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**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

**IN RE RESISTORS
ANTITRUST LITIGATION**

**Case No. 3:15-cv-03820-JD
SETTLEMENT AGREEMENT**

This Document Relates to:
Indirect Purchaser Actions

1 This Settlement Agreement (“Settlement Agreement”) is made and entered into on this 4th
2 day of October, 2018, by and among Panasonic Corporation (“Panasonic Corp.”), and the Indirect
3 Purchaser Plaintiffs (“IPPs”), both individually and on behalf of the Class in the above captioned
4 action. This Settlement Agreement is intended by the Settling Parties to fully, finally and forever
5 resolve, discharge and settle the Released Claims, upon and subject to the terms and conditions
6 hereof.

7 RECITALS

8 WHEREAS, IPPs are prosecuting the Action on their own behalf and on behalf of the Class
9 against, among others, Panasonic Corp., Panasonic Corporation of North America, (together, the
10 “Panasonic Defendants”) and other Defendants and alleged co-conspirators;

11 WHEREAS, IPPs allege, among other things, that the Panasonic Defendants violated U.S.
12 antitrust and consumer protection laws by conspiring to fix, raise, maintain, or stabilize the prices of
13 Linear Resistors (as defined below); and these acts caused the Class (as defined below) to incur
14 damages;

15 WHEREAS, the Panasonic Defendants have consistently denied and continue to deny each
16 and all of IPPs’ claims and allegations of wrongdoing; have not conceded or admitted any liability,
17 or that they violated or breached any law, regulation, or duty owed to the IPPs; have denied and
18 continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct,
19 statements, acts or omissions alleged in the Action; and further deny the allegations that IPPs or any
20 member of the Class were harmed by any conduct by the Panasonic Defendants, alleged in the Action
21 or otherwise;

22 WHEREAS, IPPs and the Panasonic Defendants have engaged in extensive discovery
23 regarding the facts pertaining to IPPs’ claims and the Panasonic Defendants’ defenses;

24 WHEREAS, IPPs and the Panasonic Defendants agree that neither this Settlement Agreement
25 nor any statement made in the negotiation thereof shall be deemed or construed to be an admission
26 or evidence of any violation of any statute or law or of any liability or wrongdoing by the Panasonic
27 Defendants or of the truth of any of the claims or allegations alleged in the Action;

1 WHEREAS, Class Counsel has concluded, after due investigation and after carefully
2 considering the relevant circumstances, including, without limitation, the claims asserted in the IPPs’
3 Amended Consolidated Class Action Complaint filed in Docket No. 3:15-cv-03820-JD (the
4 “Complaint”), the legal and factual defenses thereto, and the applicable law, that it is in the best
5 interests of IPPs and the Class to enter into this Settlement Agreement to avoid the uncertainties of
6 litigation and to assure that the benefits reflected herein are obtained for IPPs and the Class, and,
7 further, that IPPs’ Class Counsel considers the Settlement set forth herein to be fair, reasonable and
8 adequate and in the best interests of IPPs and the Class; and

9 WHEREAS, the Panasonic Defendants have concluded, despite their belief that they are not
10 liable for the claims asserted against them in the Action and that they have good defenses thereto, and
11 without admitting any liability or wrongdoing, that they will enter into this Settlement Agreement to
12 avoid further expense, inconvenience and the distraction of burdensome and protracted litigation, to
13 obtain the releases, orders and judgment contemplated by this Settlement, and thereby put to rest this
14 controversy and all claims that have been or could have been asserted against the Panasonic
15 Defendants by IPPs and the Class and to avoid the risks inherent in complex litigation; and

16 WHEREAS, arm’s length settlement negotiations have taken place between counsel for IPPs
17 and the Panasonic Defendants, and this Settlement Agreement, which embodies all of the terms and
18 conditions of the Settlement between the Panasonic Defendants and the IPPs, both individually and
19 on behalf of the Class, has been reached as a result of the Settling Parties’ negotiations (subject to the
20 approval of the Court) as provided herein and is intended to supersede any prior agreements or
21 understandings between the Settling Parties (as defined below).

22 **AGREEMENT**

23 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
24 Settling Parties in consideration of the covenants, agreements, and releases set forth herein and for
25 other good and valuable consideration, that the Action and the Released Claims as against the
26 Panasonic Defendants shall be finally and fully settled, compromised and dismissed on the merits
27 and with prejudice as to the Releasees, as defined below, and except as hereinafter provided, without
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1 costs as to IPPs, the Class, or the Panasonic Defendants, upon and subject to the approval of the
2 Court, following notice to the Class, on the following terms and conditions:

3 **Definitions**

4 1. As used in this Settlement Agreement the following terms shall have the meanings
5 specified below:

6 (a) “Action” or “Actions” means *In re Resistors Antitrust Litigation* – All Indirect Purchaser
7 Actions, Case No. 3:15-cv-03820-JD, and each of the cases brought on behalf of indirect purchasers
8 previously consolidated and/or included as part of Docket No. 3:15-cv-03820-JD.

9 (b) “Affiliates” means entities controlling, controlled by or under common control with a
10 Releasee or Releasor.

11 (c) “Authorized Claimant” means any indirect purchaser who, in accordance with the terms
12 of this Settlement Agreement, is entitled to a distribution consistent with any Distribution Plan or
13 order of the Court ordering distribution to the Class.

14 (d) “Claims Administrator” means the claims administrator(s) to be selected by Class
15 Counsel.

