

1 KAMALA D. HARRIS
Attorney General of California
2 MARK BRECKLER
Chief Assistant Attorney General
3 KATHLEEN FOOTE
Senior Assistant Attorney General
4 EMILIO VARANINI (SBN 163952)
ESTHER H. LA (SBN 160706)
5 MICHAEL JORGENSEN (SBN 201145)
NICOLE S. GORDON (SBN 224138)
6 PAMELA PHAM (SBN 235493)
PAUL A. MOORE (SBN 241157)
7 BRIAN D. WANG (SBN 284490)
Deputy Attorneys General
8 State Bar No. 163952
455 Golden Gate Avenue, Suite 11000
9 San Francisco, CA 94102-7004
Telephone: (415) 703-5908
10 Fax: (415) 703-5480
E-mail: Emilio.Varanini@doj.ca.gov
11 *Attorneys for Plaintiffs*
State of California, et al.

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF SAN FRANCISCO

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17 **THE PEOPLE OF THE STATE OF**
CALIFORNIA, et al.,

18 Plaintiffs,

19 v.

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21 **SAMSUNG SDI, CO., LTD., et al,**

22 Defendants.

Case No. CGC-11-515784

[PUBLIC REDACTED]
EXHIBIT I (SAMSUNG SETTLEMENT
AGREEMENT)
TO VARANINI DECLARATION IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF
SETTLEMENTS WITH HITACHI, LG,
PANASONIC, TOSHIBA AND SAMSUNG

Date: March 3, 2016
Time: 8:30 a.m.
Dept: 304
Judge: Curtis E.A. Karnow
Action Filed: November 8, 2011

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between the Samsung SDI Releasees, as defined below, on the one hand, and the Attorney General of California (“Attorney General”), on behalf of the State of California and its state agencies, its political subdivisions and public agencies (including the Settlement Class of Government Entities as defined below), and in her capacity as *parens patriae* on behalf of all natural persons resident in California at any time during the Relevant Period as defined below (collectively, the “State”), on the other hand. The Samsung SDI Releasees and the Attorney General are collectively referred to as the Settling Parties.

WHEREAS, the Attorney General alleges that the Samsung SDI Releasees participated in an unlawful conspiracy to raise, fix, maintain, or stabilize the price of cathode ray tubes (“CRTs”) at artificially high levels, and to restrict output of CRTs in violation of the California Cartwright Act, the California Unfair Competition Act, and/or the doctrine of unjust enrichment; and

WHEREAS, the Attorney General has filed a case, No. CGC-11-515784, filed November 8, 2011, in the Superior Court of California, County of San Francisco, captioned *The State of California et al. v. Samsung SDI, Co., Ltd., et al.* (“the Action”), in which she has alleged that the Samsung SDI Releasees and other companies participated in an unlawful conspiracy to fix prices of CRTs and believes her claims against the Samsung SDI Releasees are valid, but nevertheless believes that resolving her claims against the Samsung SDI Releasees according to the terms set forth below at this point in time in her case are in the best interest of the State; and

WHEREAS, certain Plaintiffs have filed cases alleging that certain Samsung SDI Releasees and other companies participated in an unlawful conspiracy to fix prices of lithium ion

batteries, which have been consolidated for pretrial proceedings in U.S. District Court for the Northern District of California under the caption *In re Lithium Ion Batteries Antitrust Litigation*, Case No. 13 MD-02420 YGR (DMR) (the “Batteries MDL”); and

WHEREAS, the Samsung SDI Releasees, despite the belief that they are not liable for any claims arising from allegations that they participated in any unlawful conspiracy to fix prices of CRTs or lithium ion batteries, and that they have good defenses thereto, have nevertheless agreed to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and to obtain the releases, orders, covenants not to sue, and judgment contemplated by this Agreement, and to put to rest with finality all claims that have been or could have been asserted against the Samsung SDI Releasees based on the allegations in the Action, and any claim that the Attorney General could have asserted against the Samsung SDI Releasees based on alleged price-fixing, bid-rigging, or market allocation of lithium ion batteries;

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, it is agreed by and among the undersigned that the Action and claims that could be brought based on Samsung SDI’s alleged conduct with respect to lithium ion batteries as set out below be settled, compromised, and dismissed on the merits with prejudice as to the Samsung SDI Releasees and, except as hereinafter provided, without costs as to the Attorney General, Samsung SDI, or the Samsung SDI Releasees, on the following terms and conditions, and incorporating the preceding clauses:

A. Definitions

1. “Samsung SDI” refers to Samsung SDI Co., Ltd. (formerly known as Samsung Display Devices Co., Ltd.); Samsung SDI America, Inc.; Samsung SDI Brasil, Ltd.; Tianjin

Samsung SDI Co., Ltd.; Samsung Shenzhen SDI Co., Ltd.; SDI Malaysia Sdn Bhd; and SDI Mexico S.A. de C.V.

