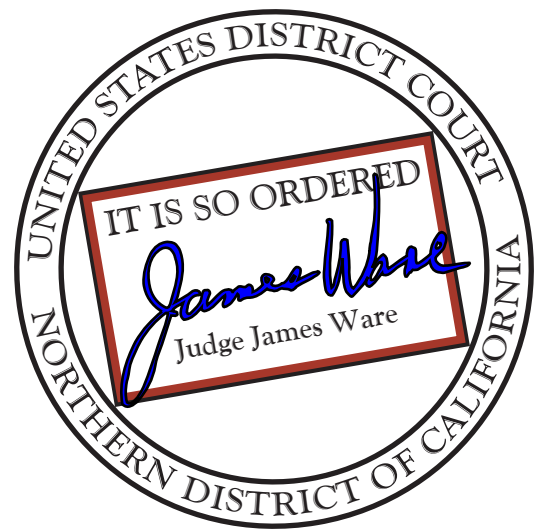


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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

IN RE CHORDIANT DERIVATIVE  
LITIGATION  
  
This Document Relates To:  
  
All Actions

CASE NO. C 06-04671 JW  
  
*James Ware*  
**[PROPOSED] ORDER AND FINAL  
JUDGMENT**

WHEREAS, Lead Plaintiffs Jesse Brown and Louis Suba (collectively, "Lead Plaintiffs") on behalf of themselves and the shareholders of Chordiant Software, Inc. ("Chordiant" or the "Company"), Nominal Defendant Chordiant, Stephen Kelly, David R. Springett, Cary G. Morgan, Steve G. Vogel, Samuel T. Spadafora, Donald J. Morrison, Allen Swann, Jeremy Coote, Kathryn C. Gould, William Raduchel, Steven R. Springsteel, Charles E. Hoffman, Richard G. Stevens, David A. Weymouth, and George Reyes (collectively "Individual Defendants" and, together with Chordiant, the "Defendants" and, together with Lead Plaintiffs, the "Parties"), and nominal defendant Chordiant entered into a Stipulation of Compromise and Settlement dated as

1 of June 30, 2008 (the “Stipulation”);

2 WHEREAS, on July 2, 2008, Lead Plaintiffs to the above-captioned action (the “Action”),  
3 as joined by Defendants, filed a Motion for Preliminary Approval of Proposed Settlement (the  
4 “Motion”) seeking Final Approval of the Stipulation and the Settlement contained therein entered  
5 into by the Parties on June 30, 2008 and incorporated herein by reference;

6 WHEREAS, on July 7, 2008, this Court entered the Preliminary Order preliminarily  
7 approving the Settlement, requiring Notice and Summary Notice be disseminated to Current  
8 Chordiant Stockholders as provided for in the Stipulation;

9 WHEREAS, the Preliminary Order set a Settlement Hearing for October 20, 2008, to  
10 determine whether:

- 11 a. to finally approve the Settlement pursuant to Rule 23.1 of the  
12 Federal Rules of Civil Procedure as fair, reasonable,  
13 adequate, and in the best interests of the Company and  
14 Current Chordiant Stockholders;
- 15 b. consider an Order and Final Judgment dismissing the Action  
16 with prejudice, with each party to bear its, his or her own  
17 costs, and release and enjoin prosecution of any and all  
18 claims to be released pursuant to the Stipulation;
- 19 c. determine whether to approve attorneys’ fees and expenses,  
20 to be funded by Chordiant or its insurers; and
- 21 d. hear other such matters as the Court may deem necessary and  
22 appropriate.

23 WHEREAS, Notice has been provided to stockholders of Chordiant in compliance with  
24 the Preliminary Order;

25 WHEREAS, terms not defined herein shall have the meanings ascribed to them in the  
26 Stipulation, attached as Exhibit 1 to the Motion.

27 WHEREAS, this matter has come before the Court for final approval of the proposed  
28 settlement of the Action; and

WHEREAS, the Court has reviewed and considered all documents, evidence, objections  
(if any) and arguments presented in support of or against the Settlement.

NOW, THEREFORE, the Court being fully advised of the premises and good cause

1 appearing therefor, it is ORDERED, ADJUDGED AND DECREED that:

2 1. The Court has jurisdiction over the subject matter of the Action, over all parties to  
3 the Action and over those persons and entities, if any, that objected to the Settlement.

4 2. Unless otherwise stated herein, all capitalized terms contained in this Order shall  
5 have the same meaning and effect as stated in the Stipulation.

6 3. This Court hereby approves the Settlement set forth in the Stipulation and finds that  
7 said Settlement is, in all respects, fair, reasonable, and adequate to each of the Parties, and the  
8 Parties are hereby directed to perform the terms of said Settlement.

9 4. The Notice and Summary Notice were disseminated in accordance with the  
10 Preliminary Order, and such Notice and Summary Notice and the dissemination thereof meets the  
11 requirements of Rule 23.1 of the Federal Rules of Civil Procedure and due process under the  
12 United States Constitution and any other applicable laws, is the best notice practicable under the  
13 circumstances, and constitutes due and sufficient notice of all matters relating to the Settlement.

14 5. This Court hereby dismisses the Action against the Defendants with prejudice and  
15 without costs to Defendants, except as otherwise provided in paragraph 8 below.