16 (e) “Class” is defined in the following manner:

17 All persons and entities in the United States who purchased one or more Linear Resistor(s),
18 from a resistor distributor not for resale which a Defendant, its current or former subsidiary, or any
19 of its co-conspirators manufactured and/or sold, between January 1, 2003 and August 20, 2015.
20 Excluded from the Class are Defendants, their parent companies, subsidiaries and Affiliates, any co-
21 conspirators, Defendants’ attorneys in this case, federal government entities and instrumentalities,
22 states and their subdivisions, all judges assigned to this case, all jurors in this case and all persons and
23 entities who directly purchased Linear Resistors from Defendants.

24 (f) “Class Counsel” means the law firm of Cotchett, Pitre & McCarthy, LLP.

25 (g) “Class Member” means a Person who falls within the definition of the Class and who does
26 not timely and validly elect to be excluded from the Class in accordance with the procedure to be
27 established by the Court.

28 (h) “Court” means the United States District Court for the Northern District of California.

1 (i) “Defendants” means Panasonic Corp., Panasonic Corporation of North America, KOA
2 Corporation, KOA Speer Electronics, Inc., ROHM Co. Ltd., ROHM Semiconductor U.S.A., LLC,
3 Kamaya Electric Co., Ltd., Kamaya Inc., Hokuriku Electric Industry Co., Ltd. and HDK America,
4 Inc.

5 (j) “Distribution Plan” means any plan or formula of allocation of the Gross Settlement Fund,
6 to be approved by the Court, whereby the Net Settlement Fund shall in the future be distributed to
7 Authorized Claimants.

8 (k) “Document” is synonymous in meaning and equal in scope to the usage of this term in
9 Fed. R. Civ. P. 34(a), including, without limitation, electronic or computerized data compilations. A
10 draft of non-identical copy is a separate document within the meaning of this term.

11 (l) “Effective Date” means the first date by which all of the following events and conditions
12 have been met or have occurred:

13 (1) The Court has finally approved this Settlement Agreement and the motion after
14 providing notice to the Class as defined herein; and

15 (2) The Judgment (as more fully described in Paragraph 6 of this Settlement
16 Agreement) has become Final, with the occurrence of the following: (A) the entry by the Court of a
17 final order approving this Settlement Agreement under Federal Rule of Civil Procedure 23(e) together
18 with entry of a final judgment dismissing the Class Action and all claims therein against the Panasonic
19 Defendants and releasing all Released Claims against all Releasees with prejudice as to all Class
20 Members (the “Final Judgment”) and (B) the expiration of the time for appeal or to seek permission
21 to appeal from the Court’s approval of this Settlement Agreement and entry of the Final Judgment
22 or, if an appeal from an approval and Final Judgment is taken, the affirmance of such Final Judgment
23 in its entirety, without modification, by the court of last resort to which an appeal of such Final
24 Judgment may be taken, provided, however, a modification or reversal on appeal of any amount of
25 Class Counsel’s fees and expenses awarded by the Court from the Gross Settlement Fund or any plan
26 of allocation or distribution of the Settlement Fund shall not be deemed a modification of all or part
27 of the terms of this Settlement Agreement or the Final Judgment. It is agreed that neither the
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1 provisions of Federal Rules of Civil Procedure 60 nor the All Writs Act, 28 U.S.C. § 1651, shall be
2 taken into account in determining the above-stated times.

3 (m) “Escrow Agent” means the agent jointly designated by Class Counsel and counsel for the
4 Panasonic Defendants, and any successor agent.

5 (n) “Execution Date” means the date of the last signature set forth on the signature pages
6 below.

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

20 (p) “Gross Settlement Fund” means the Settlement Amount plus any interest that may accrue.

21 (q) “Indirect Purchaser Plaintiffs” means Microsystems Development Technologies, Inc.,
22 Michael Brooks, Nebraska Dynamics, Inc., MakersLED LLC, Linkitz Systems, Inc., Top Floor Home
23 Improvements, Angstrom, Inc., In Home Tech Solutions, Inc., Anthony Sakal and any other Person
24 added as an Indirect Purchaser Plaintiff in the Actions.

25 (r) “Indirect Purchaser States” means Alabama, Arizona, Arkansas, California, District of
26 Columbia, Florida, Hawaii, Illinois, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota,
27 Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North
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1 Carolina, North Dakota, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah,
2 Vermont, West Virginia and Wisconsin.

3 (s) “Judgment” means the order of judgment and dismissal of the Actions with prejudice.

4 (t) “Linear Resistors” means electronic components that provide a specific amount of
5 resistance to an electronic circuit, in which the current produced is directly proportional to the applied
6 voltage, including without limitation, chip and other fixed resistors, and variable resistors. Linear
7 Resistors are the subject of the Action.

8 (u) “Net Settlement Fund” means the Gross Settlement Fund, less the payments set forth in
9 Paragraph 15.

10 (v) “Notice, Administrative and Claims Administration Costs” means the reasonable sum of
11 money not in excess of \$750,000 to be paid out of the Gross Settlement Fund to pay for notice to the
12 Class and related administrative and claims administration costs. The actual Notice, Administrative
13 and Claims Administration Costs shall be allocated *pro rata* from the Settlement Funds all other
14 settling Defendants.

