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Defendant, The Cooper Companies, Inc.

11

12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **SOUTHERN DIVISION**

15

16 IN RE: COOPER COMPANIES, INC.
17 DERIVATIVE LITIGATION

Master File:
Case No. SACV 06 00300 CJC (RNB)
[This Document Relates to All Actions]

18

STIPULATION OF SETTLEMENT

19

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Judge: Honorable Cormac J. Carney
Room: 9B

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1 This Stipulation of Settlement dated December 6, 2010 (the “Stipulation”),
2 is made and entered into by and among the following Settling Parties: (i) the
3 Plaintiffs (on behalf of themselves and derivatively on behalf of The Cooper
4 Companies, Inc.), by and through their counsel in the Actions; (ii) the Individual
5 Defendants, by and through their counsel in the Actions; and (iii) nominal
6 defendant The Cooper Companies, Inc. (“Cooper” or the “Company”). This
7 Stipulation is intended by the Settling Parties to fully, finally and forever resolve,
8 discharge and settle the Released Claims, upon and subject to the terms and
9 conditions hereof. Capitalized terms not otherwise defined shall have the
10 definitions set forth in §1.1 – 1.21 below.

11 **PROCEDURAL HISTORY**

12 On March 17, 2006, a shareholder derivative complaint captioned *Brice v.*
13 *Bender et al.*, was filed in the United States District Court for the Central District
14 of California alleging causes of action for breach of fiduciary duty, unjust
15 enrichment, and other related causes of action against the Individual Defendants.
16 Similar shareholder derivative complaints were filed in the same court on May 2,
17 2006 (*Operman v. Bender et al.*), May 11, 2006 (*Kromer IV v. Bender, et al.*), and
18 May 30, 2006 (*Keren Hacheded Student Aid Fund v. Bender, et al.*). The *Brice*,
19 *Operman*, *Kromer IV*, and *Keren Hacheded Student Aid Fund* actions were
20 consolidated by the Federal Court in an order dated July 27, 2006, and the
21 consolidated action was captioned *In re Cooper Companies, Inc. Derivative*
22 *Litigation*.

23 On July 21, 2006, Cooper moved to stay the Federal Action, or alternatively
24 to stay discovery in favor of a related securities class action pending in Federal
25 Court captioned *In re Cooper Companies, Inc. Securities Litigation*, Case No.
26 SACV 06-00169 CJC (RNBx) (the “Class Action”). On August 28, 2006, the
27 Court denied the motion to stay, without prejudice, pending the filing of a
28 consolidated amended derivative complaint.

1 On September 11, 2006, the plaintiffs in the Federal Action filed a
2 consolidated amended derivative complaint. The consolidated complaint alleges
3 that the Individual Defendants made material misstatements concerning the
4 Company's product lines and the Company's financial projections. The
5 consolidated complaint also alleges that the Individual Defendants permitted the
6 Company to improperly account for assets acquired in its January 2005 merger
7 with Ocular Sciences, Inc. by allocating \$100 million of acquired customer
8 relationships and manufacturing technology to goodwill instead of to intangible
9 assets other than goodwill and that the Individual Defendants failed to establish
10 appropriate internal controls. Plaintiffs also allege that many of the Individual
11 Defendants also engaged in impermissible insider trading.

12 Cooper filed another motion to stay the Federal Action on October 16, 2006.
13 By order dated November 7, 2006, the Court stayed discovery in the Federal
14 Action. Pursuant to a series of stipulated Orders, Defendants' responses to the
15 consolidated complaint were continued.

16 On March 20, 2006, a shareholder derivative complaint arising out of the
17 same facts as the Federal Action, captioned *Kotzun v. Bender et al.*, was filed in the
18 California Superior Court for the County of Alameda. Similar stockholder
19 derivative complaints were filed in the same court on March 22, 2006 (*Brown v.*
20 *Bender et al.*), March 29, 2006 (*Operman v. Bender et al.*), and April 26, 2006
21 (*Wachs v. Bender*). The *Operman* state court action was dismissed on May 17,
22 2006. The *Kotzun*, *Brown*, and *Wachs* actions were consolidated under the caption
23 *In re Cooper Companies, Inc. Shareholder Derivative Litigation* by the State Court
24 in an order dated November 1, 2006. Plaintiffs in the State Action filed a
25 consolidated amended complaint on September 16, 2006 ("State Amended
26 Complaint"). After briefing and oral argument, the State Court ordered the State
27 Action stayed pending the resolution of the Federal Action.

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1 Beginning in August 2009, the parties engaged in substantive settlement
2 negotiations with the assistance of a mediator, the Honorable Layn R. Phillips (ret),
3 a former United States District Judge. Counsel for certain of the parties met in
4 person with Judge Phillips on August 28, 2009 and on April 26, 2010, and held
5 numerous discussions thereafter.

6 **PLAINTIFFS' INVESTIGATION AND RESEARCH OF THE CLAIMS IN**
7 **THE ACTIONS**

8 Plaintiffs' Counsel believe that they have conducted an extensive
9 investigation during the development, prosecution, and settlement of the Actions.
10 This investigation has included, *inter alia*, (i) inspecting, reviewing and analyzing
11 the Company's public filings; (ii) preparing detailed amended complaints; (iii)
12 performing statistical analyses of the insider sales challenged in the Actions; (iv)
13 researching the applicable law with respect to the claims asserted in the Actions
14 and the potential defenses thereto (v) researching corporate governance issues; (vi)
15 preparing mediation materials, (vii) reviewing and analyzing the court filings in the
16 Class Action; and (viii) attending formal mediation and participating in numerous
17 telephonic meetings with Defendants' counsel and Judge Phillips.

18 **DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

19 Each Defendant has denied and continues to deny each and all of the claims
20 and contentions alleged in the Actions. Each Defendant expressly has denied and
21 continues to deny all charges of wrongdoing or liability arising out of or relating in
22 any way to the events, conduct, statements, acts or omissions alleged, or that could
23 have been alleged, in the Actions, and Defendants contend that many of the factual
24 allegations in the Actions are materially inaccurate. The Individual Defendants
25 also have denied and continue to deny, *inter alia*, the allegations that the Plaintiffs,
26 Cooper or its stockholders have suffered damage, or that the Plaintiffs, Cooper or
27 its stockholders have been harmed in any way by the conduct alleged in the
28 Actions or otherwise. The Individual Defendants have further asserted that at all

1 times, they acted in good faith, and in a manner they reasonably believed to be and
2 that was in the best interests of Cooper and its stockholders. Pursuant to the terms
3 set forth below, this Stipulation shall in no event be construed as or deemed to be
4 evidence of an admission or concession by Defendants with respect to any claim of
5 any fault, liability, wrongdoing, or damage whatsoever.

6 Nonetheless, the Defendants have concluded that further defense of the
7 Actions would be protracted and expensive, and that it is desirable that the Actions
8 be fully and finally settled in the manner and upon the terms and conditions set
9 forth in this Stipulation. The Defendants also have taken into account the
10 uncertainty and risks inherent in any litigation, especially in complex cases like the
11 Actions. The Defendants are entering into this Stipulation because the proposed
12 settlement would eliminate the burden and expense of further litigation, and
13 because the settlement provides substantial benefits and is in the best interests of
14 Cooper and its stockholders.