2. “Samsung SDI Releasees” refers to Samsung SDI (as defined above) and all of their past and present, direct and indirect, parents, subsidiaries, affiliates, intra-corporate divisions and groups; the predecessors, successors, and assigns of any of the above; and each and all of their present and former principals, partners, officers, directors, supervisors, employees, agents, representatives, insurers, attorneys, heirs, executors, administrators, and assigns.

3. “Government Entities” refers to all political subdivisions and public agencies in California (i.e., counties, cities, K 12 school districts, and public utilities), plus the University of California and the State Bar of California, that have purchased CRTs and/or products containing CRTs (“CRT Products”) during the Relevant Period. Excluded from this definition are all state agencies that either constitute an arm of the State of California under the Eleventh Amendment of the U.S. Constitution or are not otherwise treated under California law as being autonomous from the State of California itself.

4. “Settlement Class of Government Entities” refers to all political subdivisions of the State of California (i.e., counties, cities, K-12 school districts, and public utilities), plus the University of California and the State Bar of California, that directly or indirectly purchased CRTs and/or CRT Products during the Relevant Period. Excluded from this definition are all state agencies that either constitute an arm of the State of California under the Eleventh Amendment of the U.S. Constitution or are not otherwise treated under California law as being autonomous from the State of California itself.

5. The “CRT MDL” refers to the Multidistrict Litigation entitled *In re Cathode Ray Tube (CRT) Antitrust Litigation*, Master File No. 3:07-cv-5944 SC, MDL No. 1917, which

includes direct and indirect purchaser class actions, and related actions, currently pending in the United States District Court for the Northern District of California.

6. The "Released Claims" are the "Released CRT Claims".

7. "Releasor" refers to (1) the State of California in its own behalf and on behalf of all state agencies that constitute an arm of the State of California; (2) the Attorney General acting as *parens patriae* on behalf of all natural persons resident in California at any time during the Relevant Period; and (3) the Settlement Class of Government Entities.

8. "Relevant Conduct" refers to the Samsung SDI Releasees' alleged participation in an unlawful conspiracy to raise, fix, maintain, or stabilize the price of CRTs at artificially high levels and maintain the quantities of CRTs at artificially low levels during the Relevant Period.

9. "Relevant Period" refers to the period beginning March 1, 1995, and continuing through November 25, 2007.

10. The "Settlement Fund" refers to the \$1,600,000.00 (U.S.) payment to be made by Samsung SDI within thirty (30) business days of the Effective Date.

11. "Effective Date" is the date upon which the Attorney General and Samsung SDI, through the undersigned counsel, have signed this Agreement.

B. Approval of this Agreement and Dismissal of Claims Against Samsung SDI.

12. The Attorney General and the City, on behalf of the Settlement Class of Government Entities, and Samsung SDI (the "Settling Parties"), and the Settling Parties' counsel, shall use their best efforts to effectuate this Agreement and its purpose, including cooperating in seeking any necessary court approvals, either amending the current complaint against Samsung SDI and any of its alleged co conspirators in the Superior Court of California, San Francisco Division, or amending the settlement complaint filed against Philips in case No. CGC -11-515786, filed May 11, 2012, in the Superior Court of California, County of San

Francisco, and captioned *The State of California et al. v. Chunghwa Picture Tubes, Ltd. et al.* (the "Philips Action") to add Samsung SDI solely for the purpose of effectuating this Agreement, and staying any litigation filed after the execution of this agreement, and shall jointly secure the prompt, complete, and final dismissal with prejudice of any settlement complaint filed as to the Samsung SDI Releasees. The Settling Parties agree to take whatever further steps, if any, may be reasonably necessary to effectuate the dismissal with prejudice of any complaint against the Samsung SDI Releasees.