15 (w) “Person(s)” means an individual, corporation, limited liability corporation, professional
16 corporation, limited liability partnership, partnership, limited partnership, association, joint stock
17 company, estate, legal representative, trust, unincorporated association, government or any political
18 subdivision or agency thereof, and any business or legal entity and any spouses, heirs, predecessors,
19 successors, representatives or assignees of any of the foregoing.

20 (x) “Proof of Claim and Release” means the form to be sent to the Class, upon further order(s)
21 of the Court, by which any member of the Class may make claims against the Gross Settlement Fund.

22 (y) “Released Claims” means any and all manner of claims, demands, rights, actions, suits,
23 causes of action, whether class, individual or otherwise in nature, fees, costs, penalties, injuries,
24 damages whenever incurred, liabilities of any nature whatsoever, known or unknown (including, but
25 not limited to, “Unknown Claims”), foreseen or unforeseen, suspected or unsuspected, asserted or
26 unasserted, contingent or non-contingent, in law or in equity, which Releasers or any of them, whether
27 directly, representatively, derivatively, or in any other capacity, ever had, now have or hereafter can,
28 shall or may have, relating in any way to any conduct prior to the Execution Date and arising out of

1 or related in any way in whole or in part to any facts, circumstances, acts, or omissions arising out of
2 or related to (1) the purchase, pricing, selling, discounting, marketing, manufacturing and/or
3 distributing of Linear Resistors; (2) any agreement, combination or conspiracy to raise, fix, maintain
4 or stabilize the prices of Linear Resistors or restrict, reduce, alter or allocate the supply, quantity or
5 quality of Linear Resistors or concerning the development, manufacture, supply, distribution,
6 transfer, marketing, sale or pricing of Linear Resistors, or any other restraint of competition alleged
7 in the Action or that could have been or hereafter could be alleged against the Releasees relating to
8 Linear Resistors, or (3) any other restraint of competition relating to Linear Resistors that could be
9 asserted as a violation of the Sherman Act or any other antitrust, unjust enrichment, unfair
10 competition, unfair practices, trade practices, price discrimination, unitary pricing, racketeering, civil
11 conspiracy or consumer protection law, whether under federal, state, local or foreign law. Nothing
12 herein shall release: (i) any direct purchase claims made by direct purchasers; (ii) any claims made
13 by any State, State agency, or instrumentality or political subdivision of a State as to government
14 purchases and/or penalties; (iii) claims involving any negligence, personal injury, breach of contract
15 arising in the ordinary course of business, bailment, failure to deliver lost goods, damaged or delayed
16 goods, product defect, securities or similar claim relating to any Linear Resistors; (iv) claims
17 concerning electronic components other than Linear Resistors; (v) claims under laws other than those
18 of the United States relating to purchases of any Linear Resistors made outside of the United States
19 by any Releasor; and (vi) claims for damages under the state or local laws of any jurisdiction other
20 than an Indirect Purchaser State. For the purposes of clarity, the Released Claims include any claims
21 under federal antitrust or competition laws or state antitrust, competition, or consumer protection laws
22 that relate to or arise out of the sale of any of the Linear Resistors that are the subject of the Complaint.
23 For purposes of clarity, the Released Claims include claims for purchases of Linear Resistors from
24 any Releasee anywhere in the world made by any Releasor. The Released Claims also include any
25 claims under foreign antitrust or competition laws or state antitrust or competition laws that relate to
26 or arise out of the subject of the Complaint based on purchases made anywhere in the world, but do
27 not include any foreign antitrust or competition law claims based on purchases of Linear Resistors
28 that were not sold, billed, or shipped to or through the United States, or would otherwise not fall

1 within the jurisdictional reach of the Sherman Act as amended by the Foreign Trade Antitrust
2 Improvements Act of 1982.

3 (z) “Releasees” means jointly and severally, individually and collectively, Panasonic Corp.
4 and Panasonic Corporation of North America, their respective past, present and future direct and
5 indirect parents, members, subsidiaries and Affiliates; their respective past, present, and future
6 officers, directors, employees, managers, members, partners, joint ventures, agents, shareholders (in
7 their capacity as shareholders), attorneys and legal representatives, assigns, servants and
8 representatives; and the predecessors, successors, heirs, executors, administrators and assigns of each
9 and any of the foregoing.

10 (aa) “Releasers” refers jointly and severally, individually and collectively to the IPPs
11 and each and every member of the Class on their own behalf and on behalf of their respective past,
12 present and/or future direct and indirect parents, members, subsidiaries and Affiliates, and their past,
13 present and/or future officers, directors, employees, agents, attorneys and legal representatives,
14 servants and representatives, and the predecessors, successors, heirs, executors, administrators and
15 assigns of each of the foregoing.

16 (bb) “Settlement” means the settlement of the Released Claims set forth herein.

17 (cc) “Settlement Amount” means exactly ten million U.S. dollars (\$10,000,000.00). In
18 no event shall Panasonic pay more than \$10,000,000.00.

19 (dd) “Settling Parties” means, collectively, the IPPs (on behalf of themselves and the
20 Class) and the Panasonic Defendants.