16 6. Upon the Effective Date, Lead Plaintiffs (on their own behalf and derivatively on  
17 behalf of Chordiant), Chordiant, and the Current Chordiant Stockholders (in their capacity as  
18 stockholders only) shall fully, finally, and forever release, relinquish, and discharge the Individual  
19 Defendants and their Related Persons from any and all Released Claims that any of them has  
20 against the Individual Defendants and their Related Persons. Upon the Effective Date, Lead  
21 Plaintiffs, on their own behalf, shall fully, finally, and forever release, relinquish, and discharge  
22 Chordiant and its Related Persons from any and all Released Claims which any of them has against  
23 Chordiant and its Related Persons.

24 7. Upon the Effective Date, each of the Individual Defendants shall fully, finally, and  
25 forever release, relinquish, and discharge the Lead Plaintiffs and their Related Persons, Lead  
26 Plaintiffs' Counsel and its Related Persons, and Chordiant and its Related Persons from any and all  
27 claims, liabilities, obligations, causes of action, expenses, damages, losses, or any other matters,

1 whether known or unknown, foreseen or unforeseeable, certain or contingent, which any of them  
2 has or may come to have against the Lead Plaintiffs and their Related Persons, Lead Plaintiffs'  
3 Counsel and its Related Persons, and Chordiant and its Related Persons that arise out of, arise in  
4 connection with, or relate to the institution, prosecution, assertion, settlement or resolution of the  
5 Action or the Released Claims.

6 8. Upon the Effective Date, Nominal Defendant Chordiant shall fully, finally, and  
7 forever release, relinquish, and discharge the Lead Plaintiffs and their Related Persons and Lead  
8 Plaintiffs' Counsel and its Related Persons, from any and all claims, liabilities, obligations, causes  
9 of action, expenses, damages, losses, or any other matters, whether known or unknown, foreseen or  
10 unforeseeable, certain or contingent, which Chordiant has against the Lead Plaintiffs and their  
11 Related Persons, Lead Plaintiffs' Counsel and its Related Persons that arise out of, arise in  
12 connection with, or relate to the institution, prosecution, assertion, settlement or resolution of the  
13 Action or the Released Claims.

14 9. The Court hereby approves the Fee Payment to Plaintiffs' Counsel in the amount of  
15 \$850,000. The Fee Payment, together with interest accrued thereon, shall be released from the  
16 Escrow to Plaintiffs' Counsel in accordance with the terms of the Stipulation and Escrow  
17 Agreement within ten days of the date hereof. The Individual Defendants shall not be liable for  
18 any part of the Fee Payment, or any other payment in connection with this Settlement.

19 10. This Order and Final Judgment, the Stipulation, all exhibits thereto, and any and all  
20 negotiations, papers, writings, statements and/or proceedings related to the Settlement are not, and  
21 shall not in any way be used or construed as (a) an admission, or evidence of, the validity of any of  
22 the Released Claims or of any wrongdoing or liability of the Individual Defendants; or (b) an  
23 admission of, or evidence of, any fault or omission of any of the Individual Defendants in any civil,  
24 criminal or administrative proceeding in any court, administrative agency or other tribunal, other  
25 than in such proceedings as may be necessary to consummate or enforce the Stipulation, the  
26 Settlement or this Order and Final Judgment, except that the Defendants may file the Stipulation  
27 and/or this Order and Final Judgment in any action that may be brought against them in order to

1 support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release,  
2 good faith settlement, judgment reduction or any other theory of claim preclusion or issue  
3 preclusion or similar defense or counterclaim.

4 11. Without affecting the finality of this Order and Final Judgment in any way, this  
5 Court hereby retains jurisdiction with respect to implementation and enforcement of the terms of  
6 the Stipulation, including effectuating the release of claims in related proceedings, and all parties  
7 hereto submit to the jurisdiction of the Court for the purposes of implementing and enforcing the  
8 Settlement embodied in the Stipulation.

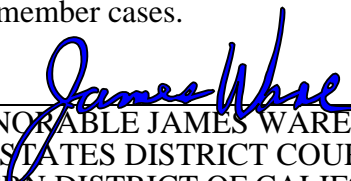
9 12. In the event that the Settlement does not become effective in accordance with the  
10 terms of the Stipulation, including effectuating the release of claims in related proceedings, this  
11 Order and Final Judgment shall be vacated, and all Orders entered and releases delivered in  
12 connection with the Stipulation, the MOU, and Order and Final Judgment shall be null and void,  
13 except as otherwise provided for in the Stipulation.

14 13. During the course of the litigation of the Action, all Parties and their counsel acted  
15 in good faith, and complied with Rule 11 of the Federal Rules of Civil Procedure and comparable  
16 state law and rules of professional responsibility.

17 14. There is no reason for delay in the entry of this Order and Final Judgment and  
18 immediate entry by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the  
19 Federal Rules of Civil Procedure.

20 The Clerk shall close this case and all other member cases.

21 DATED: October 22, 2008

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23 \_\_\_\_\_  
24 THE HONORABLE JAMES WARE  
25 UNITED STATES DISTRICT COURT JUDGE  
26 NORTHERN DISTRICT OF CALIFORNIA  
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