13. The Settling Parties shall jointly seek any orders and final judgment necessary to effectuate this Agreement, the text of which orders and final judgment the Settling Parties shall agree upon. The terms of such orders and final judgment will include, at a minimum, the substance of the following provisions:

- a. any complaint filed shall be dismissed with prejudice as to Samsung SDI and the Samsung SDI Releasees, and, except as provided for in this Agreement, without recovery of costs to any party to that complaint;
- b. reserving exclusive jurisdiction over the settlement and this Agreement, including the administration and the consummation of this settlement, to the Superior Court of California, County of San Francisco;
- c. Samsung SDI shall pay to the Attorney General, for the benefit of the State, a Settlement Fund amount of \$1,600,000 (U.S.), within thirty (30) business days of the Effective Date. The payment includes all fees, litigation expenses, and cost of notice and of settlement administration. The payment may be used for any of the following purposes, subject to applicable legal limitations:
 - 1) Reimbursement of the State's attorneys' fees and litigation expenses;
 - 2) compensation for damages suffered by the State for, *inter alia*, harm to the general California economy otherwise known as deadweight loss, and damages/restoration for proprietary claims, including claims related to purchases of CRTs, CRT Products, and lithium ion batteries by California government entities;
 - 3) damages/restoration for *parens patriae* claims involving overcharges to natural persons;

- 4) civil penalties due to Samsung SDI's alleged conspiratorial conduct;
- 5) deposit into an antitrust or consumer protection account (e.g., revolving account, trust account, special fund) for use in accordance with the laws governing such an account;
- 6) antitrust or consumer protection enforcement by the Attorney General;
- 7) cost of notice, and settlement administration. The Attorney General agrees that no more than \$100,000 of the Settlement Fund shall be used for the costs of notice and settlement administration. In the event notice or settlement administration costs are expended and the settlement is not ultimately approved, monies expended for those costs will not be refunded to Samsung SDI.

d. Samsung SDI shall be enjoined and restrained for a period of five (5) years from the date of final approval of this Agreement, from engaging in any price-fixing, market allocation, and/or bid rigging, relating to CRTs for incorporation into monitors or to other display screens for incorporation into monitors, which constitutes horizontal conduct that is a per se violation of sections 16700 *et seq.* of the Cartwright Act;

e. Samsung SDI Co., Ltd. shall (1) establish, if not already established, and maintain a program to provide relevant antitrust compliance education to their officers and employees with responsibility for pricing and sales of CRTs, flat panels, and/or lithium ion batteries in and to the United States regarding the legal standards imposed by federal and state antitrust laws; (2) for five (5) years from the date of final approval of this Agreement, on an annual basis, certify in writing to the Attorney General that it is fully compliant with the provisions of this paragraph by describing the nature of the program it has implemented or is maintaining pursuant to this sub-paragraph; and (3) shall appoint, if not already appointed, an employee of Samsung SDI Co., Ltd., as Compliance Officer, who shall allow himself or herself to be interviewed once a year by staff for the Attorney General as to the ongoing compliance and training efforts set out in this paragraph. The Attorney General is required to provide notice to counsel for Samsung SDI Co., Ltd., that the certification is due thirty (30) days prior to the deadline for its submission. Nothing in this provision shall cause, require or effect a waiver of any privilege that is otherwise applicable to the content or conduct of any antitrust compliance training;

f. Samsung SDI shall provide cooperation as set out in Paragraph 21 of this Agreement; and

g. The Settlement Class of Government Entities shall be certified solely for purposes of this Agreement.

14. This Agreement shall become final when the Court has entered an order approving this Agreement and a final judgment dismissing the Action and Philips Action (should the Attorney General amend that complaint to add Samsung SDI) with prejudice as to Samsung SDI and all the Samsung SDI Releasees; and (i) the time for appeal or to seek permission to appeal has expired, or (ii) if appealed, approval of this Agreement and the order and final judgment dismissing with prejudice all claims in the complaint against Samsung SDI, and the settlement complaint in the Philips Action should the Attorney General amend that complaint to add Samsung SDI, have been affirmed in their entirety by the court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review. This Agreement shall be deemed executed as of the later date of signature by either party. As of the date of execution of this Agreement, the Settling Parties shall be bound by the terms of this Agreement and this Agreement shall not be rescinded except in accordance with paragraph 35 of this Agreement.