21 (ee) “Unknown Claims” means any Released Claim that an Indirect Purchaser Plaintiff
22 and/or Class Member does not know or suspect to exist in his, her or its favor at the time of the release
23 of the Releasees that if known by him, her or it, might have affected his, her or its settlement with
24 and release of the Releasees, or might have affected his, her or its decision not to object to this
25 Settlement. Such Unknown Claims include claims that are the subject of California Civil Code § 1542
26 and equivalent, similar or comparable laws or principles of law. California Civil Code § 1542
27 provides:
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1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR
2 DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
3 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE
4 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

5 **Preliminary Approval Order, Notice Order and Settlement Hearing**

6 2. *Reasonable Best Efforts to Effectuate this Settlement.* The Settling Parties: (a)
7 acknowledge that it is their intent to consummate this Settlement Agreement; and (b) agree to
8 cooperate to the extent reasonably necessary to effectuate and implement the terms and conditions of
9 this Settlement Agreement and to exercise their reasonable best efforts to secure the prompt, complete
10 and final dismissal with prejudice of the Action as to the Releasees.

11 3. *Motion for Preliminary Approval.* At a reasonably prompt time to be determined by Class
12 Counsel, Class Counsel shall submit this Settlement Agreement to the Court and shall apply for entry
13 of a preliminary approval order (the “Preliminary Approval Order”), requesting, inter alia,
14 preliminary approval of the Settlement. The motion shall include (a) the proposed Preliminary
15 Approval Order and (b) a definition of the proposed settlement class pursuant to Federal Rule of Civil
16 Procedure 23.

17 4. *Proposed Notice.* At a time to be determined in their sole discretion, Class Counsel shall
18 submit to the Court for approval a proposed form of, method for and schedule for dissemination of
19 notice to the Class. To the extent practicable and to the extent consistent with this paragraph, Class
20 Counsel may seek to coordinate this notice program with other settlements that may be reached in
21 the Action to reduce the expense of notice. This motion shall recite and ask the Court to find that the
22 proposed form of and method for dissemination of the notice to the Class constitutes valid, due and
23 sufficient notice to the Class, constitutes the best notice practicable under the circumstances, and
24 complies fully with the requirements of Federal Rule of Civil Procedure 23. In accordance with
25 Paragraph 22, the Panasonic Defendants and their counsel have no responsibility for, interest in,
26 financial obligation for, or liability whatsoever with respect to the distribution or administration of
27 the Gross Settlement Fund, nor shall the Panasonic Defendants or their counsel have any
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1 responsibility for, interest in, financial obligation for, or liability whatsoever with respect to any plan
2 of distribution of allocation of the Gross Settlement Fund.

3 5. *Claims Administrator.* IPPs shall retain a Claims Administrator, which shall be
4 responsible for the claims administration process including distribution to Class Members pursuant
5 to a court-approved plan of distribution. The fees and expenses of the Claims Administrator shall be
6 paid exclusively out of the Settlement Fund. In no event shall the Panasonic Defendants or any
7 Releasee be separately responsible for any fees or expenses of the Claims Administrator.

8 6. *Motion for Final Approval and Entry of Final Judgment.* Prior to the date set by the
9 Court to consider whether this Settlement should be finally approved, Class Counsel shall submit a
10 motion for final approval of the Settlement by the Court. The Settling Parties shall jointly seek entry
11 of the Final Approval Order and Judgment:

12 (a) certifying the Class, as defined in this Settlement Agreement, pursuant to Federal Rule of
13 Civil Procedure 23, solely for purposes of this Settlement;

14 (b) fully and finally approving the Settlement contemplated by this Settlement Agreement and
15 its terms as being fair, reasonable and adequate within the meaning of Federal Rule of Civil Procedure
16 23 and directing its consummation pursuant to its terms and conditions;

17 (c) finding that the notice given to the Class Members constituted the best notice practicable
18 under the circumstances and complies in all respects with the requirements of Federal Rule of Civil
19 Procedure 23 and due process;

20 (d) directing that the Actions be dismissed with prejudice as to the Panasonic Defendants and,
21 except as provided for herein, without costs;

22 (e) discharging and releasing the Releasees from all Released Claims;

23 (f) permanently barring and enjoining the institution and prosecution, by IPPs and Class
24 Members, of any other action against the Releasees in any court asserting any claims related in any
25 way to the Released Claims;

26 (g) reserving continuing and exclusive jurisdiction over the Settlement, including all future
27 proceedings concerning the administration, consummation and enforcement of this Settlement
28 Agreement, except as provided in Paragraph 42 below;

1 (h) determining pursuant to Federal Rule of Civil Procedure 54(b) that there is no just reason
2 for delay and directing entry of a final judgment as to the Panasonic Defendants; and

3 (i) containing such other and further provisions consistent with the terms of this Settlement
4 Agreement to which the Settling Parties expressly consent in writing.

5 7. At least seven (7) business days prior to the filing of any motions or other papers in
6 connection with this Settlement, including without limitation, the Preliminary Approval Motion and
7 the Motion for Final Approval of the Settlement, Class Counsel will send working drafts of these
8 papers to counsel for the Panasonic Defendants. The text of any proposed form of order preliminarily
9 or finally approving the Settlement shall be agreed upon by IPPs and the Panasonic Defendants before
10 it is submitted to the Court and shall be consistent with the terms of this Settlement Agreement and
11 the Class definitions set forth herein.

12 8. *Stay Order.* Upon the Execution Date, the Action shall be stayed as against the Panasonic
13 Defendants only. Should the Action be tried against any Defendants other than the Panasonic
14 Defendants, the Settling Parties specifically agree that any findings therein shall not be binding on or
15 admissible in evidence against the Panasonic Defendants or any other Releasee or prejudice any
16 Releasee in any way in any future proceeding involving any Releasee.

