IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

KENNETH CARR, individually and on behalf of all others similarly situated, and derivatively and on behalf of nominal defendant ADVANCED CARDIAC THERAPEUTICS, INC., Plaintiff, v. NEW ENTERPRISE ASSOCIATES, INC., PETER JUSTIN KLEIN, DUKE S. ROHLEN, ARIS CONSTANTINIDES, MICHAEL J. PEDERSON, NEW ENTERPRISE ASSOCIATES 14, L.P., NEA PARTNERS 14, LIMITED PARTNERSHIP, NEA 14 GP, LIMITED PARTNERSHIP, and NEA VENTURES 2014, LIMITED PARTNERSHIP, Defendants, and ADVANCED CARDIAC THERAPEUTICS, INC., Nominal Defendant.	C.A. No.: 2017-0381-AGB

NOTICE OF PROPOSED SETTLEMENT
OF CLASS ACTION & DERIVATIVE CLAIMS

TO: ALL PERSONS AND ENTITIES THAT WERE OR ARE RECORD OR BENEFICIAL OWNERS OF STOCK OF ADVANCED CARDIAC

THERAPEUTICS, INC. (THE "COMPANY" OR "ACT") AT ANY TIME SINCE APRIL 2, 2014.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS OF THE PROPOSED SETTLEMENT OR PURSUING THE "RELEASED CLAIMS" (AS DEFINED BELOW).[1]

IF YOU ARE A NOMINEE WHO HELD ACT STOCK FOR THE BENEFIT OF ANOTHER, READ THE SECTION BELOW ENTITLED "WHAT IF I HELD SHARES ON BEHALF OF SOMEONE ELSE?"

Why am I receiving this Notice?

You received this Notice because you have been identified as a stockholder of ACT since April 2, 2014. The purpose of the Notice is to inform you of the above-captioned class action and derivative action relating to ACT (the "Action"), a proposed settlement of the Action, and a hearing to be held by the Court of Chancery of the State of Delaware (the "Court"). The hearing will be held in the New Castle County Courthouse, Court of Chancery, 500 North King Street, Wilmington, Delaware on April 4, 2019, at 9:15 a.m. (the "Settlement Hearing") to (a) confirm that plaintiff Kenneth Carr ("Plaintiff") may properly serve as class representative with the law firms Pollack Solomon Duffy, LLP and Potter Anderson & Corroon LLP as class counsel ("Class Counsel"), and whether Plaintiff and Class Counsel

[1] Capitalized terms defined herein, unless defined contemporaneously with their appearance, are defined in the section entitled "**Definitions,**" which can be found on pages 20-32 below.

have adequately represented the interests of the Class and the Company (with respect to the Derivative Claims (defined below) only) in the Action; (b) determine whether a Stipulation and Agreement of Compromise, Settlement and Release dated January 8, 2019 (the "Stipulation"), and the terms and conditions of the Settlement (defined below) proposed in the Stipulation, are fair, reasonable, and adequate and in the best interests of the Class Members (defined below), ACT Current Stockholders (defined below), and the Company and should be approved by the Court; (c) determine whether a Judgment (defined below) should be entered dismissing the Action and the Released Claims (defined below) as to the Released Parties (defined below) with prejudice as against Plaintiff and the Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims; (d) hear and rule on any objections to the Settlement; (e) consider the application of Class Counsel and Plaintiff for an award of fees and expenses, and Plaintiff Compensatory Award (defined below), and any objections thereto; and (f) rule on such other matters as the Court may deem appropriate.

What is the Class and who is a Class Member?

The "Class" includes all record and beneficial owners of Advanced Cardiac Therapeutics, Inc., ("ACT") common stock, Series 1 Preferred Stock or Series A-1 Preferred Stock, as reflected in the June 23, 2014 Detail Capitalization Table of ACT, to the extent such stock has not since been transferred, sold or returned to

ACT, or to any person or entity excluded by clauses (a) through (d), with the following excluded from the class: (a) the Defendants and any other individuals who served as officers or directors of, or counsel for, ACT between April 2, 2014 and October 31, 2014; (b) affiliates, employees, employers, principals, trust vehicles, and family members of any of the foregoing at any time since September 1, 2013; (c) any individual or entity whose holdings in ACT have included Series A-2 Preferred Stock; and (d) Abbott Ventures and its principals, employees and family members of such principals or employees.

A member of the Class is referred to herein as a "Class Member."

In advance of the Settlement Hearing and for the purposes of settlement, the Court has preliminary certified the Class as a non-opt-out class pursuant to Court of Chancery Rule 23. If the Settlement is approved, the Court will finally certify the Class according to the above definition.

What is the Action about and what has happened in the Action to date?

THE DESCRIPTION OF THE ACTION AND SETTLEMENT WHICH FOLLOWS HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

ACT is a development-stage medical device company focused on atrial fibrillation ("afib").