15 **PLAINTIFFS' CLAIMS AND THE BENEFITS OF THE SETTLEMENT**

16 The Plaintiffs believe that the claims asserted in the Actions have merit.
17 However, the Plaintiffs recognize and acknowledge the expense and length of
18 continued legal proceedings necessary to prosecute the Actions through trial and
19 the appeals process. Plaintiffs' Counsel have taken into account the uncertain
20 outcome and the risk of any litigation, especially in complex litigations such as the
21 Actions, as well as the difficulties and delays inherent in such litigation. Plaintiffs'
22 Counsel also are mindful of the problems of proof and possible defenses to the
23 claims asserted in the Actions. Plaintiffs' Counsel believe that the settlement set
24 forth in this Stipulation confers substantial benefits upon Cooper and its
25 stockholders. Based upon their evaluation, Plaintiffs have determined that the
26 settlement set forth in this Stipulation is in the best interests of the Plaintiffs,
27 Cooper and its stockholders.

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1 **TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

2 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by
3 and among the Plaintiffs (for themselves and derivatively on behalf of Cooper) and
4 the Defendants, by and through their respective counsel, that, subject to all
5 necessary court approvals, and in exchange for the Corporate Governance
6 Measures, as set forth below, the Actions and the Released Claims shall be fully,
7 finally and forever compromised, settled and released, and the Actions shall be
8 dismissed with prejudice and with full preclusive effect as to all Settling Parties,
9 upon and subject to the terms and conditions of this Stipulation, as follows.

10 **1. Definitions**

11 As used in this Stipulation, the following terms have the meanings specified
12 below. In the event of any inconsistency between any definition set forth below
13 and any definition set forth in any other document related to the settlement set
14 forth in this Stipulation, the definition set forth below shall control.

15 1.1 “Actions” means the Federal Action and the State Action.

16 1.2 “Cooper” or the “Company” means Nominal Defendant The Cooper
17 Companies, Inc.

18 1.3 “Corporate Governance Measures” means the corporate governance
19 measures that the Company has agreed to implement and/or maintain
20 in connection with the settlement of the Actions, as specified in ¶ 2
21 below.

22 1.4 “Defendants” means the Individual Defendants and nominal
23 defendant Cooper.

24 1.5 “Effective Date” means the first date by which all of the events and
25 conditions specified in ¶ 6.1 hereof have occurred or have been met.

26 1.6 “Federal Action” means the consolidated stockholder derivative
27 action filed in the United States District Court for the Central District
28 of California, captioned, *In re Cooper Companies, Inc. Shareholder*

1 *Derivative Litigation*, Case No. SACV06-300 (CJC), including the
2 consolidated cases *Brice v. Bender, et al.*, Case No. SACV 06-300;
3 *Operman v. Bender, et al.*, Case No. SACV 06-434; *Kromer IV v.*
4 *Bender, et al.*, Case No. SACV 06-471; and *Keren Hacheded Student*
5 *Aid Fund v. Bender et al.*, Case No. SACV 06-508.

6 1.7 “Federal Co-Lead Counsel” means Schubert Jonckheer & Kolbe LLP
7 and Climaco, Wilcox, Peca, Tarantino & Garofoli Co., L.P.A.

8 1.8 “Federal Court” means the United States District Court for the Central
9 District of California, Southern Division.

10 1.9 “Final” means, with respect to any order of court, including, without
11 limitation, the Judgment, that such order represents a final and binding
12 determination of all issues within its scope and is not subject to further
13 review on appeal or otherwise. Without limitation, an order becomes
14 “Final” when: (a) no appeal has been filed and the prescribed time for
15 commencing any appeal has expired; or (b) an appeal has been filed
16 and either (i) the appeal has been dismissed and the prescribed time, if
17 any, for commencing any further appeal has expired, or (ii) the order
18 has been affirmed in its entirety and the prescribed time, if any, for
19 commencing any further appeal has expired. For purposes of this
20 paragraph, an “appeal” includes appeals as of right, discretionary
21 appeals, interlocutory appeals, proceedings involving writs of
22 certiorari or mandamus, and any other proceedings of like kind. Any
23 appeal or other proceeding pertaining to any order issued in respect of
24 an application for attorneys’ fees and expenses shall not in any way
25 delay or preclude the Judgment from becoming Final

26 1.10 “Individual Defendants” means B. Norris Battin, A. Thomas Bender,
27 John J. Calcagno, Edgar J. Cummins, John D. Fruth, Gregory A.
28 Fryling, Michael H. Kalkstein, Carol R. Kaufman, Jody S. Lindell,

1 Moses Marx, Steven M. Neil, Jeffrey Alan McLean, Nicholas J.
2 Pichotta, Donald J. Press, Paul L. Remmell, Steven Rosenberg, Allan
3 E. Rubenstein, Robert S. Weiss and Stanley Zinberg.

4 1.11 “Judgment” means the judgment to be entered by the Federal Court, in
5 the form attached hereto as Exhibit B.

6 1.12 “Notice” means that notice of the settlement to be provided to the
7 Company’s stockholders, in a form and manner referenced in ¶ 3.2
8 hereof, approved by the Federal Court, and which is consistent with
9 the requirements of Federal Rule of Civil Procedure 23.1.

10 1.13 “Person” means an individual, corporation, limited liability company,
11 professional corporation, partnership, limited partnership, limited
12 liability partnership, association, joint stock company, estate, legal
13 representative, trust, unincorporated association, government or any
14 political subdivision or agency thereof, and any business or legal
15 entity and their spouses, heirs, predecessors, successors, parents,
16 subsidiaries, representatives, or assignees of any of the foregoing.

17 1.14 “Plaintiffs” means Eben Brice, John Brown, Keren Hached Student
18 Aid Fund, John Kotzun, Philip F. Kromer IV, Joseph Operman, and
19 Leslie R. Wachs.

20 1.15 “Plaintiffs’ Counsel” means counsel who have appeared on behalf of
21 any of the plaintiffs in the Actions.

22 1.16 “Released Claims” shall collectively mean any and all claims for
23 relief (including Unknown Claims as defined in ¶ 1.22 hereof), rights,
24 demands, causes of action, liabilities, debts, obligations, matters,
25 issues and suits of any kind whatsoever, whether known or unknown,
26 contingent or absolute, matured or unmatured, discoverable or
27 undiscoverable, whether or not concealed or hidden, that have been,
28 could or might have been, or in the future might be asserted by

1 Plaintiffs or Cooper’s stockholders, in their capacity as Cooper
2 shareholders, or Cooper, based upon, arising out of, or in any way
3 relating to: (a) any mismanagement, misconduct, act, failure to act,
4 omission, statement, concealment, misrepresentation, sale of stock,
5 fact, event, occurrence, violation of law, or other matter set forth,
6 alleged or otherwise referred to in the Actions or the Class Action; (b)
7 the settlement of the Actions, including the payments provided for in
8 ¶ 5 of this Stipulation, and the attorneys’ fees, costs, and expenses
9 incurred in defense thereof. Notwithstanding the foregoing, Released
10 Claims shall not include any claims to enforce the terms of this
11 Stipulation. In addition, nothing set forth herein shall constitute a
12 release by any Defendant of any insurer, reinsurer, or any other entity
13 contracted or otherwise obligated to provide insurance or
14 indemnification to any of the Released Persons of any claim arising
15 out of the rights, remedies, duties or obligations provided for in any
16 insurance policy or agreement, but the Effective Date shall not be
17 contingent upon the resolution of such claim. Nothing set forth herein
18 shall constitute a release by or among the Company and the Individual
19 Defendants or Released Persons of the rights and obligations relating
20 to indemnification or advancement of defense costs arising from the
21 Company’s or any of its subsidiary’s, division’s or related or affiliated
22 entity’s certificate of incorporation or bylaws, Delaware law, or any
23 indemnification agreement or similar agreement.