17 9. Upon the date that the Court enters the Preliminary Approval Order, IPPs and Class
18 Members shall be barred and enjoined from commencing, instituting or continuing to prosecute any
19 action or any proceeding in any court of law or equity, arbitration tribunal, administrative forum or
20 other forum of any kind worldwide based on the Released Claims. Nothing in this provision shall
21 prohibit IPPs or Class Counsel from continuing to participate in discovery in the Actions that is
22 initiated by other plaintiffs or that is subject to and consistent with the cooperation provisions set
23 forth in Paragraphs 28-31.

24 **Releases**

25 10. *Released Claims.* Upon the Effective Date, the Releasors (regardless of whether any such
26 Releasor ever seeks or obtains any recovery by any means, including, without limitation, by
27 submitting a Proof of Claim and Release, any distribution from the Gross Settlement Fund) by virtue
28 of this Settlement Agreement shall be deemed to have, and by operation of the Judgment shall have

1 fully, finally and forever released, relinquished and discharged all Released Claims against the
2 Releasees.

3 11. **No Future Actions.** The Releasors shall not, after the Execution Date, seek (directly or
4 indirectly) to commence, institute, maintain or prosecute any suit, action or complaint or collect from
5 or proceed against the Panasonic Defendants or any other Releasee (including, but not limited to,
6 pursuant to the Actions) based on the Released Claims in any forum worldwide, whether on his, her,
7 or its own behalf or as part of any putative, purported or certified class of purchasers or consumers.

8 12. **Covenant Not to Sue.** Releasors hereby covenant not to sue the Releasees with respect to
9 any such Released Claims. Releasors shall be permanently barred and enjoined from instituting,
10 commencing or prosecuting against the Releasees any claims based in whole or in part on the
11 Released Claims. The Settling Parties contemplate and agree that this Settlement Agreement may be
12 pleaded as a bar to a lawsuit, and an injunction may be obtained, preventing any action from being
13 initiated or maintained in any case sought to be prosecuted on behalf of IPPs or any Class member
14 with respect to the Released Claims.

15 13. **Waiver of California Civil Code § 1542 and Similar Laws.** The Releasors acknowledge
16 that, by virtue of the execution of this Settlement Agreement, and for the consideration received
17 hereunder, it is their intention to release, and they are releasing, all Released Claims, even Unknown
18 Claims. In furtherance of this intention, the Releasors expressly waive and relinquish, to the fullest
19 extent permitted by law, any rights or benefits conferred by the provisions of California Civil Code
20 § 1542, as set forth in Paragraph 1(ee), or equivalent, similar or comparable laws or principles of law.
21 The Releasors acknowledge that they have been advised by Class Counsel of the contents and effects
22 of California Civil Code § 1542, and hereby expressly waive and release with respect to the Released
23 Claims any and all provisions, rights and benefits conferred by California Civil Code § 1542 or by
24 any equivalent, similar or comparable law or principle of law in any jurisdiction. The Releasors may
25 hereafter discover facts other than or different from those which they know or believe to be true with
26 respect to the subject matter of the Released Claims, but the Releasors hereby expressly waive and
27 fully, finally and forever settle and release any known or unknown, suspected or unsuspected,
28 foreseen or unforeseen, asserted or unasserted, contingent or non-contingent, and accrued or

1 unaccrued claim, loss or damage with respect to the Released Claims, whether or not concealed or
2 hidden, without regard to the subsequent discovery or existence of such additional or different facts.
3 The release of unknown, unanticipated, unsuspected, unforeseen, and unaccrued losses or claims in
4 this paragraph is not a mere recital.

5 **Settlement Fund and Injunctive Relief**

6 14. ***Settlement Payment.*** Panasonic Corp. shall pay by wire transfer the Settlement Amount
7 to the Escrow Agent pursuant to escrow instructions within sixty (60) business days after the
8 Execution Date. This amount constitutes the total amount of payment that the Panasonic Defendants
9 are required to make in connection with this Settlement Agreement. This amount shall not be subject
10 to reduction, and upon the occurrence of the Effective Date, no funds shall revert to the Panasonic
11 Defendants except as provided herein. The Escrow Agent shall only act in accordance with the
12 mutually agreed escrow instructions. Subject to the provisions hereof, and in full, complete, and final
13 settlement of the Actions as provided herein, Panasonic further agrees that it will not engage in
14 conduct that constitutes a *per se* violation of Section 1 of the Sherman Act (whether characterized as
15 price fixing, market allocation, bid rigging, or otherwise) with respect to the sale of Linear Resistors
16 for a period of twelve (12) months from the date of the entry of the Final Judgment.

17 15. ***Disbursements Prior to Effective Date.*** No amount may be disbursed from the Gross
18 Settlement Fund unless and until the Effective Date, except that: (a) actual Notice, Administrative
19 and Claims Administration Costs, which shall be allocated *pro rata* from the Settlement Funds of all
20 other settling Defendants and in any event may not exceed \$750,000 may be paid from the Gross
21 Settlement Fund as they become due; (b) Taxes and Tax Expenses (as defined in Paragraph 17 below)
22 may be paid from the Gross Settlement Fund as they become due; and (c) attorneys' fees and
23 reimbursement of litigation costs may be paid as ordered by the Court, which may be disbursed during
24 the pendency of any appeals, which may be taken from the judgment to be entered by the Court finally
25 approving this Settlement.