In early 2014, ACT underwent two rounds of financing. The first, the Series A-1 Financing, occurred in January 2014, was led by NEA 14 and Duke Rohlen, and provided ACT with approximately $1.69 million dollars. Following the closing of this financing, ACT replaced its then-current Chief Executive Officer, William Olson, with Mr. Rohlen. The composition of ACT's board of directors (the "Board") also changed, with Mr. Rohlen, Michael Pederson, and Justin Klein assuming seats on ACT's Board. Roy Tanaka and Aris Constantinides remained on ACT's Board with the other directors resigning.

The second round occurred on April 2, 2014, when the ACT Board authorized the Series A-2 Financing, which raised in its initial round $7.3 million for ACT. After the Series A-2 Financing, NEA 14 and NEA Ventures 14 owned more than 65% of ACT's stock on an as-converted basis and had contractual management rights over ACT.

NEA 14 had previously invested in another company in the afib space named Topera, Inc. ("Topera"). Mr. Klein served on the Board of Topera until March 26, 2014, when he resigned.

Another NEA fund, NEA 12, had also invested in another company in the afib space, VytronUS, Inc. ("VytronUS"). Mr. Klein was and is a member of the Board of VytronUS.

In February 2014, Abbott Laboratories, Inc. ("Abbott") sent an expression of interest to Topera, proposing to acquire Topera for a cash payment plus additional contingent consideration. Prior to February 2014, Evan Norton and others, on behalf of Abbott, engaged in discussions with various individuals about Topera, VytronUS and ACT. Evan Norton's wife became a stockholder in ACT.

In June 2014, Abbott submitted a letter of intent for an option to purchase ACT ("Warrant Sale"). Abbott proposed a $25 million purchase price for the warrant, with a $75 million exercise price and potential milestone payments capped at a total of $185 million. This proposal was conditioned on the completion of a proposed purchase by Abbott of Topera, in which an Abbott affiliate and NEA 14 had previously invested.

During the same time frame, Abbott was also considering making an investment in VytronUS.

On July 12, 2014, Abbott submitted an updated letter of intent to ACT which proposed the same economic terms and was still conditioned on the completion of a proposed purchase by Abbott of Topera. This letter of intent was approved by the ACT Board.

ACT was party to an agreement with Company A that required ACT to give notice of a proposal like Abbott's. ACT did so, and on July 25, 2014, Company A submitted its own letter of intent for an option to purchase ACT. This letter of intent proposed a $30 million purchase price for the warrant with a $100 million exercise price, and a cap of total potential payments of $300 million. ACT did not enter into the transaction with Company A.

On October 14, 2014, the ACT Board teleconferenced to discuss the proposed Warrant Sale. Director Pederson disclosed that he was the President and CEO of VytronUS, that Abbott was also considering an investment in VytronUS, and that he was discussing potential employment with Abbott. Director Klein disclosed that NEA had a material interest in Topera and VytronUS, and hence in Abbott's proposed acquisition of Topera and investment in VytronUS. Directors Rohlen, Constantinides, Olson and Tanaka were treated by the Board as disinterested directors in respect of the proposed Warrant Sale and separately approved it, before the full Board did so. The Warrant Sale, along with the Topera and VytronUS transactions, were announced on October 29, 2014.

On December 8, 2016, Plaintiff sent a demand to inspect certain of ACT's books and records pursuant to 8 *Del. C.* § 220 to ACT. ACT and Plaintiff entered into a tolling agreement. Between March 2, 2017 and May 3, 2017, ACT produced certain documents to Plaintiff.

On May 18, 2017, Plaintiff commenced this Action against (i) the Director Defendants; (ii) the NEA Defendants; and (iii) Duke Rohlen and Kendall Simpson Rohlen, as Trustees or Successor Trustee of the Rohlen Revocable Trust Dated U/A/D 6/12/98 (the "Trustee Defendants"). ACT was named as a nominal defendant with respect to Plaintiff's derivative claims. The Action asserted direct claims on behalf of a class and derivative claims for breach of fiduciary duty and aiding and abetting breach of fiduciary duty.

On July 25, 2017, the Director Defendants, the Trustee Defendants and ACT filed a Motion to Dismiss seeking (1) dismissal of Plaintiff's direct claims pursuant to Court of Chancery Rule 12(b)(6), on the grounds that they were, in fact, derivative; (2) dismissal of Plaintiff's derivative claims pursuant to Court of Chancery Rule 23.1 for failure to make pre-suit demand; (3) dismissal of certain claims against Director Defendants Tanaka, Rohlen, Olson and Constantinides because the Complaint failed to state non-exculpated claims against those directors; and (4) dismissal of the Trustee Defendants for Plaintiff's failure to assert a colorable claim against them with the requisite particularity.

On July 25, 2017, the NEA Defendants filed a motion to dismiss, seeking dismissal on the grounds that both the Series A-2 Financing and the Warrant Sale were subject to the business judgment rule and should be dismissed.

