

including whether any Defendant violated the securities laws; (2) whether the facts alleged were material, false, misleading, or otherwise actionable under the federal securities laws; (3) the method for determining whether the price of TOMO common stock was artificially inflated during the relevant period; (4) the amount of any such alleged inflation; (5) the extent that various facts alleged by Plaintiffs influenced the trading price of TOMO common stock during the Class Period; and (6) the amount of damages that could be recovered at trial.

Attorneys' Fees and Expenses: Court-appointed Lead Counsel will ask the Court for attorneys' fees of not more than 30% of the Settlement Fund and expenses not to exceed \$185,000.00 to be paid from the Settlement Fund plus interest. Lead Counsel have not received any payment for their work investigating the facts, prosecuting this Litigation and negotiating this settlement on behalf of Plaintiffs and the Class. If the above amounts are requested and approved by the Court, the average cost per share will be \$0.08.

Deadlines:

Submit Claim: January 18, 2011
Request Exclusion: January 18, 2011
File Objection: 30 days prior to Settlement Hearing

Court Hearing on Fairness of Settlement: March 18, 2011 at 10:30 a.m.

More Information: www.claimsinformation.com or

Claims Administrator: TomoTherapy Securities Litigation
c/o RSM McGladrey, Inc.
P.O. Box 1367
Blue Bell, PA 19422
1-800-222-2760

Representatives of Lead Counsel: Rick Nelson
Shareholder Relations
Robbins Geller Rudman & Dowd LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
1-800-449-4900

Susan R. Gross
Law Offices Bernard M. Gross, P.C.
100 Penn Square East, Suite 450
Philadelphia, PA 19107
1-866-561-3600

- *Your legal rights are affected whether you act, or do not act. Read this Notice carefully.*

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to participate in your own lawsuit against the Defendants for the legal claims in this case. By choosing this method, you are telling the Court you do not want to participate in a class resolution of these claims.
OBJECT	You may write to the Court if you do not like this settlement, the request for attorneys' fees and expenses, or the Plan of Allocation.
GO TO A HEARING	You may ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options – *and the deadlines to exercise them* – are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement. Payments will be made if the Court approves the settlement and, if there are any appeals, after appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased TOMO common stock between May 9, 2007 and July 31, 2008, inclusive.

The Court directed that you be sent this Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after any objections or appeals (if there are any) are resolved, the Claims Administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Western District of Wisconsin, and the case is known as *Michael Schultz, et al. v. Tomotherapy Incorporated, et al.*, Case No. 3:08-cv-00314-slc (W.D. Wis.). The persons who lead the Litigation, Michael Schultz, John Scala, Huub Van Roosmalen, Kip Kircher, Robert H. Wake and Louis Spanberger are called Plaintiffs and the company and the individuals they sued are called Defendants.

2. What is this lawsuit about?

This Litigation alleges that TOMO and certain of its officers and directors violated the federal securities laws. Specifically, Plaintiffs assert claims against Defendants under Sections 11 and 15 of the Securities Act of 1933 (“Securities Act”), arising out of their statements in the IPO and SPO Documents about the Company’s order backlog, namely that the backlog only contained firm orders or those that were free from contingencies. Plaintiffs also assert claims against Defendants under Sections 10(b) and 20(a) of the Securities Exchange Act (“Exchange Act”), and Rule 10b-5 promulgated thereunder, arising out of these statements and similar statements made by Defendants during the Class Period concerning the firmness of the Company’s backlog, as well as statements during the Class Period that TOMO’s backlog had historically converted to revenue within 12 months from order placement and would continue to convert in this timeframe. Plaintiffs allege that these statements were false and/or misleading. Plaintiffs also allege that when Defendants revealed the truth about the composition of TOMO’s backlog, Class Members suffered damages as a result of the decline in the price of TOMO common stock.

Defendants assert that any and all risks associated with investing in TOMO stock, including any risks relating to backlog, were fully disclosed by the Company. Defendants deny all of Plaintiffs’ allegations and assert that the statements in the IPO and SPO documents and during the Class Period about the Company’s backlog were accurate at the time made and that Plaintiffs’ allegations are based wholly on hindsight. Defendants deny that Plaintiffs or the Class suffered damages or that the price of TOMO common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case, the Plaintiffs, Michael Schultz, John Scala, Huub Van Roosmalen, Kip Kircher, Robert H. Wake and Louis Spanberger) sue on behalf of people who have similar claims. All of these people and/or entities are called a class or class members. One judge – in this case, Magistrate Judge Stephen L. Crocker – resolves the issues for all class members, except for those who exclude themselves from the Class and seek individual recovery.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, the lawyers for both sides of the lawsuit have negotiated a settlement, with the assistance of a highly respected mediator, the Honorable Nicholas H. Politan, that they believe is in the best interests of their respective clients. The settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits Class Members to be compensated without further delay. Plaintiffs and their attorneys think the settlement is best for all Class Members.