15. Neither this Agreement (whether or not it should become final) nor the resulting final judgment, nor any and all negotiations, documents, and discussions associated with such negotiation, shall be deemed or construed to be an admission by Samsung SDI, or form the basis of an estoppel argument by a third party against Samsung SDI or any of the Samsung SDI Releasees; or evidence of any violation of any statute or law or of any liability or wrongdoing whatsoever by Samsung SDI or any of the Samsung SDI Releasees; or of the truth of any of the claims or allegations contained in any complaint or any other pleading filed by the Attorney General in any action. Evidence thereof shall not be discoverable or used directly or indirectly, in any way, in any other action or proceeding. Statements made by, or information supplied by, Samsung SDI's counsel in connection with and/or as part of this settlement shall be protected by

Federal Rule of Evidence 408 and all similar provisions of state law. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any action taken to carry out this Agreement by the Attorney General or Samsung SDI shall be referred to, offered into evidence, or received in evidence in any pending or future civil, criminal or administrative action or proceeding, except in a proceeding to enforce this Agreement and solely for the purpose of enforcing this Agreement, or to defend against the assertion of Released CRT Claims or a violation of the covenant not to sue regarding lithium ion batteries, or as otherwise required by law. This provision shall not apply to cooperation or materials received by the Attorney General pursuant to paragraphs 21 and 22 herein.

C. Release, Discharge, and Covenant Not to Sue.

16. In addition to the effect of any final judgment entered in accordance with this Agreement, upon this Agreement becoming final as set out in paragraph 14 of this Agreement, and in consideration of payment of the Settlement Fund as specified in paragraphs 13 and 27 through 34 of this Agreement, and for other valuable consideration, the Samsung SDI Releasees are and shall be completely released, acquitted, and forever discharged to the fullest extent permitted by law from: (i) the claims, allegations and causes of action asserted in the complaint filed in the Action or in the Philips Action; and (ii) any and all claims, demands, judgments, actions, suits, or causes of action that Releasor ever had, now has, or hereafter can, shall, or may have on account of, or in any way arising out of or relating to, any act or omission of Samsung SDI or the Samsung SDI Releasees (or any of them) or any other entity concerning the manufacture, supply, distribution, sale or pricing of CRTs and/or CRT Products up to the date of execution of this Agreement, including but not limited to any conduct alleged, and causes of action asserted or that could have been alleged or asserted, in complaints filed in the Action or the Philips Action, including those arising under any federal or state antitrust, unfair competition,

unfair practices, price discrimination, unitary pricing, unjust enrichment, contract, or trade practice law (the "Released CRT Claims"). Releasor shall not, after the date of execution of this Agreement, sue or otherwise seek to establish liability against Samsung SDI or any Samsung SDI Releasee based, in whole or in part, upon any of the Released CRT Claims or conduct at issue in the Released CRT Claims.

17. Upon this Agreement becoming final as set out in paragraph 14 of this Agreement, and in consideration of payment of the Settlement Fund as specified in paragraphs 13 and 27 through 34 of this Agreement, and for other valuable consideration, the California Attorney General shall not seek to institute, maintain, or prosecute any suit or action against, or collect from or proceed against, or establish liability against, any Samsung SDI Releasee based in whole or in part on the manufacture, supply, distribution, sale or pricing of lithium ion batteries, in any forum worldwide under any antitrust, unfair competition, or common law (e.g., unjust enrichment) theory. This covenant not to sue extends to any claim, state or federal, including to any antitrust, unfair competition or common law (e.g., unjust enrichment) claim brought in a government, *parens patriae*, or law enforcement role by the Attorney General, based on conduct revealed to the Attorney General in any proffer given to the Attorney General by SDI or uncovered by the Attorney General based on information supplied by SDI in such proffers or based on her review of information developed from her CRTs action or on conduct alleged in criminal cases filed by the United States Department of Justice in the Northern District of California, captioned *United States v. LG Chem, Inc.*, CR 04:13-0473-YGR, and *United States v. Sanyo*, CR 13-472. In the event that Releasor files a complaint against one or more non-Samsung SDI Releasees based in any part on the conduct set out in this paragraph, Releasor shall not, after the date of execution of this Agreement, sue or otherwise seek to establish liability

against Samsung SDI or any Samsung SDI Releasee based, in whole or in part, upon that conduct or conduct alleged in the Batteries MDL.