26 16. ***No Additional Payments by the Panasonic Defendants.*** Under no circumstances will the
27 Panasonic Defendants be required to pay more or less than the Settlement Amount pursuant to this
28 Settlement Agreement and the Settlement set forth herein. For purposes of clarification, the payment

1 of any Fee and Expense Award (as defined in Paragraph 25 below), the Notice, Administrative and
2 Claims Administrative Costs, and any other costs associated with the implementation of this
3 Settlement Agreement shall be paid exclusively from the Settlement Amount.

4 17. **Taxes.** The Settling Parties and the Escrow Agent agree to treat the Gross Settlement Fund
5 as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. The
6 Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions
7 of this paragraph, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) back
8 to the earliest permitted date. Such elections shall be made in compliance with the procedures and
9 requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to
10 prepare and deliver timely and properly the necessary documentation for signature by all necessary
11 parties, and thereafter to cause the appropriate filing to occur.

12 (a) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the
13 regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow
14 Agent shall satisfy the administrative requirements imposed by Treas. Reg. §1.468B-2 by, e.g., (i)
15 obtaining a taxpayer identification number, (ii) satisfying any information reporting or withholding
16 requirements imposed on distributions from the Gross Settlement Fund, and (iii) timely and properly
17 filing applicable federal, state and local tax returns necessary or advisable with respect to the Gross
18 Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k))
19 and paying any taxes reported thereon. Such returns (as well as the election described in this
20 paragraph) shall be consistent with the provisions of this paragraph and in all events shall reflect that
21 all Taxes as defined in Paragraph 17(b) below on the income earned by the Gross Settlement Fund
22 shall be paid out of the Gross Settlement Fund as provided in Paragraph 17(b) hereof;

23 (b) The following shall be paid out of the Gross Settlement Fund: (i) all taxes (including any
24 estimated taxes, interest or penalties) arising with respect to the income earned by the Gross
25 Settlement Fund, including, without limitation, any taxes or tax detriments that may be imposed upon
26 the Panasonic Defendants or their counsel with respect to any income earned by the Gross Settlement
27 Fund for any period during which the Gross Settlement Fund does not qualify as a “qualified
28 settlement fund” for federal or state income tax purposes (collectively, “Taxes”); and (ii) all expenses

1 and costs incurred in connection with the operation and implementation of this paragraph, including,
2 without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs
3 and expenses relating to filing (or failing to file) the returns described in this paragraph (collectively,
4 “Tax Expenses”). In all events neither the Panasonic Defendants nor their counsel shall have any
5 liability or responsibility for the Taxes or the Tax Expenses. With funds from the Gross Settlement
6 Fund, the Escrow Agent shall indemnify and hold harmless Panasonic and their counsel for Taxes
7 and Tax Expenses (including, without limitation, Taxes payable by reason of any such
8 indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost
9 of administration of the Gross Settlement Fund and shall timely be paid by the Escrow Agent out of
10 the Gross Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated
11 (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized
12 Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves
13 for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under
14 Treas. Reg. §1.468B-2(1)(2)); neither the Panasonic Defendants nor their counsel are responsible
15 therefor, nor shall they have any liability therefor. The Settling Parties agree to cooperate with the
16 Escrow Agent, each other, their tax attorneys and their accountants to the extent reasonably necessary
17 to carry out the provisions of this paragraph.

18 **Administration and Distribution of Gross Settlement Fund**

19 18. *Time to Appeal.* The time to appeal from an approval of the Settlement shall commence
20 upon the Court’s entry of the Judgment regardless of whether or not either the Distribution Plan or
21 an application for attorneys’ fees and expenses has been submitted to the Court or resolved.

22 19. *Distribution of Gross Settlement Fund.* Upon further orders of the Court, the Notice and
23 Claims Administrator, subject to such supervision and direction of the Court and/or Class Counsel as
24 may be necessary or as circumstances may require, shall administer the claims submitted by members
25 of the Class and shall oversee distribution of the Gross Settlement Fund to Authorized Claimants
26 pursuant to the Distribution Plan. Subject to the terms of this Settlement Agreement and any order(s)
27 of the Court, the Gross Settlement Fund shall be applied as follows:
28

1 (a) To pay all costs and expenses reasonably and actually incurred in connection providing
2 notice to the Class in connection with administering and distributing the Net Settlement Fund to
3 Authorized Claimants, and in connection with paying escrow fees and costs, if any;

4 (b) To pay all costs and expenses, if any, reasonably and actually incurred in accepting claims
5 and assisting with the filing and processing of such claims;

6 (c) To pay the Taxes and Tax Expenses as defined herein;

7 (d) To pay any Attorney Fee and Expense Award that is allowed by the Court, subject to and
8 in accordance with this Settlement Agreement; and

9 (e) To distribute the balance of the Net Settlement Fund to Authorized Claimants as allowed
10 by the Agreement, any Distribution Plan or order of the Court.

11 **20. *Distribution of Net Settlement Fund.*** The Net Settlement Fund shall be distributed in
12 accordance with the Distribution Plan that is approved by the Court.

13 21. All Persons who fall within the definition of the Class who do not timely and validly
14 request to be excluded from the Class shall be subject to and bound by the provisions of this
15 Settlement Agreement, the releases contained herein, and the Judgment with respect to all Released
16 Claims, regardless of whether such Persons seek or obtain by any means, including, without
17 limitation, by submitting a Proof of Claim and Release or any similar document, any distribution
18 from the Gross Settlement Fund or the Net Settlement Fund.