WHO GETS MONEY FROM THE SETTLEMENT

To see if you will get money from this settlement, you first have to determine if you are a Class Member.

5. How do I know if I am part of the settlement?

The Class includes *all Persons who purchased or otherwise acquired the common stock of TOMO between May 9, 2007 and July 31, 2008, inclusive. Included in the Class are those Persons who purchased or acquired TOMO common stock pursuant to or traceable to TOMO's May 9, 2007 Initial Public Offering ("IPO") and/or TOMO's October 16, 2007 Secondary Public Offering ("SPO").*

6. Are there exceptions to being included in the Class?

Yes. Defendants, officers and directors of TOMO, members of their immediate families and their legal representatives, heirs, successors and assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class pursuant to this Notice.

7. I'm still not sure if I am included.

If you still are not sure whether you are included, you can ask for free help. You can call 1-800-222-2760 or visit www.claimsinformation.com for more information; or, you can call Rick Nelson at 1-800-449-4900 or Susan R. Gross at 1-866-561-3600 for more information; or you can fill out and return the claim form described in Question 10 to see if you qualify.

THE SETTLEMENT BENEFITS - WHAT YOU GET

8. What does the settlement provide?

Defendants have agreed to pay or cause to be paid \$5,000,000 in cash (the "Settlement Fund"). The Settlement Fund, plus interest earned from the date it is established, less costs, fees and expenses (the "Net Settlement Fund"), will be divided among all eligible Class Members who send in valid claim forms ("Authorized Claimants"). Costs, fees and expenses include Court-approved attorneys' fees and expenses, the costs of notifying Class Members, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice, and the costs of claims administration.

9. How much will my payment be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members send in and how many shares of stock you purchased or acquired during the relevant period and when you bought, acquired and sold them.

In the unlikely event there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

- I. For shares of TomoTherapy acquired pursuant to, and traceable to, the Company's offering prospectus dated May 8, 2007 and
 - 1) sold prior to May 30, 2008, the claim per share is the lesser of (i) the Purchase Price per share less the Sales Price per share, or (ii) \$19.00 less the Sales Price per share.
 - 2) retained at the end of, or, sold on or after May 30, 2008, the claim per share is the lesser of (i) the Purchase Price per share less the Sales Price per share or, (ii) \$19.00 less \$8.91.
- II. For shares of TomoTherapy acquired in the Company's offering prospectus dated October 10, 2007, and
 - 1) sold prior to May 30, 2008, the claim per share is the lesser of (i) the Purchase Price per share less the Sales Price per share, or (ii) \$22.25 less the Sales Price per share.
 - 2) retained at the end of, or, sold on or after May 30, 2008, the claim per share is the lesser of (i) the Purchase Price per share less the Sales Price per share or, (ii) \$22.25 less \$8.91.

III. For shares of TomoTherapy common stock purchased, or acquired, on or between May 9, 2007 through April 17, 2008, the claim per share shall be as follows:

- 1) If sold prior to April 18, 2008, the claim per share is \$0.00.
- 2) If sold on or between April 18, 2008 through July 31, 2008, the claim per share shall be the lesser of (i) \$4.25 (April 18, 2008 Price Decline), or (ii) the difference between the purchase price and the selling price;
- 3) If retained at the end of July 31, 2008, and sold before October 30, 2008, the claim per share shall be the lesser of (i) \$9.00 (April 18, 2008 & August 1, 2008 Price Declines); or (ii) the difference between the purchase price and the selling price; or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- 4) If retained, or sold, on or after October 30, 2008, the claim per share shall be the lesser of: (i) \$9.00 (April 18, 2008 & August 1, 2008 Price Declines), or (ii) the difference between the purchase price per share and \$5.07 per share.