24 1.17 “Released Persons” means each and all of Defendants and each and
25 any of Defendants’ respective past, present or future directors,
26 officers, employees, partnerships and partners, principals, agents,
27 controlling shareholders, attorneys, accountants, auditors, investment
28 banks and investment bankers, underwriters, advisors, financial

1 advisors, personal or legal representatives, analysts, agents, associates,
2 servants, insurers, co-insurers and reinsurers, predecessors,
3 successors, parents, subsidiaries, divisions, assigns, joint ventures and
4 joint venturers, spouses, heirs, executors, administrators, related or
5 affiliated entities, members of an Individual Defendant's immediate
6 family, any entity in which any Defendant and/or any member(s) of
7 that Defendant's immediate family has or have a controlling interest
8 (directly or indirectly), and any trust of which any Defendant is the
9 settlor or which is for the benefit of any Individual Defendant and/or
10 member(s) of his family, and all other Persons.

11 1.18 "Settling Parties" means, collectively, each of the Defendants, and the
12 Plaintiffs on behalf of themselves, Cooper and its stockholders.

13 1.19 "State Action" means the consolidated stockholder derivative action
14 in the State Court captioned *In re The Cooper Companies, Inc.*
15 *Shareholder Derivative Litigation*, Lead Case No. RG06260748,
16 including the consolidated cases *Brown v. Bender*, Case No.
17 RG06261152, *Kotzun v. Bender*, Case No. RG06260748, and *Wachs*
18 *v. Bender*, Case No. RG06266913.

19 1.20 "State Court" means the Superior Court of California, County of
20 Alameda.

21 1.21 "State Co-Lead Counsel" means Hulett Harper Stewart LLP and The
22 Weiser Law Firm, P.C.

23 1.22 "Unknown Claims" means any Released Claim that Plaintiffs, Cooper
24 or any of Cooper's stockholders do not know or suspect to exist in his,
25 her or its favor at the time of the release of the Released Persons,
26 including claims which, if known by him, her or it, might have
27 affected his, her or its settlement with and release of the Released
28 Persons, or might have affected his, her or its decision not to object to

1 this settlement. Unknown Claims include those claims in which some
2 or all of the facts comprising the claim may be suspected, or even
3 undisclosed or hidden. In this regard, with respect to the Released
4 Claims, the Settling Parties stipulate and agree that, upon the Effective
5 Date, Plaintiffs and Cooper shall expressly waive, and each of
6 Cooper's stockholders shall be deemed to have and by operation of
7 the Judgment shall have expressly waived, the provisions, rights and
8 benefits conferred by § 1542 of the California Civil Code, and by any
9 law of any state or territory of the United States or any other state,
10 sovereign or jurisdiction, or any principle of common or foreign law
11 that is similar, comparable or equivalent to § 1542 of the California
12 Civil Code, which provides:

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

16 The Plaintiffs, Cooper and Cooper's stockholders may hereafter
17 discover facts in addition to or different from those which he, she or it
18 now knows or believes to be true with respect to the subject matter of
19 the Released Claims, but, upon the Effective Date, each Plaintiff and
20 Cooper shall expressly settle and release, and each of Cooper's
21 stockholder shall be deemed to have and by operation of the Judgment
22 shall have fully, finally, and forever settled and released, any and all
23 Released Claims, known or unknown, suspected or unsuspected,
24 contingent or non-contingent, whether or not concealed or hidden, that
25 now exist, or heretofore have existed upon any theory of law or equity
26 now existing or coming into existence in the future, including, but not
27 limited to, conduct that is negligent, intentional, with or without
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1 malice, or a breach of any duty, law or rule, without regard to the
2 subsequent discovery or existence of such different or additional facts.
3 The Settling Parties acknowledge, and each of Cooper's stockholders
4 shall be deemed by operation of the Judgment to have acknowledged,
5 that the foregoing waiver was separately bargained for and agreed
6 upon with the express intention of releasing Unknown Claims, and is
7 a key element of the settlement of which this release is a part.

8 **2. Corporate Governance Measures**

9 2.1 To resolve the Actions, Cooper has agreed to implement and/or
10 maintain certain corporate governance measures. These corporate
11 governance measures constitute the consideration for this Stipulation,
12 and Defendants acknowledge that the pendency and prosecution of the
13 Actions were a substantial cause in the Company's decision to
14 implement and/or maintain the corporate governance measures, and
15 that these corporate governance measures will benefit Cooper and its
16 shareholders. In no event, however, shall Cooper be obligated to
17 adopt, implement or enforce any measures that, either now or in the
18 future, conflict with or are otherwise inconsistent with the listing
19 requirements of any exchange on which the Company's stock is
20 traded, any regulations of the U.S. Securities and Exchange
21 Commission, or any applicable law, rule, or regulation. The corporate
22 governance measures are as follows:

23 2.1.1 Cooper will amend its insider trading policy to require: (i)
24 preclearance by a Trading Compliance Officer (or Chief
25 Compliance Officer) of trading in Cooper stock by its
26 directors and Section 16(b) officers and (ii) that the Trading
27 Compliance Officer (or Chief Compliance Officer) report to
28 the Chairman of the Audit Committee on such issues. These

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amendments to the Company’s insider trading policy shall be maintained for at least two years after the Effective Date.

2.1.2 Cooper will formalize its Corporate Disclosure Committee with a written policy reflecting the duties and responsibilities of the Corporate Disclosure Committee. The Corporate Disclosure Committee will, among other things, design and establish controls and other procedures that are intended to verify that information provided to the SEC and other information that the Company discloses to the investment community is recorded, processed, summarized and reported accurately on a timely basis and in compliance with the disclosure requirements of the Company and applicable law. The Corporate Disclosure Committee will also review information that is accumulated and communicated to management, including senior management to allow timely decisions regarding such required disclosure. The Corporate Disclosure Committee will remain in effect for at least two years after the Effective Date.

2.1.3 The positions of Chief Executive Officer and Board Chairman will be held by different persons for a period of at least two years after the Effective Date. If, during that two year period, the Board Chairman is not an Independent Director (as determined by the Board, and applying the definition of Independent Director set forth by the New York Stock Exchange), an independent director shall serve as Lead Independent Director.

2.1.4 For the fiscal years ending in 2011, 2012, and 2013, Cooper will either: (1) outsource the internal audit function to a public

1 accounting firm experienced in the audit of public companies
2 or (2) will have a Director of Internal Audit responsible for the
3 internal audit function.