On December 20, 2017, the Court entered a Stipulation and Order Governing the Production and Exchange of Confidential Information (the "Confidentiality Order").

On March 26, 2018, the Court issued its ruling on Defendants' Motions to Dismiss, in which it held that "the motion is denied in large part, although certain claims and parties will be dismissed because of various pleading deficiencies." As a result, the following claims and Defendants remained, subject to the Court noting that it could revisit after discovery whether the challenged transactions were part of a unitary plan:

- Count I was held to be a direct, putative class action claim for breach of fiduciary duty against NEA as ACT's controlling stockholder related to the Warrant Sale.

- Count II was held to be a direct putative class action claim for breach of fiduciary duty against Director Defendants Klein, Pederson and Rohlen related to the Warrant Sale. Director Defendants Constantinides, Tanaka and Olson were dismissed from this claim.

- Count V was held to be a derivative claim for breach of the duty of loyalty against Directors Constantinides, Klein, Pederson and Rohlen, arising from the Series A-2 Financing. Directors Tanaka and Olson were dismissed from this claim.

- Count VI was held to be a derivative claim for aiding and abetting a breach of the duty of loyalty against NEA, arising from the Series A-2 Financing.

- The Trustee Defendants, Olson and Tanaka were dismissed from all claims.

On April 10, 2018, the NEA Defendants answered the Complaint. On April 20, 2018, the remaining Director Defendants and ACT answered the Complaint.

On June 13, 2018, the Court entered an order scheduling the Action for a four-day trial to begin on October 28, 2019.

Thereafter, Class counsel conducted extensive discovery in connection with the claims asserted in the Complaint. Class counsel inspected, reviewed, and analyzed in excess of 178,827 pages of documents from Defendants and ACT and more than 46,000 additional pages from third-parties Abbott and Medtronic. Class counsel also engaged in motion practice with respect to Abbott's productions.

On October 25, 2018, counsel for the Parties participated in a full-day mediation session in New York City, New York, conducted by the Honorable Stephen P. Lamb of Paul, Weiss, Rifkind, Wharton & Garrison LLP. The parties did not reach a resolution at the mediation. Following such mediation session, after extensive further arm's-length negotiations with the mediator's involvement, on November 29, 2018, the Parties agreed in principle to settle the Action for $9 million, with all recovery being attributed to the direct claims, and counsel for all parties executed a memorandum of understanding regarding the salient terms.

On November 30, 2018, the Parties notified the Court of their agreement in principle to resolve the Action.

In connection with settlement discussions and negotiations leading to the proposed Settlement, counsel for the Parties in the Action did not discuss the amount of any application by Plaintiff or Plaintiff's Counsel for a Fee and Expense Award until all other matters had been agreed upon.

What are the terms of the Settlement?

Plaintiff, acting in his individual capacity and as a representative of the Class and ACT, and Defendants have agreed upon the Settlement of the Action. The terms and conditions of the Settlement are set forth in detail in the Stipulation, which has been filed with the Court of Chancery. The Settlement is subject to and will become effective only upon approval by the Court of Chancery. This Notice includes only a summary of the terms of the Settlement, and it does not purport to be a comprehensive description of its terms, which are available for review as described below (See the section below entitled "**How do I get further information?**").

The Stipulation provides, among other things, that in consideration for the full and final release, settlement, and discharge of any and all Released Class Claims and General-Release Claims (both defined below) against the Released Defendant Parties (defined below), and the full and final release, settlement, and discharge of any and all Released Defendant Claims (defined below) and General-Release Claims against the Released Plaintiff Parties (defined below), the Parties have agreed that

Defendants shall cause nine million dollars ($9,000,000) (the "Settlement Amount") to be contributed to an account for the benefit of the Class Members.

The Stipulation provides that, after the payment of the Fee and Expense Award, which may include a Plaintiff Compensatory Award, and any costs and expenses for distribution and administration of the Settlement Fund, the contents of the Settlement Fund shall be paid to eligible Class Members (the "Net Settlement Fund").

Am I am entitled to receive proceeds from the Settlement?

Only Class Members (as defined above) will qualify to share in the distribution of the Settlement Fund allocable to the Class after payment of a Fee and Expense Award, and settlement administration expenses, including taxes and tax expenses.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

Under the terms of the Settlement, is each Class Member eligible to receive proceeds from the Settlement Fund?

Yes.

Under the terms of the Settlement, is each ACT stockholder eligible to receive proceeds from the Settlement Fund?

No. Only ACT stockholders who are also Class Members are eligible to receive proceeds from the Settlement Fund.

How much will my payment be?