18. In addition to the provisions of paragraphs 16 and 17 of this Agreement, Releasor hereby expressly waives and releases, upon this Agreement becoming final, any and all provisions, rights, and benefits conferred by § 1542 of the California Civil Code which states:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE. 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;

or by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code. Each Releasor may hereafter discover facts other than or different from those which he, she, or it knows or believes to be true with respect to the claims which are the subject matter of the provisions of paragraphs 16 and 17 of this Agreement. Each Releasor hereby expressly waives and fully, finally, and forever settles and releases, upon this Agreement becoming final, any known or unknown, suspected or unsuspected, contingent or non-contingent claim with respect to the subject matter of the provisions of paragraphs 16 and 17 of this Agreement, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

19. The release, discharge, and covenant not to sue set forth in paragraphs 16, 17, and 18 of this Agreement does not include claims by the Releasor other than the Released CRT Claims and the claims covered by the covenant not to sue in paragraph 17, including without

limitation claims such as those solely arising out of product liability, breach of warranty, or breach of contract claims in the ordinary course of business.

20. The Attorney General agrees and covenants that she will not challenge preliminary or final approval of any settlement by any Samsung SDI Releasee with the indirect purchaser plaintiffs (the "IPPs"), the direct purchaser plaintiffs (the "DPPs"), or any individual action/opt-out plaintiffs (the "DAPs") in the CRT MDL where that settlement was entered into before the execution of this Agreement, except that the Attorney General may weigh in on any proposal or decision in the CRT MDL pertaining to the allocation or distribution of any settlements' funds, in an IPP, DAP, or DPP settlement with any Samsung SDI Releasee, to natural persons in California either directly or via *cy pres*. If requested by Samsung SDI, the Attorney General will submit a statement that (1) this settlement releases those *parens patriae* claims of all natural persons in California, except for those persons who have validly and timely excluded themselves pursuant to California law; and (2) this settlement has substantial value, warranting the release of these *parens patriae* claims by the Attorney General. The Settling Parties agree, however, that the exercise of *parens patriae* authority under California Business & Professions Code 16760 et seq. does not, in this Agreement, operate to release or supplant the indirect purchaser class claims in the parallel federal proceeding, MDL No. 1917, Case No. 3:07-cv-05944-SC (now JST) In re Cathode Ray Tube (CRT) Antitrust Litigation, nor does it bar Californian natural persons from obtaining relief as a member of the indirect purchaser class in that proceeding. However, this Agreement shall not be interpreted to preclude any offset required by the court in the MDL under applicable legal principles in the event that any total recovery by Californian natural persons between that proceeding and this settlement should exceed their total damages.

D. Samsung SDI Cooperation.

21. Samsung SDI agrees to cooperate with the Attorney General, to the extent reasonably necessary, to assist its prosecution of the Action, by:

a. Meeting in conferring in good faith about making the appropriate current employees available for deposition and trial according to a reasonable schedule, including making available at a mutually agreed upon time and place for deposition such key employees as are reasonably identified by the Attorney General;

b. Making available to the Attorney General appropriate employees in the United States in person as reasonably practical, by video conference, or by such other means as the Settling Parties may agree to, for such interviews and affidavits as reasonably required by the Attorney General;

c. Producing at trial in person, by deposition, or by affidavit, whichever is legally necessary, representatives to establish for admission into evidence the amount of relevant sales and to testify as to the authenticity and genuineness of documents or their status as business records.

22. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

23. The Attorney General agrees to treat all unsworn statements made, or material produced, by Samsung SDI, or their counsel, pursuant to paragraphs 21 and 22, as confidential investigative materials pursuant to California Government Code sections 11180 *et seq.* and 6254(f), and to take all measures permitted under the law to protect the confidentiality of any such statement or material. The Attorney General agrees that it will not introduce into evidence, at any hearing, or in support of any motion, opposition or other pleading in any federal or state action the unsworn, oral or written, statements made, or document translations produced, by Samsung SDI, their counsel, or any individual made available by Samsung SDI pursuant to the

cooperation provisions of paragraphs 21 and 22. The Attorney General further agrees that the disclosure of such materials does not operate to waive any applicable privileges that Samsung SDI may possess.

24. The Attorney General shall not use any statement made, or material produced, by Samsung SDI, or their counsel, pursuant to paragraph 21 for any purpose other than the prosecution of the Action.