19 **22. *No Liability for Distribution of Settlement Funds.*** Neither the Releasees nor their counsel
20 shall have any responsibility for, interest in or liability whatsoever with respect to the distribution of
21 the Gross Settlement Fund; the Distribution Plan; the allocation of the Settlement Amount between
22 claimants with qualifying purchases of Linear Resistors; the determination, administration, or
23 calculation of claims; the Settlement Fund's qualification as a "qualified settlement fund"; the
24 payment or withholding of Taxes or Tax Expenses; the distribution of the Net Settlement Fund; or
25 any losses incurred in connection with any such matters. The Releasors hereby fully, finally and
26 forever release, relinquish and discharge the Releasees and their counsel from any and all such
27 liability. No Person shall have any claim against Class Counsel or the Notice and Claims
28

1 Administrator based on the distributions made substantially in accordance with this Settlement
2 Agreement, the Distribution Plan or further orders of the Court.

3 **23. *Balance Remaining in Net Settlement Fund.*** If there is any balance remaining in the Net
4 Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Class Counsel
5 may reallocate such balance among Authorized Claimants in an equitable and economic fashion,
6 distribute the remaining funds through *cy pres*, or allow the money to escheat to federal or state
7 governments, subject to Court approval. Except as provided in Paragraph 37 below, the Net
8 Settlement Fund shall not revert to Panasonic Corp.

9 **24. *Distribution Plan Not Part of Settlement.*** It is understood and agreed by the Settling
10 Parties that any Distribution Plan, including any adjustments to any Authorized Claimant's claim, is
11 not a part of this Settlement Agreement and is to be considered by the Court separately from the
12 Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in this
13 Settlement Agreement, and any order or proceedings relating to the Distribution Plan shall not operate
14 to terminate or cancel this Settlement Agreement or affect the finality of the Judgment, the Final
15 Approval Order, or any other orders entered pursuant to this Settlement Agreement. The time to
16 appeal from an approval of the Settlement shall commence upon the Court's entry of the Judgment
17 regardless of whether either the Distribution Plan or an application for attorneys' fees and expenses
18 has been submitted to the Court or approved.

19 **Attorneys' Fees and Reimbursement of Expenses**

20 **25. *Fee and Expense Application.*** Class Counsel may submit an application or applications
21 (the "Fee and Expense Application") for distributions from the Gross Settlement Fund, for: (a) an
22 award of attorneys' fees; plus (b) reimbursement of expenses incurred in connection with prosecuting
23 the Actions; plus (c) any interest on such attorneys' fees and expenses (until paid) at the same rate
24 and for the same periods as earned by the Settlement Fund, as appropriate, and as may be awarded
25 by the Court.

26 **26. *Award of Fees and Expenses Not Part of Settlement.*** The procedure for, and the
27 allowance or disallowance by the Court of, the Fee and Expense Application are not part of the
28 Settlement set forth in this Settlement Agreement, and are to be considered by the Court separately

1 from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set
2 forth in this Settlement Agreement. Any order or proceeding relating to the Fee and Expense
3 Application, or any appeal from any Fee and Expense Award or any other order relating thereto or
4 reversal or modification thereof, shall not operate to terminate or cancel this Settlement Agreement,
5 or affect or delay the finality of the Judgment and the Settlement of the Actions as set forth herein.
6 No order of the Court or modification or reversal on appeal of any order of the Court concerning any
7 Fee and Expense Award or Distribution Plan shall constitute grounds for cancellation or termination
8 of this Settlement Agreement.

9 **27. No Liability for Fees and Expenses of Class Counsel.** The Releasees shall have no
10 responsibility for, and no liability whatsoever with respect to, any payment(s) to Class Counsel
11 pursuant to this Settlement Agreement and/or to any other Person who may assert some claim thereto
12 or any Fee and Expense Award that the Court may make in the Actions, other than as set forth in this
13 Settlement Agreement.

14 **Cooperation**

15 **28. Cooperation as Consideration.** In return for the Release provided herein, the Panasonic
16 Defendants agree to pay the Settlement Amount and agree to provide cooperation to IPPs as set forth
17 specifically below in Paragraphs 29 through 31. In connection with this Settlement Agreement, IPPs
18 agree to cancel any and all presently scheduled depositions of the Panasonic Defendants' witnesses.
19 Should this Settlement Agreement not become final, and should the parties return to their respective
20 positions, the Panasonic Defendants agree to make reasonable best efforts to make available for
21 deposition any former employee whose deposition was previously scheduled. Moreover, the
22 cooperation provisions set forth in Paragraphs 29 through 31 shall only become effective and
23 operative if one or more of IPPs' settlements with any of the other Defendants is not approved, or
24 does not become final.

25 **29. Cooperation Subject to and Consistent with Prior Obligations.** Subject to the foregoing,
26 the Panasonic Defendants and the IPPs shall not be obligated to provide cooperation that would
27 violate an applicable court order, any joint defense or common interest agreement or privilege, or the
28 Panasonic Defendants' commitments to the United States Department of Justice or any other

1 domestic or foreign governmental entity. Additionally, IPPs and the Panasonic Defendants will take
2 reasonable efforts to accommodate the other's efforts to minimize duplication in the providing of any
3 cooperation.

4 30. **Cooperation.** Subject to the foregoing, the Settling Parties agree to the following only if
5 one or more of IPPs' settlements with any of the other Defendants is not approved, or does not become
6 final.