IV. For shares of TomoTherapy common stock purchased, or acquired, on or between April 18, 2008 through July 31, 2008, the claim per share shall be as follows:

- 1) If sold prior to August 1, 2008, the claim per share is \$0.00.
- 2) If retained at the end of July 31, 2008, and sold before October 30, 2008, the claim per share shall be the lesser of (i) \$4.75 (August 1, 2008 Price Decline); or (ii) the difference between the purchase price and the selling price; or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- 3) If retained, or sold, on or after October 30, 2008, the claim per share shall be the lesser of: (i) \$4.75 (August 1, 2008 Price Declines), or (ii) the difference between the purchase price per share and \$5.07 per share.

V. For call options on TomoTherapy common stock purchased from May 9, 2007 - July 31, 2008, and

- 1) held at the end of April 17, 2008 and/or July 31, 2008, the claim per call option is the difference between the price paid for the call option less the proceeds received upon the settlement of the call option contract;
- 2) not held at the end of April 17, 2008 and/or July 31, 2008, the claim per call option is \$0.

VI. For call options on TomoTherapy common stock written from May 9, 2007 - July 31, 2008, the claim per call option is \$0.

VII. For put options on TomoTherapy common stock written from May 9, 2007 - July 31, 2008, and

- 1) held at the end of April 17, 2008 and/or July 31, 2008, the claim per put option is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract;
- 2) not held at the end of April 17, 2008 and/or July 31, 2008, the claim per put option is \$0.

VIII. For put options on TomoTherapy common stock purchased from May 9, 2007 - July 31, 2008, the claim per put option is \$0.

Note: In the case the option was exercised for TomoTherapy common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using TomoTherapy common stock's closing price on the date the option was exercised.

Note: The combined recovery for the Put/Call Options shall not exceed 3% of the net settlement fund.

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
1-Aug-08	\$5.00	\$5.00	3-Sep-08	\$6.48	\$5.83	3-Oct-08	\$4.74	\$5.64
4-Aug-08	\$4.91	\$4.96	4-Sep-08	\$6.12	\$5.84	6-Oct-08	\$4.47	\$5.62
5-Aug-08	\$4.98	\$4.96	5-Sep-08	\$6.16	\$5.85	7-Oct-08	\$4.05	\$5.58
6-Aug-08	\$5.55	\$5.11	8-Sep-08	\$6.25	\$5.87	8-Oct-08	\$3.59	\$5.54
7-Aug-08	\$5.60	\$5.21	9-Sep-08	\$6.11	\$5.88	9-Oct-08	\$3.26	\$5.50
8-Aug-08	\$5.90	\$5.32	10-Sep-08	\$6.17	\$5.89	10-Oct-08	\$3.54	\$5.46
11-Aug-08	\$5.98	\$5.42	11-Sep-08	\$6.18	\$5.90	13-Oct-08	\$3.81	\$5.42
12-Aug-08	\$6.19	\$5.51	12-Sep-08	\$6.14	\$5.90	14-Oct-08	\$3.70	\$5.39
13-Aug-08	\$6.28	\$5.60	15-Sep-08	\$5.75	\$5.90	15-Oct-08	\$3.32	\$5.35
14-Aug-08	\$6.18	\$5.66	16-Sep-08	\$5.62	\$5.89	16-Oct-08	\$3.78	\$5.32
15-Aug-08	\$6.14	\$5.70	17-Sep-08	\$5.48	\$5.88	17-Oct-08	\$3.69	\$5.29
18-Aug-08	\$6.03	\$5.73	18-Sep-08	\$5.60	\$5.87	20-Oct-08	\$4.95	\$5.29
19-Aug-08	\$6.04	\$5.75	19-Sep-08	\$5.75	\$5.87	21-Oct-08	\$4.64	\$5.28
20-Aug-08	\$6.02	\$5.77	22-Sep-08	\$5.47	\$5.86	22-Oct-08	\$4.00	\$5.25
21-Aug-08	\$5.71	\$5.77	23-Sep-08	\$5.31	\$5.84	23-Oct-08	\$3.87	\$5.23
22-Aug-08	\$5.79	\$5.77	24-Sep-08	\$5.02	\$5.82	24-Oct-08	\$3.44	\$5.20
25-Aug-08	\$5.60	\$5.76	25-Sep-08	\$4.78	\$5.79	27-Oct-08	\$3.00	\$5.16
26-Aug-08	\$5.53	\$5.75	26-Sep-08	\$4.87	\$5.77	28-Oct-08	\$3.08	\$5.13
27-Aug-08	\$5.78	\$5.75	29-Sep-08	\$4.50	\$5.74	29-Oct-08	\$2.92	\$5.10
28-Aug-08	\$6.10	\$5.77	30-Sep-08	\$4.58	\$5.71	30-Oct-08	\$3.25	\$5.07
29-Aug-08	\$6.19	\$5.79	1-Oct-08	\$4.60	\$5.69			
2-Sep-08	\$6.02	\$5.80	2-Oct-08	\$4.74	\$5.66			