25. [REDACTED]

26. In the event that this Agreement fails to receive final approval by the Court as contemplated in paragraph 14, or in the event that it is terminated by either party under any provision herein, the parties agree that the Attorney General (or the parties that she represents) shall not be permitted to introduce into evidence, at any hearing, or in support of any motion, opposition or other pleading in the Action, or the Philips Action, or in any other federal or state action alleging a violation of any antitrust or unfair competition law relating to the subject matter of the Released CRT Claims or of the covenant not to sue in paragraph 17, the unsworn, oral or written, statements provided by the Samsung SDI Releasees, their counsel, or any individual made available by the Samsung SDI Releasees pursuant to the cooperation provisions of paragraphs 21 and 22, and no information, whether written or oral, sworn or unsworn, provided by the Samsung SDI Releasees pursuant to paragraphs 21 and 22, shall be deemed an admission of any Samsung SDI Releasee. However, if this Agreement fails to receive final approval by

the Court as contemplated in paragraph 14 herein or is terminated by either party under any provision herein, then the Attorney General may be permitted to offer into evidence any sworn statements, oral or written, including deposition or trial, by any individual made available by Samsung SDI pursuant to the cooperation provisions of paragraphs 21 and 22.

E. Settlement Fund.

27. Subject to the provisions hereof, and in full, complete and final settlement of the Action against Samsung SDI, and in consideration for the Attorney General's covenant not to sue based on alleged price-fixing, bid-rigging, or market allocation of lithium ion batteries, as described herein, Samsung SDI Co., Ltd. shall pay into a Settlement Fund the amount of \$1,600,000 (U.S.), by wire transfer, within thirty (30) business days of the Effective Date of this Agreement. Samsung SDI shall have no responsibility for, no right in, and no authority over, the allocation of the Settlement Fund as provided herein. The Settling Parties shall agree on escrow provisions applicable to the Settlement Fund. The Attorney General will provide wire instructions to Samsung SDI within three (3) business days after the Effective Date of this Agreement.

28. Samsung SDI agrees that any costs incurred by the Attorney General in providing any notice of the proposed settlement may be paid from the Settlement Fund.

29. Releasor shall look solely to the Settlement Fund for settlement and satisfaction of all Released CRT Claims and all claims covered by the covenant not to sue in paragraph 17 against Samsung SDI Releasees, and shall have no other recovery against Samsung SDI or any other Samsung SDI Releasee.

30. The Attorney General shall be responsible for distribution of the Settlement Fund in accordance with California state law and related orders of the Court in which it has filed a complaint against Samsung SDI or in which it amends its settlement complaint against Philips to

add Samsung SDI. In no event shall any Samsung SDI Releasee have any responsibility, financial obligation, tax liability, or other liability whatsoever with respect to the distribution or administration of the Settlement Fund, including but not limited to the costs and expenses of such distribution and administration.

31. The Samsung SDI Releasees shall not be liable for any costs, fees, or expenses of the State, or its attorneys, experts, advisers, agents, or representatives, but all such costs, fees, and expenses shall be paid out of the Settlement Fund.

32. After this Agreement becomes final within the meaning of paragraph 14, the Settlement Fund shall be distributed in accordance with plans for direct distributions, *cy pres*, or as otherwise permitted by law, all to be submitted at the appropriate time by the Attorney General and approved by the Court. Neither Samsung SDI nor any other Samsung SDI Releasee under this Agreement shall have any responsibility for, or interest in, or liability whatsoever with respect to, or shall file any opposition to, the proposed or actual plan(s) for distribution of the Settlement Fund by the Attorney General and/or any other person or entity who may assert some claim to the Settlement Fund.

33. The Attorney General may in her sole discretion allocate the monies in the Settlement Fund for each category of damages/restitution (including damages/restitution for proprietary claims, such as claims relating to purchases of CRT Products by Government Entities, and damages/restitution for *parens patriae* claims, including deadweight loss), for civil penalties, and for expenses (including fees, litigation expenses, costs of notice, and settlement administration).

34. It is contemplated that the State's counsel may seek an attorneys' fees award and reimbursement of costs and expenses (including expert witness fees and expenses) in whole or in

part from the Settlement Fund. The Attorney General reserves all rights regarding the propriety of any request for or award of attorneys' fees or reimbursement of costs. Neither Samsung SDI nor any Samsung SDI Releasee shall take any position on any application for attorneys' fees or reimbursement of costs. Subject to the foregoing reservation of rights, and subject to Court approval, any amounts awarded or distributed by the Court to the Attorney General as a fee award and reimbursement of costs may be used for any of the following purposes, within the limits of applicable law:

- a. Reimbursement of attorneys' fees and expenses incurred in the investigation and prosecution of the action against Samsung SDI;
- b. Deposit into a state antitrust or consumer protection account (e.g., revolving account, trust account) for use in accordance with the laws governing the account;
- c. Deposit into a fund exclusively dedicated to assisting the State of California to defray the costs of experts, economists and consultants in multistate antitrust investigations and litigations; or
- d. Antitrust or consumer protection enforcement by the Attorney General.