4 **3. Settlement Procedure**

5 3.1 Promptly after the full execution of this Stipulation, the Plaintiffs shall
6 submit the Stipulation and its Exhibits to the Federal Court and apply
7 for an order substantially in the form of Exhibit A hereto, requesting,
8 *inter alia*, the preliminary approval of the settlement set forth in this
9 Stipulation (the “Preliminary Approval Order”), approval of notice of
10 the settlement to Cooper’s stockholders substantially in the form of
11 Exhibit A-1. The notice shall describe the terms of the settlement set
12 forth in the Stipulation, a summary of the corporate governance
13 measures, the requested fee and expense award to Plaintiffs’ counsel,
14 and the date, time and place of the Settlement Hearing as defined
15 below.

16 3.2 Within ten business days of the issuance of the preliminary approval
17 order, Cooper shall cause the Notice of Settlement to be (a) filed with
18 the Securities and Exchange Commission on Form 8-K, (b) published
19 once in Investor’s Business Daily, and (c) posted to the Investor
20 Relations section of Cooper’s website. This Stipulation shall also be
21 posted to the Investor Relations section of Cooper’s website. All
22 costs incurred in filing and publishing the Notice of Settlement shall
23 be paid by Cooper.

24 3.3 Plaintiffs shall request that the Federal Court hold a hearing after
25 notice is given (the “Settlement Hearing”) for the purpose of seeking
26 approval of the Settlement and approving an award of attorneys fees
27 and expenses to Plaintiffs’ Counsel.
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1 3.4 Pending the Effective Date, Plaintiffs and Plaintiffs' Counsel shall not
2 commence or participate in any other actions or proceedings asserting
3 any of the Released Claims, against any of the Released Persons, that
4 are encompassed by the settlement.

5 3.5 Within five business days of the full execution of this Stipulation, the
6 parties to the State Action shall jointly (i) notify the State Court of the
7 Stipulation and the settlement, and (ii) request that the State Court
8 maintain the present stay of all proceedings in the State Action
9 pending final approval of the settlement. Within five (5) business
10 days of the entry of the Judgment in the Federal Action, plaintiffs in
11 the State Action shall request that the State Court dismiss with
12 prejudice the State Action. The Settling Parties shall cooperate with
13 each other and use all reasonable best efforts to effectuate promptly
14 such dismissal with prejudice.

15 **4. Releases**

16 4.1 Upon the Effective Date, the Plaintiffs (acting on their own behalf and
17 derivatively on behalf of Cooper), Cooper, and each of Cooper's
18 stockholders shall be deemed to have and by operation of the
19 Judgment shall have, fully, finally, and forever released, relinquished
20 and discharged all Released Claims against the Released Persons,
21 including Unknown Claims, and shall have covenanted not to sue the
22 Released Persons with respect to all such Released Claims, and shall
23 be permanently barred and enjoined from instituting, commencing, or
24 prosecuting the Released Claims against the Released Persons except
25 to enforce the releases and other terms and conditions contained in
26 this Stipulation or the Judgment entered pursuant thereto. Nothing
27 herein shall in any way impair or restrict the rights of any of the
28 Settling Parties to enforce the terms of this Stipulation.

1 4.2 Upon the Effective Date, each of the Defendants shall be deemed to
2 have, and by operation of the Judgment shall have, fully, finally, and
3 forever released, relinquished and discharged each and all of the
4 Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown
5 Claims) arising out of, relating to, or in connection with, the
6 institution, prosecution, assertion, settlement or resolution of the
7 Actions or the Released Claims except to enforce the releases and
8 other terms and conditions contained in this Stipulation or any Court
9 order (including, but not limited to, the Judgment) entered pursuant
10 thereto. Nothing herein shall in any way impair or restrict the rights
11 of the Settling Parties to enforce the terms of this Stipulation.

12 **5. Plaintiffs' Counsel's Attorneys' Fees and Expenses**

13 5.1 Subject to approval of the Federal Court, and as a result of arm's-
14 length negotiations with the assistance of Judge Phillips, an
15 experienced mediator, Defendants have agreed to pay (as set forth in
16 ¶5.2 below) Plaintiffs' Counsel's attorneys' fees and expenses for all
17 of the Actions in an aggregate amount not to exceed \$750,000. This
18 agreement was reached only after the parties had agreed upon the
19 corporate governance measures provided herein.

20 5.2 On behalf of and for the benefit of Defendants, the Company will wire
21 transfer the sum of \$750,000 to Plaintiffs' Counsel within 30 days of
22 the later of the (i) the receipt of satisfactory wiring instructions; and
23 (ii) preliminary approval of the settlement. Such payment shall be
24 made to Schubert Jonckheer & Kolbe LLP, as receiving agent for all
25 Plaintiffs' Counsel, which shall hold said funds in its client trust
26 account pending court approval of the fee and expense award and
27 agreement as to their allocation as set forth below.
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1 5.3 Schubert Jonckheer & Kolbe LLP, Climaco, Wilcox, Peca, Tarantino
2 & Garofoli Co., L.P.A., Hulett Harper Stewart LLP, and The Weiser
3 Law Firm, P.C. shall agree upon the allocation of such fees and
4 expenses to Plaintiffs' Counsel, based upon each counsel's
5 contribution to the initiation, prosecution and/or resolution of the
6 Actions. The Released Persons shall have no responsibility for, and
7 no liability whatsoever with respect to, the allocation of such fees and
8 expenses among Plaintiffs' Counsel.

9 5.4 In the event that the fee and expense award is reduced, reversed,
10 modified or not approved in the full amount requested, if the
11 settlement is terminated or is not approved by the Court, or if there is
12 an appeal and any order approving the settlement does not become
13 final, and in the event that the fee and expense award has been
14 disbursed to any of Plaintiff's Counsel, Schubert Jonckheer & Kolbe
15 LLP shall refund any funds received from Cooper (or such portion as
16 the modification may require) plus interest thereon within (5) business
17 days from said reversal or modification to Cooper. The interest rate to
18 be paid in the event the fee and expense award must be returned (or
19 such portion as the modification may require) will be in accordance
20 with the Libor, 3-month rate on the date the settlement amount must
21 be returned with interest to begin accruing on the date on which the
22 payment by Cooper is made. Plaintiffs' Counsel, as a condition of
23 receiving the fee and expense award, on behalf of themselves and
24 each partner and/or shareholder of their respective law firms, agree
25 that each of their respective law firms and its partners and/or
26 shareholders are subject to the jurisdiction of the Court for the
27 purpose of enforcing the provisions of this paragraph. Plaintiffs'
28 Counsel shall be jointly and severally liable for repayment of the

1 attorney fee and expense award should the award be reduced, reversed
2 modified, or not approved in the full amount requested, if the
3 settlement is terminated or is not approved by the Court, or if there is
4 an appeal and any order approving the settlement does not become
5 final.

6 5.5 Except as otherwise provided herein, each of the Settling Parties shall
7 bear its own costs and expenses.

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

10 6.1 The Effective Date of this Stipulation shall be conditioned on the
11 occurrence of all of the following events:

12 6.1.1 the Federal Court has entered the Preliminary Approval Order,
13 as provided in ¶ 3.1 herein;

14 6.1.2 the Federal Court has approved the settlement as described
15 herein, following notice to Cooper's stockholders as provided
16 in ¶ 3.2 herein;

17 6.1.3 the Federal Court has entered the Judgment dismissing the
18 Federal Action with prejudice;

19 6.1.4 the State Court has dismissed the State Action with prejudice;
20 and

21 6.1.5 the State Court dismissal and the Judgment has become Final.