Please be advised that class members who are eligible to recover losses under both the Securities Act and the Exchange Act will have their recognized losses calculated as described above and will receive their share of the net settlement fund under whichever statute provides the greatest recovery.

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Class Members who held TOMO common stock at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out (“FIFO”) method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of TOMO common stock during the Class Period will be matched, in chronological order, first against stock held at the beginning of the Class Period. The remaining sales of stock during the Class Period will then be matched, in chronological order, against stock held during the Class Period.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a net loss, after all profits from transactions in TOMO common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of stock which have been matched against stock held at the beginning of the Class Period will not be used in the calculation of such net loss. Checks will not be issued and distributed for amounts less than \$5.00.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, Plaintiffs’ Counsel, any claims administrator or other Person designated by Plaintiffs’ counsel or Defendants and/or the Related Parties and/or the Released Persons and/or their counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

HOW YOU GET A PAYMENT - SUBMITTING A CLAIM FORM

10. How will I get a payment?

To qualify for a payment, you must send in a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it to TomoTherapy Securities Litigation, c/o RSM McGladrey, Inc., P.O. Box 1367, Blue Bell, PA 19422 postmarked no later than January 18, 2011.

11. When would I get my payment?

The Court will hold a hearing on March 18, 2011, at 10:30 a.m., to decide whether to approve the settlement. If Judge Crocker approves the settlement, there may be appeals. It is always uncertain whether these appeals can be resolved favorably, and resolving them can take time, perhaps more than a year. It also takes time for all the claim forms to be processed. If there are no appeals and depending on the number of claims submitted, the Claims Administrator could distribute the Net Settlement Fund as early as nine months to a year after the fairness hearing. Please be patient.

12. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in this case or about issues that could have been asserted in this case. It also means that all of the Court's Orders will apply to you and legally bind you and you will release your Released Claims in this case against the Defendants. "Released Claims" shall collectively mean all claims (including "Unknown Claims" as defined in 1.25), demands, rights, liabilities, and causes of action of every nature and description, whatsoever, known or unknown, suspected or unsuspected, contingent or non-contingent, matured or unmatured, whether or not concealed or hidden, which now exist, or heretofore has existed, asserted or that might have been asserted by the Class or any member of the Class, including, without limitation, class, derivative, direct actions, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations including, without limitation, the federal securities laws and the regulations promulgated pursuant to the federal securities laws, or common law principles against the Released Persons or any of them, arising out, based upon or in any way related to the purchase or acquisition of the common stock of TOMO during the Class Period and the acts, failures to act, facts, transactions, events, disclosures, statements or omissions that were or could have been alleged by the Class or any member of the Class in the Litigation.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue the Defendants on your own behalf about the same issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. How do I get out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Michael Schultz, et al. v. Tomotherapy Incorporated, et al.*, Case No. 3:08-cv-00314-slc (W.D. Wis.). You must include your name, address, telephone number, your signature, and the number of shares of TOMO common stock you purchased and/or acquired between May 9, 2007 and July 31, 2008, and the dates and prices of such purchases or acquisition. You must mail your exclusion request postmarked no later than January 18, 2011 to:

TomoTherapy Securities Litigation
c/o RSM McGladrey, Inc.
P.O. Box 1367
Blue Bell, PA 19422

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit.

14. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this settlement resolves. Remember, the exclusion deadline is January 18, 2011.