If the Settlement and the proposed plan of allocation of the Net Settlement Fund to Class Members (the "Plan of Allocation") are approved by the Court, each Class Member shall be paid an amount equal to the sum of the number of shares of common stock, Series 1 Preferred Stock, and Series A-1 Preferred Stock that the Class Member owns as of the date of the execution of the Stipulation (i.e. that Class Member's "Eligible Shares"), divided by the total Eligible Shares of all Class Members, multiplied by the Net Settlement Fund. Each Class Member's check shall be sent to the same address to which this Settlement Notice was sent, unless a Class Member provides the Settlement Administrator with a different address. If you are a Class Member and your address has changed recently, please mail your current address by the date of the Settlement Hearing to the Settlement Administrator at the following address: Snow J. Wallace, Director - Class Action Services, KCC, 814 A1A North, Suite 303, Ponte Vedra Beach, FL 32082

All checks for payments to Class Members shall become stale one hundred and eighty (180) calendar days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited by their payees. Following the date on which distribution checks have become stale, the Settlement Administrator may conduct one or more further distributions of remaining funds, after payment of any unpaid or associated administrative costs, to Class Members

who have cashed the checks issued in the prior distribution and who would receive at least $20.00 in the further distribution. Such further distributions will be made in the discretion of Class Counsel, in consultation with the Settlement Administrator, in light of the amount of funds remaining and the administrative costs of a further distribution.

Additional provisions

A. All Class Members who fail to cash their checks within one hundred and eighty days (180) will be barred from participating in the initial or any subsequent distribution of the Net Settlement Fund, but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendants and the other Released Parties.

B. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Class Members. No person shall have any claim against Plaintiff, Plaintiff's Counsel, the Settlement Administrator, or any other agent designated by Class Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Plaintiff, Defendants, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or Distribution of the Settlement Fund, the Plan of Allocation, the determination, administration,

calculation, or payment of any claim or nonperformance of the Settlement Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith, except as otherwise provided in the Stipulation.

C. The Net Settlement Fund will not be distributed to Class Members until the Court has approved the Settlement and the proposed Plan of Allocation and the Judgment approving the Settlement becomes Final.

D. Defendants are not entitled to get back any portion of the Settlement Fund once the Court's Judgment approving the Settlement becomes Final (defined below). Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Settlement Fund or the Plan of Allocation.

E. Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

F. The formulas set forth in the Plan of Allocation are not intended to estimate the amount a Class Member might have been able to recover after a trial in the Action; nor do they provide an estimate of the amount that will be paid to Class Members pursuant to the Settlement. The formulas are the basis upon which the Net Settlement Fund will be proportionately allocated to Class Members.

G. Distributions will be made to Class Members after the Court has finally approved the Settlement. All checks shall become stale 180 days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited.

What will happen if the Court approves the Settlement?

If the Court approves the Settlement, then as of the Effective Date, as defined below:

a. The Class Claims and the Derivative Claims shall be dismissed with prejudice, on the merits, and without costs, other than the Litigation Expenses and Plaintiff Compensatory Award;

b. Plaintiff, and all Class Members, on behalf of themselves, their legal representatives, heirs, executors, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall thereupon fully, finally, and forever, release, settle, and discharge the Released Defendant Parties from and with respect to every one of the Released Class Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any Released Class Claim against any of the

Released Defendant Parties;

c. Defendants on behalf of themselves, their legal representatives, heirs, executors, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall thereupon fully, finally, and forever, release, settle, and discharge the Released Plaintiff Parties from and with respect to every one of the Released Defendant Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Defendant Claims against any of the Released Plaintiff Parties; and

d. The Released Parties shall be deemed to be released and forever discharged from all of the Released Claims.

In connection with settlement discussions and negotiations leading up to the Stipulation, counsel for the Parties did not discuss the amount or appropriateness of any potential application by Plaintiff's Counsel for a Fee and Expense Award prior to agreeing upon the Settlement Amount.

Neither the entry by the Parties into the Stipulation, nor the fact or any terms of the Settlement, or any communications relating thereto, is evidence, or an

admission or concession by any Party, Class Member, or any other Released Defendant Party or Released Plaintiff Party, of any fault, liability, or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or as to the validity or merit of any of the claims or defenses alleged or asserted in the Action. Each Party has denied any and all allegations that the Party committed wrongdoing, that the Party has fault or liability, or that the Party caused damage in the Action.

The Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Action, any wrongdoing by any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party, or any damages or injury to any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party.

Neither the Stipulation, nor any of the terms and provisions of the Stipulation, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statements in connection therewith, (a) shall (i) be argued to be, used, or construed as, offered, or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury, or damages, or of any wrongful conduct, acts, or omissions on the part of any of the Released Defendant Parties or Released Plaintiff Parties, or of any infirmity of any

defense, or of any damage to Plaintiff or any other Class Member, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Defendant Parties or Released Plaintiff Parties concerning any fact or any purported liability, fault, or wrongdoing of the Released Defendant Parties or Released Plaintiff Parties or any injury or damages to any person or entity; or (b) shall otherwise be admissible, referred to, or used in any proceeding of any nature, for any purpose whatsoever; *provided, however*, that the Stipulation and/or Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to argue and establish that the Stipulation and/or Judgment has *res judicata*, collateral estoppel, or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and/or Judgment or to secure any insurance rights or proceeds of any of the Released Defendant Parties or Released Plaintiff Parties.