22 6.2 If any of the conditions specified in ¶ 6.1 are not met, then this
23 Stipulation shall be deemed canceled and terminated unless Plaintiffs'
24 Counsel and counsel for Defendants mutually agree in writing to
25 proceed with this Stipulation.

26 6.3 If for any reason the Effective Date does not occur, or if this
27 Stipulation shall terminate, or be cancelled, or otherwise fail to
28 become effective for any reason, including, without limitation, in the

1 event that the settlement as described herein is not approved by the
2 Court or the Judgment is reversed or vacated following any appeal
3 taken therefrom, then the Settling Parties shall be restored to their
4 respective positions as of the date immediately preceding the full
5 execution of this Stipulation. In such event, with the exception of
6 ¶¶ 1.1-1.22, 5.4, 6.1-6.4, 7.1-7.16 (which shall continue in full force
7 and effect), the terms and provisions of this Stipulation shall be null
8 and void and shall have no further force and effect with respect to the
9 Settling Parties and neither the existence nor the terms of this
10 Stipulation (nor any negotiations preceding this Stipulation nor any
11 acts performed pursuant to, or in furtherance of, this Stipulation) shall
12 be used in the Actions or in any other proceeding for any purpose
13 (other than to enforce the terms remaining in effect); and any
14 Judgment or other order entered in accordance with the terms of this
15 Stipulation shall be treated as vacated, *nunc pro tunc*.

16 6.4 If the Federal Court does not enter the Judgment in the form of
17 Exhibit B hereto, or if the Federal Court enters the Judgment and
18 appellate review is sought and, on such review, the entry of the
19 Judgment is finally vacated, modified, or reversed, then this
20 Stipulation and the settlement incorporated therein shall be cancelled
21 and terminated, unless all parties who are adversely affected thereby,
22 in their sole discretion within thirty days from the date of the mailing
23 of such ruling to such parties, provide written notice to all other
24 parties hereto of their intent to proceed with the settlement under the
25 terms of the Judgment as modified by the Court or on appeal. Such
26 notice may be provided on behalf of Plaintiffs and Cooper's
27 stockholders by Plaintiffs' Counsel. No Settling Party shall have any
28 obligation whatsoever to proceed under any terms other than

1 substantially in the form provided and agreed to herein; provided,
2 however, that no order of the Federal Court concerning any fee and
3 expense application, or any modification or reversal on appeal of such
4 order, shall constitute grounds for cancellation or termination of this
5 Stipulation by any Settling Party. Without limiting the foregoing,
6 Defendants shall have, in their sole and absolute discretion, the option
7 to terminate the settlement in its entirety in the event that the
8 Judgment, upon becoming Final, does not provide for the dismissal
9 with prejudice of the Actions against them, including both the Federal
10 Action and the State Action.

11 **7. Miscellaneous Provisions**

12 7.1 All orders and agreements made during the course of the Actions that
13 relate to the confidentiality of information shall survive this
14 Stipulation.

15 7.2 The Settling Parties (i) acknowledge that it is their intent to
16 consummate this Stipulation; and (ii) agree to cooperate to the extent
17 reasonably necessary to effectuate and implement all terms and
18 conditions of this Stipulation and to exercise their reasonable best
19 efforts to accomplish the foregoing terms and conditions of this
20 Stipulation.

21 7.3 The Settling Parties intend this settlement to be a final and complete
22 resolution of all disputes between them with respect to the Actions.
23 The settlement compromises claims that are contested, and shall not
24 be deemed an admission by any Settling Party as to the merits of any
25 claim, allegation or defense. The Settling Parties further agree that
26 the claims are being settled voluntarily after consultation with
27 competent legal counsel and an experienced mediator.

1 7.4 While Defendants deny that the claims advanced in the Actions are
2 meritorious, Defendants agree that the Actions were filed in
3 accordance with the applicable federal and California rules, including,
4 without limitation, Federal Rule of Civil Procedure 11 and California
5 Code of Civil Procedure § 128.7, and were not filed in bad faith. The
6 Settling Parties will jointly request that the Judgment contain a finding
7 that during the course of the Actions, the parties and their respective
8 counsel at all times complied with the requirements of Federal Rule of
9 Civil Procedure 11 and all other similar laws.

10 7.5 Neither the Stipulation nor the settlement, nor any act performed or
11 document executed pursuant to or in furtherance of this Stipulation or
12 the settlement: (a) is or may be deemed to be or may be used as a
13 presumption, concession, admission or evidence of the validity of any
14 Released Claim, any allegation made in the Actions, or any
15 wrongdoing or liability of any of the Released Persons; or (b) is or
16 may be deemed to be or may be used as a presumption, concession,
17 admission or evidence of any liability, fault, or omission of any of the
18 Released Persons in any civil, criminal, or administrative proceeding
19 in any court, administrative agency, or other tribunal. Neither this
20 Stipulation nor the settlement, nor any act performed or document
21 executed pursuant to or in furtherance of this Stipulation or the
22 settlement shall be admissible in any proceeding for any purpose,
23 except to enforce the terms of the settlement, and except that the
24 Released Persons may file this Stipulation and/or the Judgment in any
25 action that may be brought against them in order to support a defense
26 or counterclaim based on principles of *res judicata*, collateral
27 estoppel, full faith and credit, release, good faith settlement, judgment
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bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

7.6 The Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.7 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

7.8 This Stipulation and the Exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties or inducements have been made to any Settling Party concerning the Stipulation or any of its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. It is understood by the Settling Parties that, except for the matters expressly represented herein, the facts or law with respect to which this Stipulation is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of the facts or law turning out to be so different, and agrees that this Stipulation shall be in all respects effective and not subject to termination by reason of any such different facts or law. Except as otherwise provided herein, each party shall bear its own costs.

7.9 In construing the Stipulation, no presumption shall be made against any of the Settling Parties on the basis that it was a drafter of the Stipulation.

7.10 Plaintiffs represent and warrant that they have not assigned any rights, claims, or causes of action that were asserted or could have been

1 asserted in connection with, under or arising out of any of the claims
2 being settled or released herein.

3 7.11 Plaintiffs' Counsel are expressly authorized by the Plaintiffs,
4 derivatively on behalf of Cooper, to take all appropriate action
5 required or permitted to be taken pursuant to this Stipulation to
6 effectuate its terms, and also are expressly authorized by the Plaintiffs
7 to enter into any modifications or amendments to this Stipulation
8 which they deem appropriate on behalf of the Plaintiffs.

9 7.12 Each counsel or other Person executing this Stipulation and any
10 documents prepared in furtherance of the Stipulation on behalf of any
11 Settling Party hereby warrants that such Person has the full authority
12 to do so.

13 7.13 The Stipulation may be executed in one or more counterparts. All
14 executed counterparts and each of them shall be deemed to be one and
15 the same instrument. A complete set of counterparts, either originally
16 executed or copies thereof, shall be filed with the Court.

17 7.14 The Stipulation shall be binding upon, and inure to the benefit of, the
18 successors and assigns of the Settling Parties and the Released
19 Persons. Notwithstanding the foregoing, the Corporate Governance
20 Measures shall not bind any successor entity in the event that the
21 Company merges with or is acquired by such entity, and the Company
22 is not the surviving entity post-merger or acquisition.