15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. Once you exclude yourself, you will receive no cash payment even if you also submit a claim form.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Robbins Geller Rudman & Dowd LLP and Law Offices Bernard M. Gross, P.C. to represent you and other Class Members. These lawyers are called Lead Counsel. The Court also appointed Ademi & O'Reilly, LLP as Liaison Counsel. These lawyers will apply to the Court for payment from the Settlement Fund; you will not otherwise be charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

At the fairness hearing, Lead Counsel will request the Court to award attorneys' fees of no more than 30% of the Settlement Fund and for expenses up to \$185,000.00, which were incurred in connection with the Litigation. Class Members are not personally liable for any such fees or expenses. To date, Plaintiffs' Counsel have not received any payment for their services in conducting this Litigation on behalf of the Plaintiffs and the Class, nor have counsel been paid for their expenses. The fee requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement Fund and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18. How do I tell the Court that I do not like the settlement?

If you are a Class Member (and you have not excluded yourself), you can object to the settlement, the request for attorneys' fees and expenses, the awards to Plaintiffs or the Plan of Allocation if you do not like any part of it. You can give reasons why you think the Court should not approve the settlement, the request for attorneys' fees and expenses, or the Plan of Allocation. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed settlement in *Michael Schultz, et al. v. Tomotherapy Incorporated, et al.*, Case No. 3:08-cv-00314-slc (W.D. Wis.). Be sure to include your name, address, telephone number, your signature, the number of shares of TOMO common stock purchased or acquired between May 9, 2007 and July 31, 2008, and the reasons you object to the settlement, the requested attorneys' fees and expenses, or the Plan of Allocation. Any such objection must be mailed or delivered such that it is received by each of the following no later than thirty (30) days prior to the Settlement Hearing:

Court:

Peter Oppeneer
Clerk of Court
United States District Court, Western District of Wisconsin
120 North Henry Street, Room 320
P. O. Box 432
Madison, WI 53701-0432

Lead Counsel for Plaintiffs:

ROBBINS GELLER RUDMAN & DOWD LLP
JACK REISE
120 East Palmetto Park Road, Suite 500
Boca Raton, FL 33432

LAW OFFICES BERNARD M. GROSS, P.C.
DEBORAH R. GROSS
100 Penn Square East, Suite 450
Philadelphia, PA 19107

Counsel for Defendants:

SONNENSCHN NATH & ROSENTHAL LLP
HAROLD C. HIRSHMAN
233 South Wacker Drive, Suite 7800
Chicago, IL 60606

19. What is the difference between objecting and excluding myself from the settlement?

Objecting is telling the Court that you do not like something about the proposed settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend, but you do not have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing at 10:30 a.m., on March 18, 2011, at the United States District Court, Western District of Wisconsin, 120 North Henry Street, Madison, WI 53701-0432. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court will also decide whether to approve the payment of fees and expenses to Plaintiffs' Counsel, including the awards to Plaintiffs and the Plan of Allocation. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later.

21. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer questions Judge Stephen L. Crocker may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the hearing. To do so, you must send a letter saying that it is your intention to appear in *Michael Schultz, et al. v. Tomotherapy Incorporated, et al.*, Case No. 3:08-cv-00314-slc (W.D. Wis.). Be sure to include your name, address, telephone number, your signature, and the number of shares of TOMO common stock purchased or acquired between May 9, 2007 and July 31, 2008, inclusive. Your notice of intention to appear must be received no later than thirty (30) days prior to the Settlement Hearing by the Clerk of the Court, Plaintiffs' Counsel, and Defendants' Counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this settlement. But, unless you exclude yourself, you will not be able to start a lawsuit or continue with a lawsuit against the Defendants about the same issues in this case.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement dated July 28, 2010 (“Stipulation”), which has been filed with the Court. You can get a copy of the Stipulation from the Clerk’s office at United States District Court, Western District of Wisconsin, 120 North Henry Street, Room 320, Madison, WI 53701-0432, during regular business hours, or at www.claimsinformation.com.

25. How do I get more information?

You can call 1-800-449-4900 or write to a representative of Plaintiffs’ Counsel, Rick Nelson, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, Susan R. Gross, Law Offices Bernard M. Gross, P.C., 100 Penn Square East, Suite 450, Philadelphia, PA 19107, or visit the Claims Administrator’s website at www.claimsinformation.com. *Please do not call the Court or the Clerk of the Court for additional information about the settlement.*

26. Special notice to nominees

If you hold any TOMO common stock purchased or acquired between May 9, 2007 and July 31, 2008, inclusive as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

TomoTherapy Securities Litigation
c/o RSM McGladrey, Inc.
P.O. Box 1367
Blue Bell, PA 19422

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

BY COURT ORDER DATED SEPTEMBER 23, 2010.
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WISCONSIN