THE SETTLEMENT OF THE ACTION, IF APPROVED BY THE COURT, ON THE TERMS AND CONDITIONS SET FORTH IN THE STIPULATION, WILL INCLUDE, BUT NOT BE LIMITED TO, A RELEASE OF ALL CLAIMS BY CLASS MEMBERS WHICH WERE OR COULD HAVE BEEN ASSERTED IN THIS ACTION AGAINST RELEASED DEFENDANT PARTIES (DEFINED BELOW).

THE COURT HAS NOT FINALLY DETERMINED THE MERITS OF THE CLAIMS MADE BY PLAINTIFF OR THE DEFENSES OF THE DEFENDANTS. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RELIEF IN ANY FORM OR RECOVERY IN ANY AMOUNT COULD BE HAD IF THE ACTION WAS NOT SETTLED.

What legal rights are being released as part of the Settlement?

The proposed Settlement, if the Court approves it, shall extinguish for all time completely, fully, finally, and shall forever compromise, settle, release, discharge, extinguish, and dismiss on the merits and with prejudice, upon and subject to the terms and conditions set forth in the Stipulation, all rights, claims, and causes of action that are or relate to the Released Claims against any of the Released Parties, and each of Defendants and each of the other Released Parties shall be deemed to be released and forever discharged from all of the Released Claims. The releases contemplated in the Settlement and Stipulation extend to Unknown Claims (as defined below).

Plaintiff and the Released Defendant Parties have acknowledged, and the Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiff

and the Defendant, and by operation of law the Class Members, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiff and the Defendants acknowledge, and the Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of "Released Claims" was separately bargained for and was a material element of the Settlement.

Definitions:

(a) "ACT Litigation Counsel" means the law firm of O'Hagan Meyer.

(b) "ACT Current Stockholder" means any and all persons or entities who or which held stock of ACT on the date that the Stipulation is filed with the Court, solely in his, her, or its capacity as a stockholder of ACT.

(c) "Class" means all ACT stockholders who held common stock, Series 1 Preferred Stock or Series A-1 Preferred Stock, as reflected in the June 23, 2014 Detail Capitalization Table of ACT, to the extent such stock has not since been transferred, sold or returned to ACT, or to any person or entity excluded by clauses (a) through (d) below, with the following excluded from the class: (a) the Defendants and any other individuals who served as officers or directors of, or counsel for, ACT

between April 2, 2014 and October 31, 2014; (b) affiliates, employees, employers, principals, trust vehicles, and family members of any of the foregoing at any time since September 1, 2013; (c) any individual or entity whose holdings in ACT have included Series A-2 Preferred Stock; and (d) Abbott Ventures and its principals, employees and family members of such principals or employees.

(d) "Class Claims" shall refer to Counts I, II, and III of the Complaint.

(e) "Class Counsel" means the law firms of Pollack Solomon Duffy LLP and Potter Anderson & Corroon LLP.

(f) "Complaint" means the Verified Class Action and Derivative Complaint for Breaches of Fiduciary Duty and Aiding and Abetting filed on May 18, 2017.

(g) "Director Defendants' Counsel" means the law firm of Margolis Edelstein.

(h) "Derivative Claims" shall refer to Counts IV, V and VI of the Complaint.

(i) "NEA Defendants' Counsel" means the law firms of Cole Schotz, P.C. and Foley & Lardner LLP.

(j) "Effective Date" means the date upon which the Judgment becomes Final.

(k) "Class Members" means all members of the Class. One is not a member of the Class by virtue of holding an option or warrant, or by virtue of stock that has since been transferred, sold or returned to ACT, or to any person or entity excluded by clauses (a) through (d) in the definition of Class. The Settlement Administrator may rely on information jointly provided by ACT and Class Counsel as to the identities and holdings of Class Members.

(l) "Fee and Expense Award" means an Order authorizing the award or reimbursement of attorneys' fees to Class Counsel or Plaintiff, reimbursement of Litigation Expenses to Class Counsel or Plaintiff, and a Plaintiff Compensatory Award.

(m) "Final" when referring to the Judgment, means the expiration of any time for appeal or review of the Judgment, or, if any appeal is filed and not dismissed or withdrawn, after the Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or other review, and the time for any petition for re-argument, appeal, or review of the Judgment or any order affirming the Judgment has expired; provided, however, that any disputes or appeals relating solely to the amount, payment, or allocation of Fee and Expense Award shall have no effect on finality for purposes of determining the date on which the Judgment becomes Final and shall not otherwise prevent, limit, or otherwise affect the Judgment or prevent, limit, delay, or hinder entry of the Judgment.