F. Rescission if this Agreement is Not Approved or Final Judgment is Not Entered.

35. If the Court refuses to approve this Agreement or any material part thereof, or if such approval is materially modified or set aside on appeal, or if the Court does not enter the final judgment provided for in paragraph 14 of this Agreement, or if the Court enters the final judgment and appellate review is sought, and on such review, such final judgment is not affirmed in its entirety, then Samsung SDI and the Attorney General shall each, in its or her sole discretion, have the option to rescind this Agreement in its entirety. Written notice of the exercise of any such right to rescind shall be made by email and overnight courier and by filing a copy of such notice with the Court no later than the twentieth (20) day from the day on which the Settling Parties receive notice that the Agreement has not been approved in whole or in material

part or that it has been reversed or modified in whole or in material part on appeal, or that final judgment has not been entered as provided for in paragraph 14 of this Agreement, or that the final judgment has not been affirmed in its entirety on appeal. A modification or reversal on appeal of any amount of the fees for counsel for the State shall not be deemed a modification of all or a part of the terms of this Agreement or such final judgment.

36. In the event that this Agreement does not become final, then this Agreement shall be of no force or effect and any and all parts of the Settlement Fund, including all interest earned on such accounts, shall be returned forthwith to Samsung SDI less only disbursements of notice costs and/or claims administration expenses made in accordance with this Agreement. The Settling Parties expressly reserve all of their rights if this Agreement does not become final.

37. This Agreement shall be construed and interpreted to effectuate the intent of the Settling Parties, which is to provide, through this Agreement, for a complete resolution of the Released Claims with respect to each Samsung SDI Releasee as provided in this Agreement.

38. The Settling Parties contemplate and agree that, prior to final approval of the Agreement as provided for in paragraph 14 of this Agreement, appropriate notice of this Agreement and the complaint that is filed against Samsung SDI shall be given to the Settlement Class of Government Entities. The Class will further be notified that there will be a hearing at which the Court will consider the approval of this Agreement, and that members of that Class may opt out of the Class under this Agreement.

G. Miscellaneous.

39. This Agreement does not settle or compromise any claim by the Attorney General against any defendant or alleged co-conspirator other than Samsung SDI and Samsung SDI Releasees. All rights against such other defendant or alleged co-conspirator are specifically reserved by the Attorney General. Nothing in this Agreement shall be construed to preclude the

Attorney General from asserting that joint and several liability against defendants other than the Samsung SDI Releasees shall continue to include the volume of CRT sales of Samsung SDI during the Relevant Period, or the volume of sales of lithium ion batteries, notwithstanding this Agreement. Samsung SDI shall not object to Samsung SDI's sales remaining in the case for the purpose of holding any other Defendant liable for any price-fixing activities involving CRTs or (in the event that the Attorney General should file a lawsuit against any defendant other than the Samsung SDI Releasees) lithium ion batteries.

40. As part of seeking preliminary approval of this Agreement, the Settling Parties will seek an order from the superior court staying the Action. In the meantime, upon execution of this Agreement, the Settling Parties hereby agree to a stay of any motions or discovery to enable the Agreement to be effectuated without both sides having to incur additional costs in this litigation that may prove to be unnecessary.

41. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is, or may be deemed to be, or may be used as an admission of or evidence of (i) the validity of any claim or defense, or (ii) the appropriateness or inappropriateness of any class or other representational capacity, whether contemporaneously with this Agreement or at any time in the future.

42. Except as otherwise set forth herein, this Agreement shall not affect whatever rights Releasor may have (i) to participate in or benefit from, where appropriate, any relief or other recovery as part of a settlement or judgment in any action on behalf of any direct or indirect purchasers of CRTs against any party named as a defendant, other than Samsung SDI or any Samsung SDI Releasee, in the CRT MDL or in civil action No. CGC-11-515784, filed November 8, 2011, in the Superior Court of California, County of San Francisco, captioned *The*

State of California et al. v. Samsung SDI, Co. Ltd et al. or (ii) to assert any product liability, breach of warranty, breach of contract, or other claims in the ordinary course of business. The Court in which the Attorney General has filed an action against Samsung SDI and one or more of its co-conspirators, or in which the Attorney General amends the settlement complaint against Philips to add Samsung SDI, shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement or the applicability of this Agreement that cannot be resolved by negotiation and agreement by the Settling Parties. This Agreement shall be construed according to the laws of the State of California without regard to its choice of law or conflict of laws principles.

