, accountants,  
24 and any firm, trust, corporation, or other Person or entity in which any Individual Defendant has a  
25 controlling interest (the "Released Persons") which arise out of or relate to: (i) the allegations,  
26 transactions, facts, disclosures, acts, matters or occurrences, statements, representations or  
27 omissions, or failures to act that were alleged in the Actions or the Cates Demand, or closely  
28 related thereto; or (ii) any claims in connection with, based upon, arising out of, or relating to the

1 Settlement, except for any claims to enforce the Settlement. Notwithstanding the foregoing,  
2 nothing set forth herein shall constitute a release by Hansen of any claims Hansen may have (i)  
3 against any insurer, co-insurer or reinsurer, or (ii) against any Individual Defendant for (a)  
4 recovery of indemnification and advancement amounts paid by Hansen, or (b) contribution or  
5 indemnity. However, Hansen agrees that it will not seek indemnity or contribution from any  
6 Individual Defendant for any portion of the Fee Amount payment described in paragraph 5.1  
7 below or any portion of the attorneys' fees or other litigation expenses it has incurred in connection  
8 with the Actions or the Cates Demand (the "Released Claims").

9 Further, upon the Effective Date, each of the Released Persons shall be deemed to have,  
10 and by operation of the Judgment shall have, fully, finally, and forever settled released,  
11 extinguished, and dismissed with prejudice any and all claims, debts, rights, or causes of action or  
12 liabilities, including Unknown Claims, that could be asserted in any forum by the Released  
13 Persons or their successors and assigns or their subrogates, against Plaintiffs, Plaintiffs' Counsel,  
14 or Hansen, that arise out of or relate in any way to the institution, prosecution, or settlement of the  
15 Actions (except for any claims to enforce the Settlement).

16 **IV. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT**

17 Plaintiffs believe the Actions have substantial merit. Nonetheless, Plaintiffs and Plaintiffs'  
18 Counsel recognize and acknowledge the significant risk, expense, and length of continued  
19 proceedings necessary to prosecute the Actions against the Individual Defendants through trial and  
20 through possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome  
21 and the risk of any litigation, especially in complex cases such as the Actions, as well as the  
22 difficulties and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the  
23 inherent problems of proof and possible defenses to the claims alleged in such actions. Plaintiffs'  
24 Counsel have conducted a thorough review and analysis of the relevant facts, allegations,  
25 defenses, and controlling legal principles, and believe that the Settlement set forth in the  
26 Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon Hansen and its  
27 shareholders. Based upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the  
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1 Settlement is in the best interests of Hansen and have agreed to settle the Actions upon the terms  
2 and subject to the conditions set forth in the Stipulation.

3 **V. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

4 Defendants have denied and continue to deny each and all of the claims and contentions  
5 alleged by Plaintiffs in the Actions. The Individual Defendants expressly have denied and  
6 continue to deny all charges of wrongdoing or liability against them arising out of any of the  
7 conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions.

8 Nonetheless, Defendants have concluded that further litigation of the Actions would be  
9 protracted and expensive, and that it is desirable that the Actions be fully and finally settled in the  
10 manner and upon the terms and conditions set forth in the Stipulation. Defendants also have taken  
11 into account the uncertainty and risks inherent in any litigation, especially in complex cases like  
12 the Actions. Defendants have, therefore, determined that it is desirable and beneficial to them and  
13 to Hansen that the Actions be settled in the manner and upon the terms and conditions set forth in  
14 the Stipulation. Further, Defendants believe that the Settlement set forth in the Stipulation confers  
15 substantial benefits upon Hansen and its shareholders and is in the best interests of Hansen and its  
16 shareholders.

17 **VI. PLAINTIFFS' ATTORNEYS' FEES AND EXPENSES**

18 After negotiating the substantive terms of the Settlement, and in recognition of the  
19 substantial benefits conferred on Hansen through the Settlement, the Settling Parties reached an  
20 agreement as to a fair and reasonable sum to be paid for Plaintiffs' attorneys' fees and expenses.  
21 The Individual Defendants' insurer shall pay to Plaintiffs' Counsel the agreed-to amount of  
22 \$300,000 for attorneys' fees and expenses (the "Fee Amount"). Plaintiffs' Counsel shall request  
23 approval by the Court of the Fee Amount at the Settlement Hearing. To date, Plaintiffs' Counsel  
24 have neither received any payment for their services in conducting the Actions, nor have Plaintiffs'  
25 Counsel been reimbursed for their out-of-pocket litigation expenses incurred. Plaintiffs' Counsel  
26 believe that the Fee Amount is within the range of fees and expenses approved by courts under  
27 similar circumstances in litigation of this type.