(n) "Judgment" means the Order and Final Judgment to be entered in the Action substantially in the form attached as Exhibit B to the Stipulation. Notwithstanding anything to the contrary, should any motion in this Action remain pending, at the time of entry of the Judgment, against a person or entity that is not a party to the releases herein, Plaintiff shall cooperate in the entry of a separate and final judgment against all Defendants and other released parties. Plaintiff shall file any such motions within thirty (30) days of the execution of the Stipulation or sufficiently in advance of the Settlement Hearing to allow the motions to be fully briefed prior to the Settlement Hearing.

(o) "Litigation Expenses" means costs and expenses incurred by Class Counsel or Plaintiff in connection with investigating, commencing, prosecuting, and resolving the Action, for which Class Counsel and/or Plaintiff intend to apply to the Court for reimbursement from the Settlement Amount.

(p) "Net Settlement Fund" means the Settlement Fund, less the amount of any Fee and Expense Award, Plaintiff Compensatory Award and Notice and Administration Costs.

(q) "Notice and Administration Costs" means the costs, fees, and expenses that are incurred in connection with providing notice to the Class and ACT Current Stockholders and administering the Settlement which shall be paid from the Settlement Fund.

(r) "Person" means an individual, natural person, corporation, partnership, limited liability company, limited partnership, joint venture, association, joint stock company, estate, legal representative, trust, government (or any political subdivision, department, or agency thereof), and any other type of business or legal entity.

(s) "Plaintiff Compensatory Award" means a payment to Plaintiff solely in his role as class representative as authorized by the Court, to be made as part of any Fee and Expense Award and out of the Settlement Fund.

(t) "Plan of Allocation" means the plan for allocating the Net Settlement Fund among Class Members, as set forth in the Settlement Notice and subject to approval of the Court.

(u) "Released Claims" means collectively each and all of the Released Defendant Claims, each and all of the General-Release Claims, and each and all of the Released Class Claims.

(v) "Released Defendant Claims" means, collectively, any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of every kind, nature or description whatsoever, for damages, injunctive relief, or any other remedies, whether disclosed or undisclosed, accrued

or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, known or unknown, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims that have been or could have been asserted in the Action or in any court, tribunal, forum, or proceeding by the Director Defendants, the NEA Defendants, the Trustee Defendants, ACT or any of their successors and assigns against any of the Released Plaintiff Parties, which arise out of or relate in any way to the institution, prosecution, settlement, or dismissal of the Action; provided, however, that the Released Defendant Claims shall not include any claims relating to the enforcement of this Stipulation or the Settlement.

(w) "Released Defendant Parties" means (i) the Director Defendants; (ii) the NEA Defendants; (iii) each of the Director Defendants' and the NEA Defendants' respective past, present and future heirs, executors, administrators, predecessors, successors, employees, agents, affiliates within the meaning of SEC Rule 144, analysts, assignees, associates, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, domestic partners, employers, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, investment funds, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personnel, or

legal representatives, principals, reinsurers, shareholders, spouses, subsidiaries (foreign or domestic), trustees, underwriters and retained professionals, in their respective capacities as such; and (iv) the current officers, directors and preferred stockholders of ACT.

(x) "Released Class Claims" means, collectively, any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of every kind, nature or description whatsoever, for damages, injunctive relief, or any other remedies, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, known or unknown, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims, that Plaintiff asserted against the Released Defendant Parties in the Action (the Class Claims and the Derivative Claims); that Plaintiff or any other Class Member could have asserted, either directly or derivatively against the Released Defendant Parties in the Action; or that relate in any way to the Series A-1 Financing, Series A-2 Financing or the Warrant Sale, whether based on state, local, foreign, federal, statutory, regulatory, common or other rule of law, but excluding (a) any claims that any of the Parties may have

against Meridian Medical Systems, LLC ("MMS"), Jeffrey Carr, Robert Allison or Abbott; (b) claims by unnamed class members that, by their nature, are not subject to treatment as class or derivative claims or that do not relate to such unnamed class members' interests as stockholders of ACT; and (c) any claims relating to the enforcement of the Stipulation or Settlement.

(y) "General-Release Claims" means, collectively, any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of every kind, nature or description whatsoever, for damages, injunctive relief, or any other remedies, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, known or unknown, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims by Plaintiff against any of the Defendants and their agents and attorneys, and by Defendants against Plaintiff and his agents and attorneys; provided, however, that the General-Release Claims shall not include (a) any claims that any of the Parties may have against Meridian Medical Systems, LLC ("MMS"), Jeffrey Carr, Robert Allison or Abbott; or (b) any claims relating to the enforcement of the Stipulation or Settlement.

(z) "Released Parties" means collectively each and all of the Released Defendant Parties and each and all of the Released Plaintiff Parties.

(aa) "Released Plaintiff Parties" means Plaintiff, all other Class Members, and their respective counsel (including Class Counsel).

(bb) "Releases" means the releases and liability protections set forth in this Stipulation.

(cc) "Series A-1 Financing" means the January 22, 2014 preferred stock financing of ACT.

(dd) "Series A-2 Financing" means the April 2, 2014 preferred stock financing of ACT.