23 7.15 The Court shall retain jurisdiction with respect to implementation and
24 enforcement of the terms of this Stipulation, and the Settling Parties
25 submit to the jurisdiction of the Court for purposes of implementing
26 and enforcing the settlement embodied in this Stipulation.

27 7.16 The Stipulation and the Exhibits attached hereto shall be considered to
28 have been negotiated, executed and delivered, and to be wholly

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performed, in the State of California, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of California without giving effect to that State’s choice-of-law principles.

1 IN WITNESS WHEREOF, the Settling Parties have caused this Stipulation
2 to be executed by their duly authorized attorneys.

3
4 Dated: December 6, 2010

SCHUBERT JONCKHEER & KOLBE LLP

5
6 By Robert C. Schubert ^{by wF}
7 Co-Lead Counsel for Federal Plaintiffs _{w/perm.}

8 Dated: December 6, 2010

CLIMACO, WILCOX, PECA,
9 TARANTINO & GARAFOLI CO., LPA

10 By Scott Simpkins ^{by wF}
11 Co-Lead Counsel for Federal Plaintiffs _{w/perm.}
_{Scott Simpkins}

12
13 Dated: December 6, 2010

HULETT HARPER STEWART LLP

14 By Blake M. Harper ^{by wF}
15 Co-Lead Counsel for State Plaintiffs _{w/perm.}
16 _{Blake M. Harper}

17 Dated: December 6, 2010

THE WEISER LAW FIRM, P.C.

18 By Kathleen A. Herkenhoff ^{by wF}
19 Co-Lead Counsel for State Plaintiffs _{w/perm.}
20 _{Kathleen A. Herkenhoff}

21 Dated: December 6, 2010

LATHAM & WATKINS LLP

22
23 By David M. Friedman
24 Attorneys for Specially Appearing
25 Nominal Defendant, The Cooper
26 Companies, Inc.
27
28

1 IN WITNESS WHEREOF, the Settling Parties have caused this Stipulation
2 to be executed by their duly authorized attorneys.

3
4 Dated: December 6, 2010

SCHUBERT JONCKHEER & KOLBE LLP

5
6 By _____
7 Robert C. Schubert
8 Co-Lead Counsel for Federal Plaintiffs

9
10 Dated: December 6, 2010

CLIMACO, WILCOX, PECA,
TARANTINO & GARAFOLI CO., LPA

11
12 By _____
13 Co-Lead Counsel for Federal Plaintiffs

14
15 Dated: December 6, 2010

HULETT HARPER STEWART LLP

16
17 By _____
18 Blake M. Harper
19 Co-Lead Counsel for State Plaintiffs

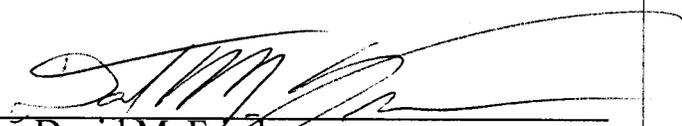
20
21 Dated: December 6, 2010

THE WEISER LAW FIRM, P.C.

22
23 By _____
24 Kathleen A. Herkenhoff
25 Co-Lead Counsel for State Plaintiffs

26
27 Dated: December 6, 2010

LATHAM & WATKINS LLP

28
By  _____
David M. Friedman
Attorneys for Specially Appearing
Nominal Defendant, The Cooper
Companies, Inc.

1 Dated: December 6, 2010

KATTEN MUCHIN ROSENMAN LLP

2

3

By _____
Richard H. Zelichov
Attorneys for Defendants John D. Fruth
and Edgar Cummins

4

5

6 Dated: December 6, 2010

MORRISON & FOERSTER LLP

7

8

By  _____
Jason E. Lobdell
Attorneys for Defendants B. Norris Battin,
A. Thomas Bender, John J. Calcagno,
Gregory A. Fryling, Michael H. Kalkstein,
Carol R. Kaufman, Jody S. Lindell, Moses
Marx, Jeffrey Alan McLean, Steven M.
Neil, Nicholas J. Pichotta, Donald J. Press,
Paul L. Remmell, Steven Rosenberg, Allan
E. Rubenstein, Robert S. Weiss and Stanley
Zinberg

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1 Dated: December 6, 2010

KATTEN MÜCHIN ROSENMAN LLP

2

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By 

Richard H. Zelichov
Attorneys for Defendants John D. Fruth
and Edgar Cummins

4

5

6 Dated: December 6, 2010

MORRISON & FOERSTER LLP

7

8

By _____

Judson E. Lobdell

Attorneys for Defendants B. Norris Battin,
A. Thomas Bender, John J. Calcagno,
Gregory A. Fryling, Michael H. Kalkstein,
Carol R. Kaufman, Jody S. Lindell, Moses
Marx, Jeffrey Alan McLean, Steven M.
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E. Rubenstein, Robert S. Weiss and Stanley
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

IN RE: COOPER COMPANIES, INC.
DERIVATIVE LITIGATION

Master File:
Case No. SACV 06 00300 CJC (RNB)
[This Document Relates to All Actions]

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
DERIVATIVE SETTLEMENT AND
PROVIDING FOR NOTICE**

Exhibit A

Hearing Date:
Judge: Honorable Cormac J. Carney

1 WHEREAS, plaintiffs have made application, pursuant to Federal Rule of
2 Civil Procedure 23.1, for an order (i) preliminarily approving the settlement (the
3 “Settlement”) of the Actions, in accordance with a Stipulation of Settlement dated
4 December 6, 2010 (the “Stipulation”), which, together with the Exhibits annexed
5 thereto, sets forth the terms and conditions for a proposed Settlement and dismissal
6 of the Actions with prejudice, upon the terms and conditions set forth therein; and
7 (ii) approving for distribution the Notice of Proposed Settlement (“Notice”); and

8 WHEREAS, all capitalized terms contained herein shall have the same
9 meanings as set forth in the Stipulation (in addition to those capitalized terms
10 defined herein); and

11 WHEREAS, the Court having considered the Stipulation and the Exhibits
12 annexed thereto, and having heard the arguments of the Settling Parties at the
13 preliminary approval hearing:

14 NOW THEREFORE, IT IS HEREBY ORDERED:

15 1. The Court does hereby preliminarily approve, subject to further
16 consideration at the Settlement Hearing described below, the Stipulation and the
17 Settlement set forth therein, including the terms and conditions for settlement and
18 dismissal with prejudice of the Actions.

19 2. A hearing (the “Settlement Hearing”) shall be held before this Court
20 on _____, 2011, at _____ .m., at the United States District Court, Central
21 District, Santa Ana Division (the “Court”), 411 West Fourth Street, Santa Ana,
22 California, to determine whether the Settlement of the Actions on the terms and
23 conditions provided for in the Stipulation is fair, reasonable and adequate to
24 current Cooper shareholders as of December 6, 2010 and to Cooper and should be
25 approved by the Court; whether a Judgment as provided in ¶ 1.11 of the Stipulation
26 should be entered herein, and to award attorneys’ fees and expenses to Plaintiffs’
27 Counsel.