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1 **VII. THE SETTLEMENT HEARING AND YOUR RIGHT TO BE HEARD**

2 The Settlement Hearing will be held on \_\_\_\_\_, 2012 at \_\_:\_\_ \_\_.m. before the  
3 Honorable James P. Kleinberg in the Superior Court of California, County of Santa Clara, 191  
4 North First Street, San Jose, California 95113. The Settlement Hearing may be continued by the  
5 Court at the Settlement Hearing, or at any adjourned session thereof without further notice.

6 At the Settlement Hearing, the Court will consider whether to grant final approval to the  
7 Settlement and the Fee Amount. You have the right, but are not required to appear in person or  
8 through counsel at the Settlement Hearing to object to the terms of the proposed Settlement or  
9 otherwise present evidence or argument that may be proper and relevant. However, you shall not  
10 be heard, and no papers, briefs, or other documents by you shall be received and considered by the  
11 Court (unless the Court in its discretion shall thereafter otherwise direct, upon application of such  
12 person and for good cause shown), unless not later than fourteen calendar days prior to the  
13 Settlement Hearing, you file with the Court:

14 (i) a written notice of objection with your name, address, and telephone number, along  
15 with a representation as to whether you intend to appear at the Settlement Hearing;

16 (ii) competent evidence that you held shares of Hansen common stock as of December  
17 \_\_, 2011, and that you continue to hold shares of Hansen common stock as of the date of the  
18 Settlement Hearing;

19 (iii) a statement of your objections to any matters before the Court, the grounds therefor  
20 or the reasons for your desiring to appear and be heard, as well as all documents or writings you  
21 desire the Court to consider; and

22 (iv) the identities of any witnesses you plan on calling at the Settlement Hearing, along  
23 with a summary description of their likely testimony.

24 In addition, on or before the date of such filing, *you must also serve the same documents*  
25 *via first class mail or overnight delivery upon each of the following:*

26 ***The Court:***

27 Clerk of the Court  
28 Superior Court of California  
County of Santa Clara

***Lead Counsel for Plaintiffs:***

ROBBINS UMEDA LLP  
Attn: Kevin A. Seely, Esq.  
600 B Street, Suite 1900

1 191 North First Street  
San Jose, CA 95113

San Diego, CA 92101

2  
3 ***Counsel for Defendants:***

4 BINGHAM McCUTCHEN LLP  
5 Attn: John D. Pernick, Esq.  
Three Embarcadero Center  
San Francisco, CA 94111

6 Unless the Court otherwise directs, you shall not be entitled to object to the approval of the  
7 Settlement, to the Fee Amount, or to otherwise be heard, except by serving and filing a written  
8 objection and supporting papers and documents as prescribed above. ***If you fail to object in the***  
9 ***manner and within the time prescribed above you shall be deemed to have waived your right to***  
10 ***object (including the right to appeal) and shall forever be barred, in this proceeding or in any***  
11 ***other proceeding, from raising such objection(s).***

12 **VIII. CONDITIONS FOR SETTLEMENT**

13 The Settlement is conditioned upon the occurrence of certain events described in the  
14 Stipulation, which requires, among other things: (i) approval of the Settlement; (ii) dismissal of the  
15 Actions with prejudice; and (iii) expiration of the time to appeal from, or alter or amend, the  
16 Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met and  
17 the entry of the Judgment does not occur, the Stipulation might be terminated and, if terminated,  
18 will become null and void; and the parties to the Stipulation will be restored to their respective  
19 positions as of the execution date of the Stipulation.

20 **IX. EXAMINATION OF PAPERS AND INQUIRIES**

21 There is additional information concerning the Settlement available in the Stipulation of  
22 Settlement, which may be inspected during business hours at the office of the Clerk of the Court  
23 and/or viewed on viewed on the websites of Robbins Umeda LLP at  
24 <http://www.robbinsumeda.com/notices.html> and Hansen at  
25 <http://www.hansenmedical.com/eu/global/investor-relations/corporate-profile.html>.

26 For more information concerning the Settlement, you may also call or write to: Robbins  
27 Umeda LLP, c/o Lauren Levi, Client Relations, 600 B Street, Suite 1900, San Diego, CA 92101,  
28 Telephone: (619) 525-3990.