(ee) "Settlement Notice" means this Notice of Proposed Settlement of Class Action and Derivative Claims sent to all Class Members and ACT Current Stockholders by U.S. Mail at the last known addresses for such Class Members, ACT Current Stockholders, and if applicable, their counsel of record.

(ff) "Settlement" means the settlement contemplated by this Stipulation on the terms and conditions contained herein.

(gg) "Settlement Administrator" means Kurtzman Carson Consultants LLC ("KCC").

(hh) "Settlement Amount" means nine million dollars ($9,000,000.00) paid solely in connection with settlement of the Class Claims.

(ii) "Settlement Fund" means the Settlement Amount, together with all interest accruing thereon.

(jj) "Settlement Hearing" means the hearing to be held by the Court to determine whether the proposed Settlement should be approved as fair, reasonable, and adequate; whether to certify the Action as a class action for purposes of Settlement; whether Plaintiff and Class Counsel have adequately represented the Class Members and ACT (solely for the purpose of the Derivative Claims); whether any objections to the Settlement should be overruled; whether the Action should be dismissed with prejudice as against the Released Defendant Parties; whether a Judgment approving the Settlement should be entered in accordance with the terms of this Stipulation; and whether and in what amount any Fee and Expense Award should be made.

(kk) "Summary Notice" means the Summary Notice of Proposed Settlement of Class Action and Derivative Claims to be published on a national wire service, such as PRNewswire, Marketwire or Businesswire, attached as Exhibit D to the Stipulation.

(ll) "Unknown Claims" means any and all Released Claims that a Party or Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Claims against the Released Parties, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect

to the Settlement. The Parties stipulate and agree that upon the Effective Date, Plaintiff and Defendants expressly waive, and each shall be deemed to have, and by operation of the Judgment shall have expressly, waived, relinquished, and released any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER 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.

(mm) Plaintiff and Defendants acknowledge, and the other Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Plaintiff and Defendants to, and by operation of law the other Class Members shall, completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiff and Defendants acknowledge, and the other Class Members

by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims was separately bargained for and was a key element of the Settlement. Notwithstanding anything in this Stipulation, Plaintiff and each member of the Class shall retain his, her or its stock in ACT with all prospective rights and interests in place. Also, notwithstanding anything in the Stipulation, releases by unnamed class members do not include any claims that, by their nature, are not subject to treatment as class or derivative claims, or that do not relate to such unnamed class members' interests as stockholders of ACT.

(nn) "Warrant Sale" means the Warrant to Purchase Common Stock of Advanced Cardiac Therapeutics, Inc. by and between ACT and Abbott entered into in October 2014.

What happens if the Settlement is not approved or does not become final?

If the Effective Date does not occur or if the Stipulation is disapproved, canceled, or terminated pursuant to its terms, (a) all of the Parties to the Stipulation shall be deemed to have reverted to their respective litigation status immediately prior to November 29, 2018 and they shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered; (b) all of their respective claims and defenses as to any issue in the Action shall be preserved without prejudice in any way; and (c) the statements made in connection with the

negotiations of the Stipulation shall not be deemed to prejudice in any way the positions of the Parties with respect to the Action, or to constitute an admission of fact of wrongdoing by any Party, and shall not be used or entitle any Party to recover any fees, costs, or expenses incurred in connection with the Action, and neither the existence of the Stipulation nor its contents nor any statements made in connection with its negotiation or any settlement communications shall be admissible in evidence or shall be referred to for any purpose in the Action, or in any other litigation or judicial proceeding.

How is Class Counsel getting paid?

Plaintiff and Class Counsel intend to petition the Court for an award of attorneys' fees, expenses, and a compensatory award to Plaintiff totaling no more than $3 million of the Settlement Fund (the "Fee and Expense Application"). The Defendants will not object to the Fee Application, so long as those amounts do not total more than 1/3 of the Settlement Amount. Defendants agree that the efforts of Plaintiff and Plaintiff's Counsel were primary, if not exclusive, factors in the decision of the Defendants to enter into the Settlement. Class Counsel will make no application for an award of attorneys' fees and reimbursement of Litigation Expenses, other than those applications set forth above. In particular, no separate or additional consideration will be paid by Defendants in settlement of the Derivative Claims, and Class Counsel will make no application for an award of attorneys' fees

or reimbursement of Litigation Expenses in connection therewith. Final resolution by the Court of the Fee and Expense Application is not a precondition to the dismissal of the Action in accordance with the Stipulation, and the Fee and Expense Application may be considered separately from the Settlement. The failure of the Court to approve the Fee and Expense Application in whole or in part shall have no effect on the Settlement. The Parties acknowledge and agree that any Fee and Expense Award shall be paid solely out of the Settlement Fund pursuant to the Stipulation, subject to Class Counsel's and Plaintiff's obligation to refund or repay within fifteen (15) business days any amounts paid if, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the amount awarded is overturned or reduced. Class Counsel warrants that no portion of any such award of attorneys' fees or expenses shall be paid to any Plaintiff or any Class Member, except as approved by the Court.