43. This Agreement constitutes the entire, complete, and integrated agreement between the Settling Parties pertaining to the settlement with Samsung SDI and the Samsung SDI Releasees, and supersedes all prior and contemporaneous undertakings of the Settling Parties in connection herewith. This Agreement may not be modified or amended, except in writing executed by the Settling Parties and approved by the Court in which an action is filed against Samsung SDI.

44. This Agreement may be executed in counterparts by the Settling Parties or their counsel, and an email or facsimile signature shall be deemed an original signature for purposes of executing this Agreement.

45. Neither the Attorney General nor Samsung SDI shall be considered to be the drafters of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement.

46. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience only and do not constitute part of this Agreement.

47. Where this Agreement requires either Settling Party to provide notice or any other communication or document to the other, such notice shall be in writing, and such notice, communication, or document shall be provided by email, facsimile or letter by overnight delivery to the undersigned counsel of record for the party to whom notice is being provided.

48. Each Settling Party and their counsel agree to do anything reasonably necessary to effectuate the performance of, and uphold the validity and enforceability of, this Agreement.

49. Each of the undersigned attorneys or representatives of the Settling Parties represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Agreement on behalf of the Settling Parties he or she represents.

50. Samsung SDI agrees that any persons signing this Agreement on its behalf is authorized by Samsung SDI to do so.

51. Samsung SDI waives any and all of its rights:

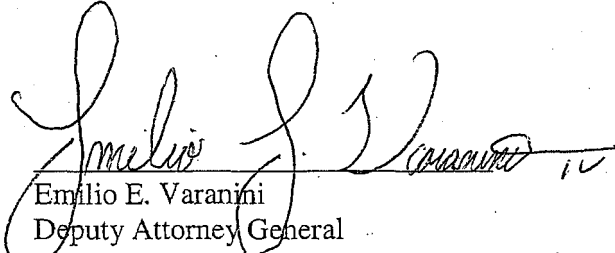
a. to appeal any order or final judgment that is both arising out of and consistent with the terms of this Agreement; and

b. unless this Agreement does not become final within the meaning of paragraph 14, to remove to federal court any complaint or amendment of a complaint filed in state court to plead a Settlement Class of Government Entities against it under jurisdiction that includes, but is not limited to, the Class Action Fairness Act of 2005.

52. This Agreement was entered into pursuant to mediation under the auspices of the mediator selected for that purpose, the Honorable (Ret.) Judge Vaughn A. Walker, and with his approval based on his role in the case and in mediating prior settlements in the parallel federal MDL proceeding. Any disputes concerning this Agreement shall first be brought to the mediator selected in this action to mediate the action between the Attorney General and Samsung SDI,

specifically the Honorable (Ret.) Judge Vaughn A. Walker, if available. If Judge Walker is not available, the parties shall meet and confer in good faith about the selection of another individual to mediate any dispute between them.


Dated: Feb 3, 2016



Emilio E. Varanini
Deputy Attorney General

Office of the Attorney General of California
455 Golden Gate Ave., Suite 11000
San Francisco, CA 94102
Tel: (415) 703-5908
Fax: (415) 703-5480
Email: Emilio.Varanini@doj.ca.gov
Attorney for State of California *et al.*

Dated: Feb. 3, 2016



Gary Halling
**SHEPPARD MULLIN RICHTER &
HAMPTON LLP**

Four Embarcadero Center, 17th Floor
San Francisco, CA 94111-4109
Tel: (415) 774-3234
Fax: (415) 403-6007
Email: GHalling@sheppardmullin.com

Attorneys for Samsung SDI Co. Ltd.; Samsung SDI America, Inc.; Samsung SDI Brasil, Ltd.; Tianjin Samsung SDI Co., Ltd.; Samsung Shenzhen SDI Co., Ltd.; SDI Malaysia Sdn. Bhd.; and SDI Mexico S.A. de C.V.