28

1 3. The Court approves, as to form and content, the Notice annexed as
2 Exhibits A-1, and finds that the distribution of the Notice substantially in the
3 manner and form set forth in this Order, meets the requirements of Federal Rule of
4 Civil Procedure 23.1 and due process, and is the best notice practicable under the
5 circumstances and shall constitute due and sufficient notice to all Persons entitled
6 thereto. All costs incurred in connection with the distribution of Notice shall be
7 paid by Cooper

8 4. Not later than ten (10) calendar days following entry of this Order,
9 Defendants shall cause a copy of the Notice substantially in the form annexed as
10 Exhibit A-1 hereto to be filed with the U.S. Securities and Exchange Commission
11 as a filing on Form 8-K.

12 5. Not later than ten (10) calendar days following entry of this Order,
13 Defendants shall cause a copy of the Stipulation and the Notice substantially in the
14 form annexed as Exhibit A-1 hereto to be posted on the Investor Relations or
15 comparable section of the Company's website, at least through the date of the
16 Settlement Hearing.

17 6. Not later than ten (10) calendar days following entry of this Order,
18 Defendants shall cause a copy of the Notice to be published once in the national
19 edition of *Investor's Business Daily*.

20 7. At least seven (7) calendar days prior to the Settlement Hearing,
21 counsel for Nominal Defendant The Cooper Companies, Inc. shall serve on
22 counsel for the Plaintiffs and file with the Court proof, by affidavit or declaration,
23 of such filing, posting and publication.

24 8. All current Cooper shareholders shall be subject to and bound by the
25 provisions of the Stipulation and the releases contained therein, and by all orders,
26 determinations and judgments, including the Judgment, in the Actions concerning
27 the Settlement, whether favorable or unfavorable to current Cooper shareholders or
28 Cooper.

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Co-Lead Counsel for State Plaintiffs

Blake Harper
HULETT HARPER STEWART LLP
525 B Street, Suite 760
San Diego, CA 92101

Counsel for The Cooper Companies, Inc.

David M. Friedman
LATHAM & WATKINS LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111

The written objections and copies of any papers and briefs in support thereof to be filed in Court shall be delivered by hand or sent by first class mail to:

Clerk of the Court
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION
411 West Fourth Street
Santa Ana, CA 92701

Any current Cooper shareholder as defined herein who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

12. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a presumption, a concession or an admission of, or evidence of any fault, wrongdoing or liability of the

1 Released Persons or of the validity of any Released Claims; or (b) is intended by
2 the Settling Parties to be offered or received as evidence or used by any other
3 person in any other actions or proceedings, whether civil, criminal or
4 administrative. The Released Persons may file the Stipulation and/or the Judgment
5 in any action that may be brought against them in order to support a defense or
6 counterclaim based on principles of *res judicata*, collateral estoppel, full faith and
7 credit, release, good faith settlement, judgment bar or reduction or any other theory
8 of claim preclusion or issue preclusion or similar defense or counterclaim.

9 13. The Court may adjourn the date of the Settlement Hearing or modify
10 any other dates set forth herein without further notice to current Cooper
11 shareholders, and retains jurisdiction to consider all further applications arising out
12 of or connected with the Settlement. The Court may approve the Settlement, with
13 such modifications as may be agreed to by the Settling Parties, if appropriate,
14 without further notice to current Cooper shareholders.

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16 DATED: _____

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19 THE HONORABLE CORMAC J. CARNEY
20 UNITED STATES DISTRICT JUDGE
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

IN RE: COOPER COMPANIES, INC.
DERIVATIVE LITIGATION

Master File:
Case No. SACV 06 00300 CJC (RNB)
[This Document Relates to All Actions]

NOTICE OF SETTLEMENT

Exhibit A-1

1 **TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS**
2 **OF COMMON STOCK OF THE COOPER COMPANIES, INC.**
3 **(“COOPER” OR THE “COMPANY”) AS OF DECEMBER 6, 2010**

4 PLEASE TAKE NOTICE that the above-captioned shareholder derivative
5 litigation (the “Federal Action”), as well as the consolidated shareholder derivative
6 action in Alameda County Superior Court entitled *In re Cooper Companies, Inc.*
7 *Shareholder Derivative Litigation*, Case No. RG06260748 (the “State Action”)
8 (collectively, the “Actions”), are being settled on the terms set forth in a
9 Stipulation of Settlement dated December 6, 2010 (the “Stipulation”).¹

10 In the Actions, plaintiffs allege that certain officers and/or directors of The
11 Cooper Companies, Inc. (“Cooper” or “the Company”) breached their fiduciary
12 duties to the Company by making material misstatements regarding the Company’s
13 product lines and financial projections, failing to establish adequate internal
14 controls, and engaging in impermissible insider trading. The terms of the
15 settlement set forth in the Stipulation (the “Settlement”) include: (1) the adoption,
16 implementation, amendments, and/or maintenance of enhanced corporate
17 governance measures at the Company relating to board membership, corporate
18 disclosures, internal audit, and the Company’s insider trading policy; and (2)
19 Cooper’s agreement to pay an amount not to exceed \$750,000 in cash for
20 Plaintiffs’ Counsel’s attorneys’ fees and expenses.

21 IF YOU ARE A CURRENT RECORD OR BENEFICIAL OWNER OF
22 COOPER COMMON STOCK AS OF DECEMBER 6, 2010, PLEASE READ
23 THIS NOTICE CAREFULLY AND IN ITS ENTIRETY AS YOUR RIGHTS
24 MAY BE AFFECTED BY PROCEEDINGS IN THE LITIGATION.

25 ¹ This notice should be read in conjunction with, and is qualified in its entirety by
26 reference to, the text of the Stipulation, which has been filed with the Federal
27 Court and posted at <http://investor.coopercos.com>. All capitalized terms herein
28 have the same meanings as set forth in the Stipulation (in addition to those
capitalized terms defined herein).

1 On _____, 2010, at ____ __.m., a hearing (the “Settlement
2 Hearing”) will be held before the United States District Court for the Central
3 District of California, Santa Ana Division, 411 Fourth Street, Santa Ana, CA
4 92701, to determine: (1) whether the terms of the Settlement, including the
5 requested attorneys’ fees and expenses, should be approved as fair, reasonable, and
6 adequate; and (2) whether the Actions should be dismissed on the merits and with
7 prejudice.

8 Any shareholder of Cooper that objects to the Settlement of the Actions shall
9 have a right to appear and to be heard at the Settlement Hearing, provided that he
10 or she was a shareholder of record or beneficial owner as of December 6, 2010.
11 Any shareholder of Cooper who satisfies this requirement may enter an appearance
12 through counsel of such shareholder’s own choosing and at such member’s own
13 expense or may appear on their own. However, no shareholder of Cooper shall be
14 heard at the Settlement Hearing unless no later than fourteen (14) days prior to the
15 date of the Settlement Hearing, such shareholder has filed with the Court and
16 delivered to Plaintiffs’ Counsel, and Cooper’s counsel, a written notice of
17 objection, their ground for opposing the Settlement, and proof of both their status
18 as a shareholder and the dates of stock ownership in Cooper. Only shareholders
19 who have filed and delivered valid and timely written notices of objection will be
20 entitled to be heard at the Settlement Hearing unless the Court orders otherwise.