**PLEASE DO NOT TELEPHONE THE COURT OR HANSEN  
REGARDING THIS NOTICE.**

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

IN RE HANSEN MEDICAL, INC.	)	Lead Case No. 1:09-CV-157170
SHAREHOLDER DERIVATIVE	)	
LITIGATION	)	(Consolidated with Case No. 1:09-CV-157592)
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This Document Relates To:	)	[PROPOSED] FINAL ORDER OF
	)	DISMISSAL WITH PREJUDICE AND
ALL ACTIONS	)	JUDGMENT
	)	
	)	Judge: James P. Kleinberg
	)	Dept: 1
	)	Date Action Filed: November 12, 2009

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1 This matter came before the Court for hearing pursuant to the Order of this Court, dated  
2 \_\_\_\_\_, 2012 ("Preliminary Approval Order"), on the application of the  
3 Settling Parties for approval of the Settlement set forth in the Stipulation of Settlement dated  
4 December 21, 2011 (the "Stipulation"). Due and adequate notice having been given to Hansen  
5 Medical, Inc. ("Hansen") shareholders as required in said Preliminary Approval Order, and the  
6 Court having considered all papers filed and proceedings and otherwise being fully informed in  
7 the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED,  
8 AND DECREED that:

9 1. This Judgment incorporates by reference the definitions in the Stipulation, and all  
10 capitalized terms used herein shall have the same meanings and/or definitions as set forth in the  
11 Stipulation.

12 2. This Court has jurisdiction over the subject matter of the State Action, including  
13 all matters necessary to effectuate the Settlement, and over all Settling Parties to the State  
14 Action, including the State Plaintiff, Current Hansen Shareholders, Hansen, and the Individual  
15 Defendants.

16 3. The Court finds that the Settlement is fair, reasonable, and adequate as to each of  
17 the Settling Parties and that the Settlement provides substantial benefits to Hansen and its  
18 shareholders. The Court hereby finally approves the Settlement in all respects and orders the  
19 Settling Parties to perform its terms to the extent the Settling Parties have not already done so.

20 4. The State Action and all claims contained therein, as well as all of the Released  
21 Claims, are dismissed with prejudice. As between State Plaintiff, Hansen, and the Individual  
22 Defendants, the Settling Parties are to bear their own costs, except as otherwise provided herein  
23 and in the Stipulation.

24 5. Upon the Effective Date, Plaintiffs, Released Persons, and Current Hansen  
25 Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully,  
26 finally, and forever released, relinquished, and discharged all the Released Claims, including  
27 both known and Unknown Claims, against the Released Persons.

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1           6.       Upon the Effective Date, each of the Defendants' Released Persons shall be  
2 deemed to have, and by operation of the Judgment shall have, fully, finally and forever released,  
3 relinquished and discharged Defendants' Released Claims against Plaintiffs' Released Persons,  
4 Plaintiffs' Counsel, and Defendants' Released Persons.

5           7.       The Court finds that the Summary Notice of Pendency and Proposed Settlement  
6 of Shareholder Derivative Actions published in *Investor's Business Daily* and included in  
7 Hansen's Form 8-K, filed with the U.S. Securities and Exchange Commission, and the Notice of  
8 Pendency and Proposed Settlement of Shareholder Derivative Actions ("Notice") posted on the  
9 websites of Robbins Umeda LLP and Hansen, provided the best notice practicable under the  
10 circumstances of these proceedings and of the matters set forth therein, including the Settlement  
11 set forth in the Stipulation, to all Persons entitled to such notice, and said Notice fully satisfied  
12 the requirements of California law and due process under the U.S. Constitution.

13           8.       The Court finds that during the course of the State Action the Settling Parties and  
14 their respective counsel at all times acted professionally and in compliance with California Code  
15 of Civil Procedure section 128.7, and all other similar statutes or court rules with respect to any  
16 claims or defenses in the Actions.

17           9.       The Court hereby approves the sum of \$300,000 for the payment of Plaintiffs'  
18 attorneys' fees and expenses (the "Fee Amount"). Defendants shall cause their insurers to  
19 transfer the Fee Amount in accordance with the terms and conditions set forth in the Stipulation.

20           10.       Neither the Stipulation nor the Settlement, nor any act performed or document  
21 executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may be  
22 deemed to be or may be used as an admission of, or evidence of, the validity of any Released  
23 Claim, or of any wrongdoing or liability of the Released Persons; or (ii) is or may be deemed to  
24 be or may be used as an admission of, or evidence of, any fault or omission of any of the  
25 Released Persons in any civil, criminal, or administrative proceeding in any court, administrative  
26 agency, or other tribunal. Hansen, the Individual Defendants, and/or the Related Persons may  
27 file the Stipulation and/or the Judgment in any action that may be brought against them in order  
28 to support a defense or counterclaim based on principles of res judicata, collateral estoppel,

1 release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion  
2 or issue preclusion or similar defense or counterclaim.