Is the Class Representative Getting Paid?

Class Counsel on behalf of the Class Representative will seek a Plaintiff Compensatory Award to be included in any Fee and Expense Award and to be paid to the Class Representative solely in his role as Class Representative. This amount will be paid out of any Fee and Expense Award made to Class Counsel.

What will happen at the Settlement Hearing?

The Court has scheduled a Settlement Hearing which will be held on

Thursday, April 4, 2019 at 9:15 a.m., at the in the New Castle County Courthouse, Court of Chancery, 500 North King Street, Wilmington, Delaware to:

a. appoint Kenneth Carr as Class Representative with respect to the Class Claims and the law firms of Potter Anderson & Corroon LLP and Pollack Solomon Duffy, LLP as Class Counsel;

b. determine whether the Stipulation, and the terms and conditions of the Settlement proposed in the Stipulation, are fair, reasonable, and adequate and in the best interests of the Class Members, ACT Current Stockholders and the Company, and should be approved by the Court;

c. determine whether the Judgment should be entered dismissing the Action and the Released Claims as to the Released Parties with prejudice as against Plaintiff, and the Class, releasing the Released Claims, and barring and enjoining prosecution of any and all Released Claims;

d. hear and rule on any objections to the Settlement;

e. consider the Fee and Expense Application; and

f. hear and rule on such other matters as the Court may deem appropriate.

How do I participate in the Settlement?

If you are a Class Member, you are eligible to receive a *pro rata* distribution from the Settlement proceeds. Class Members do not need to submit a claim form in order to receive a distribution from the Settlement, if approved by the Court. Your distribution from the Settlement will be paid to you directly.

If you are a Class Member, you are represented by Class Counsel, unless you enter an appearance through counsel of your own choice at your own expense or choose to represent yourself. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "**What are my rights and what do I need to do to exercise them?**" below.

What are my rights and what do I need to do to exercise them?

Any Class Member or ACT Current Stockholder who objects to the Stipulation, the Settlement, the Judgment to be entered therein, and/or the Fee and Expense Application, or who otherwise wishes to be heard, may appear in person or through counsel at the Settlement Hearing and present any evidence or argument that may be proper and relevant. To do so, you must, no later than ten (10) business days prior to the Settlement Hearing (unless the Court otherwise directs for good cause shown), file with the Court of Chancery, located at New Castle County Courthouse,

500 North King Street, Wilmington, Delaware 19801, and serve on the attorneys listed below the following documents: (i) a written notice of the intention to appear identifying the name, address and telephone number of the objector and, if represented, their counsel; (ii) proof of your membership in the Class or proof of standing as a potential derivative plaintiff; (iii) a written statement of your objections to any matter before the Court; (iv) the grounds for such objections and the reasons for your desiring to appear and to be heard; and (v) all documents and writings which you desire the Court to consider. These papers must be served by hand delivery, overnight mail or electronic filing via File and Serve*Xpress* e-serve on the following attorneys:

T. Brad Davey
Mathew A. Golden
Potter Anderson & Corroon LLP
1313 North Market Street
Hercules Plaza, 6th Floor
P.O. Box 951
Wilmington, Delaware 19801

Herbert Mondros
Margolis Edelstein
300 Delaware Avenue, Suite 800
Wilmington, DE 19801

Michael F. Bonkowski
Nicholas J. Brannick
Cole Schotz P.C.
500 Delaware Avenue
Suite 1410
Wilmington, Delaware 19801

Raymond Cobb
O'Hagan Meyer
1523 Concord Pike, Suite 200
Wilmington, DE 19803

Even if you do not appear at the Settlement Hearing, the Court will consider your written submission if it is served and filed in accordance with the foregoing procedures. Any person who fails to object in the manner prescribed above shall be

deemed to have waived such objection and shall forever be barred from raising such objection in the Action or any other action or proceeding.

How do I get further information?

This Notice does not purport to be a comprehensive description of the Action, the allegations or transactions related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in this litigation, you may inspect the pleadings, the Stipulation, the orders entered by the Court in the Action, and other papers filed in the Action, unless sealed, at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware, 19801, during regular business hours of each business day. DO NOT WRITE OR TELEPHONE THE COURT. Questions regarding the Settlement should be directed to Class Counsel as follows:

T. Brad Davey
Mathew A. Golden
Potter Anderson & Corroon LLP
1313 North Market Street
Hercules Plaza, 6th Floor
P.O. Box 951
Wilmington, Delaware 19801

What if I held shares on behalf of someone else?

Brokerage firms, banks, and other persons or entities who are Class Members in their capacities as record holders, but not as beneficial owners, are requested to

forward this Notice promptly to beneficial owners.

DO NOT WRITE OR TELEPHONE THE COURT OR THE REGISTER IN CHANCERY.

Dated: February 1, 2019