21 If you wish to object to the Settlement, you must file a written objection
22 setting forth the grounds for such an objection with the Court on or before
23 _____, 2010 with service on the following parties:

24 ***Co-Lead Plaintiffs Counsel***

25 Robert C. Schubert
26 SCHUBERT JONCKHEER & KOLBE LLP
27 Three Embarcadero Center, Suite 1650
28 San Francisco, CA 94111

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Co-Lead Counsel for State Plaintiffs

Blake Harper
HULETT HARPER STEWART LLP
525 B Street, Suite 760
San Diego, CA 92101

Counsel for The Cooper Companies, Inc.

David M. Friedman
LATHAM & WATKINS LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111

Any current Cooper shareholder as of December 6, 2010 who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

Inquiries regarding the Settlement may be made to counsel for the Federal Plaintiffs: Robert C. Schubert, Schubert Jonckheer & Kolbe LLP, Three Embarcadero Center, Suite 1650, San Francisco, CA 94111; telephone 415-788-4220.

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS
NOTICE**

DATED _____, 2010

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF
CALIFORNIA

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

IN RE: COOPER COMPANIES, INC.
DERIVATIVE LITIGATION

Master File:
Case No. SACV 06 00300 CJC (RNB)
[This Document Relates to All Actions]

**[PROPOSED] FINAL JUDGMENT
AND ORDER OF DISMISSAL**

Exhibit B

1 This matter came before the Court for hearing pursuant to the Order of this
2 Court, dated _____, 2010 (“Preliminary Approval Order”), on the application
3 of the parties for approval of the proposed settlement (the “Settlement”) set forth in
4 the Stipulation of Settlement dated December 6, 2010, and the exhibits thereto (the
5 “Stipulation”).

6 The Court has reviewed and considered all documents, evidence, objections
7 (if any), and arguments presented in support of or against the Settlement; the Court
8 being fully advised of the premises and good cause appearing therefore, enters this
9 Order and Final Judgment.

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

11 1. This Judgment incorporates by reference the definitions in the
12 Stipulation, and all capitalized terms contained herein shall have the same
13 meanings as set forth in the Stipulation (in addition to those capitalized terms
14 defined herein).

15 2. This Court has jurisdiction over the subject matter of the Federal
16 Action, including all matters necessary to effectuate the settlement, and over all
17 parties to the Federal Action, including the Plaintiffs, the current The Cooper
18 Companies, Inc. (“Cooper”) shareholders as of December 6, 2010 and the
19 Defendants.

20 3. The Federal Action and all claims contained therein, as well as all of
21 the Released Claims, are dismissed with prejudice. The Settling Parties are to bear
22 their own costs, except as otherwise provided in the Stipulation.

23 4. The Court finds that the Stipulation and Settlement are fair,
24 reasonable and adequate as to each of the Settling Parties, and hereby finally
25 approves the Stipulation and settlement in all respects, and directs that the
26 settlement be consummated in accordance with the terms and conditions set forth
27 in the Stipulation.

28

1 5. Upon the Effective Date, Plaintiffs (acting on their own behalf and
2 derivatively on behalf of Cooper) and Cooper shall have, and each Cooper
3 shareholder shall be deemed to have and by operation of the Judgment shall have,
4 fully, finally, and forever released, relinquished and discharged (i) the Released
5 Claims against the Released Persons; and (ii) any and all claims (including
6 Unknown Claims) arising out of, relating to, or in connection with, the defense,
7 settlement or resolution of the Actions, against the Released Persons. Nothing
8 herein shall in any way impair or restrict the rights of any Settling Party to enforce
9 the terms of the Stipulation.

10 6. Upon the Effective Date, each of the Defendants shall be deemed to
11 have, and by operation of the Judgment shall have, fully, finally, and forever
12 released, relinquished and discharged each and all of the Plaintiffs and Plaintiffs'
13 Counsel from all claims (including Unknown Claims) arising out of, relating to, or
14 in connection with, the institution, prosecution, assertion, settlement or resolution
15 of the Actions or the Released Claims. Nothing herein shall in any way impair or
16 restrict the rights of any Settling Party to enforce the terms of the Stipulation.

17 7. The Court finds that the notice given to current Cooper shareholders
18 of the settlement, the Stipulation and the Settlement Hearing was the best notice
19 practicable under the circumstances, and that said notice fully satisfied the
20 requirements of Federal Rule of Civil Procedure 23.1 and the requirements of due
21 process.

22 8. The Court hereby approves a fee award in the amount of
23 \$_____ in accordance with the terms of the Stipulation, finds that such fee
24 award is fair and reasonable, and directs said amount to be paid to Plaintiffs'
25 Counsel as provided in the Stipulation.

26 9. Neither the Stipulation nor the settlement contained therein, nor any
27 act performed or document executed pursuant to or in furtherance of the
28 Stipulation or the settlement: (a) is or may be deemed to be or may be used as a

1 presumption, concession, admission or evidence of the validity of any Released
2 Claim, any allegation made in the Actions, or of any wrongdoing or liability of any
3 of the Released Persons; or (b) is or may be deemed to be or may be used as a
4 presumption, concession, admission or evidence of any liability, fault or omission
5 of any of the Released Persons in any civil, criminal, or administrative proceeding
6 in any court, administrative agency, or other tribunal. Neither the Stipulation nor
7 the settlement, nor any act performed or document executed pursuant to, or in
8 furtherance of the Stipulation or the settlement, shall be admissible in any
9 proceeding for any purpose, except to enforce the terms of the settlement, and
10 except that the Released Persons may file the Stipulation and/or the Judgment in
11 any action that may be brought against them in order to support a defense or
12 counterclaim based on principles of *res judicata*, collateral estoppel, release, good
13 faith settlement, judgment bar or reduction, or any other theory of claim preclusion
14 or issue preclusion or similar defense or counterclaim.

15 10. During the course of the litigation, the Settling Parties and their
16 respective counsel at all times complied with the requirements of Federal Rule of
17 Civil Procedure 11, California Code of Civil Procedure § 128.7, and all other
18 similar laws.

19 11. Without affecting the finality of this Judgment in any way, this Court
20 hereby retains continuing jurisdiction over the Federal Action and the parties to the
21 Stipulation to enter any further orders as may be necessary to effectuate the
22 Stipulation, the Settlement provided for therein and the provisions of this
23 Judgment.

24 12. This Judgment is a final, appealable judgment and should be entered
25 forthwith by the Clerk in accordance with Rule 58, Federal Rules of Civil
26 Procedure.

27 13. In the event that the settlement does not become effective in
28 accordance with the terms of the Stipulation, or the Effective Date does not occur,

1 then this Judgment shall be rendered null and void to the extent provided by and in
2 accordance with the Stipulation and shall be vacated and, in such event, all orders
3 entered and releases delivered in connection herewith shall be null and void to the
4 extent provided by and in accordance with the Stipulation and shall be vacated,
5 *nunc pro tunc*, and the provisions of ¶ 6.3 of the Stipulation shall apply.

6 14. Without further order of the Court, the parties may agree to reasonable
7 extensions of time to carry out any of the provisions of the Stipulation.

8 15. Judgment shall be, and hereby is, entered dismissing the Federal
9 Action with prejudice and on the merits.

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IT IS SO ORDERED.

DATED: _____

THE HONORABLE CORMAC J. CARNEY
UNITED STATES DISTRICT JUDGE