3 11. Without affecting the finality of this Judgment in any way, this Court hereby  
4 retains continuing jurisdiction over: (i) implementation of the Settlement; and (ii) the Settling  
5 Parties for the purpose of construing, enforcing, and administering the Stipulation and the  
6 Settlement, including, if necessary, setting aside and vacating this Judgment, on motion of a  
7 party, to the extent consistent with and in accordance with the Stipulation if the entry of the  
8 Judgment fails to occur in accordance with the Stipulation.

9 12. If for any reason any of the conditions of paragraph 6.1 of the Stipulation does not  
10 occur, or if the Stipulation is in any way canceled, terminated, or fails to become Final in  
11 accordance with its terms, all Settling Parties and Released Persons shall be restored to their  
12 respective positions in the Actions on the date immediately prior to the execution date of the  
13 Stipulation. In such event, the terms and provisions of the Stipulation shall be null and void and  
14 of no force and effect, except for paragraph 6.2, unless the Settling Parties' counsel mutually  
15 agree in writing otherwise, and the Stipulation shall not be deemed to constitute an admission of  
16 fact by any of the Settling Parties, and neither the existence of the Stipulation nor its contents,  
17 shall be admissible in evidence or be referred to for any purposes in the Actions or in any  
18 litigation or judicial proceeding.

19 13. This Judgment is a final, appealable judgment and should be entered forthwith by  
20 the Clerk in accordance with California Code of Civil Procedure section 664.6.

21 \* \* \*

22 **ORDER**

23 IT IS SO ORDERED.

24  
25 DATED: \_\_\_\_\_

26 \_\_\_\_\_  
27 HONORABLE JAMES P. KLEINBERG  
28 JUDGE OF THE SUPERIOR COURT

663209

**THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA CLARA  
ELECTRONIC FILING - WWW.SCEFILING.ORG**

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2915 McClure Street  
Oakland, CA94609  
TEL: (510) 208-4775  
FAX: (510) 465-7348  
EMAIL: Info@Glotrans.com

**THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF SANTA CLARA**

IN RE HANSEN MEDICAL, INC. SHAREHOLDER  
DERIVATIVE LITIGATION Consolidated Action,  
Including: Cates

Plaintiff,

vs.

Moll, et al. Santa Clara County Superior Court  
Case No. 1-09-CV-157170 (Lead Case) Filed  
November 12, 2009 Daneshmand v. Moll, et al.  
Santa Clara County Superior Court Case No.  
1-09-CV-157592 Filed November 19, 2009

Defendant.

In re Hansen Medical, Inc. Shareholder  
Derivative Litigation [consolidated action,  
including case nos. 1-09-CV-157170 (Lead) and  
1-09-CV-157592]

Lead Case No.1-09-CV-157170

Hon. Joseph H. Huber

AND RELATED ACTIONS

**PROOF OF SERVICE**  
**Electronic Proof of Service**

I am employed in the County of Alameda, State of California.

I am over the age of 18 and not a party to the within action; my business address is 2915 McClure Street, Oakland, CA 94609.

The documents described on page 2 of this Electronic Proof of Service were submitted via the worldwide web on Fri. December 23, 2011 at 10:26 AM PST and served by electronic mail notification.

I have reviewed the Court's Order Concerning Electronic Filing and Service of Pleading Documents and am readily familiar with the contents of said Order. Under the terms of said Order, I certify the above-described document's electronic service in the following manner:

The document was electronically filed on the Court's website, <http://www.scefiling.org>, on Fri. December 23, 2011 at 10:26 AM PST

Upon approval of the document by the Court, an electronic mail message was transmitted to all parties on the electronic service list maintained for this case. The message identified the document and provided instructions for accessing the document on the worldwide web.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 23, 2011 at Oakland, California.

Dated: December 23, 2011

For WWW.SCEFILING.ORG

Andy Jamieson

2 **Electronic Proof of Service**  
3 **Page 2**

4 **Document(s) submitted by Christopher Walters of Robbins Umeda LLP on Fri. December 23, 2011 at 10:26 AM PST**

5 1. Stipulation: Stipulation of Settlement  
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