7 (a) If Panasonic produces any declarations, documents, data, or other responses to discovery
8 to any other plaintiff in the Actions, they will produce the same to Indirect Purchaser Plaintiffs.

9 (b) **Attorney Proffer.** At a time as mutually agreed by the Settling Parties, counsel for the
10 Panasonic Defendants shall make themselves available in the United States for up to one (1) meeting
11 to provide Class Counsel with an oral proffer of facts known to them relating to the allegations at
12 issue in this Action, including meetings or communications between competitors in the Linear
13 Resistors industry.

14 (c) The Settling Parties shall cooperate in good faith to authenticate by declaration or
15 affidavit, a reasonable number of Documents produced to date by the Panasonic Defendants in the
16 Action, without the need to issue any subpoenas, letters rogatory, letters of request, or formal
17 discovery requests. IPPs shall provide the Panasonic Defendants with a list of production numbers
18 and copies of the Documents for which authentication is requested no less than forty-five (45)
19 business days prior to the requested date for completion.

20 (d) The Panasonic Defendants will use their reasonable best efforts to, at IPPs' election, either
21 have no more than two employees (i) provide a declaration, or (ii) make themselves available for trial
22 testimony through a deposition that shall occur within the fact discovery period in the litigation, or
23 as otherwise agreed by the Settling Parties. If mutually agreed, such depositions may occur via
24 videoconference or teleconference. Such depositions shall not exceed seven (7) hours in length unless
25 an interpreter is used, in which event the examination time shall not exceed twelve (12) hours. IPPs
26 will reimburse the Panasonic Defendants for reasonable business class airfare, a per diem of \$100 for
27 food and incidentals, and up to three (3) nights of reasonable hotel expenses (not to exceed \$400 per
28 night) for each witness who is made available for deposition testimony in the United States. IPPs

1 shall provide the Panasonic Defendants with no less than 30 days' notice prior to the requested date
2 of any such deposition. Unless at the Panasonic Defendants' election, barring unforeseen
3 circumstances, IPPs agree to take these depositions, if at all, in the last two weeks of the fact discovery
4 period or any extension thereof.

5 (e) While IPPs agree not to issue depositions subpoenas or notices to any current or former
6 employees of the Panasonic Defendants or any Releasee, the Panasonic Defendants agree that IPPs
7 may ask questions at depositions of any Panasonic witnesses noticed by other plaintiffs in the
8 litigation, provided however that IPPs' participation in any such deposition shall not extend the time
9 limit allowed for the deposition pursuant to the Order re: Discovery Limits, ECF No. 307, or any
10 other applicable order. Similarly, the Panasonic Defendants will not subpoena or notice the
11 depositions of IPPs in this Action, although they may participate in questioning of such witnesses in
12 depositions noticed by other parties. IPPs shall not take any position on any motion to quash a
13 deposition subpoena or notice filed by the Panasonic Defendants.

14 (f) IPPs and their Counsel agree they will not use the information under this paragraph for
15 any purpose other than the pursuit of the Action, and will not publicize the information beyond what
16 is reasonably necessary for the prosecution of the Action or as otherwise required by law. Any
17 information provided under this paragraph will be deemed "Highly Confidential" and subject to the
18 protective order entered in the Action as if they had been produced or provided in response to
19 discovery requests and so designated.

20 (g) In the event that this Agreement fails to receive final approval by the Court as
21 contemplated in Paragraphs 6-7 hereof, or in the event that it is terminated by either party under any
22 provision herein, the Settling Parties agree that neither IPPs nor Class Counsel shall be permitted to
23 introduce into evidence, at any hearing, or in support of any motion, opposition or other pleading in
24 the Action or in any other federal or state or foreign action alleging a violation of any law relating to
25 the subject matter of this Action, any other information provided by the Panasonic Defendants'
26 counsel pursuant to the cooperation provisions of this paragraph.

27 31. ***Other Discovery.*** Upon the Execution Date, neither the Panasonic Defendants nor the IPPs
28 shall file motions against the other or initiate or participate in any discovery, motion or proceeding

1 directly adverse to the other in connection with the Action, except as specifically provided for herein.
2 In addition, IPPs agree that they will not serve or seek further discovery from the Panasonic
3 Defendants, or their current or former employees. The Panasonic Defendants and the IPPs shall not
4 be obligated to respond or supplement prior responses to formal discovery that has been previously
5 propounded by the other in the Action.

6 **Conditions of Settlement, Effect of Disapproval, Cancellation or Termination**

7 32. *Occurrence of Effective Date.* Upon the occurrence of all of the events required to trigger
8 the Effective Date as defined in Paragraph 1(l), any and all remaining interest or right of Panasonic
9 Corp. in or to the Gross Settlement Fund, if any, shall be absolutely and forever extinguished, and the
10 Gross Settlement Fund (less any Notice and Administrative Costs, Taxes or Tax Expenses or any Fee
11 and Expense Award paid) shall be transferred from the Escrow Agent to the Notice and Claims
12 Administrator as successor Escrow Agent within ten (10) days after the Effective Date.

13 33. *Failure of Effective Date to Occur.* If, for whatever reason, the Effective Date does not
14 occur or is not met, then this Settlement Agreement shall be cancelled and terminated, subject to and
15 in accordance with Paragraph 36, below, unless the Settling Parties mutually agree in writing to
16 proceed with this Settlement Agreement.

17 34. *Exclusions.*

18 a. Any Class Member that wishes to seek exclusion from the Settlement Class by “opting out”
19 must timely submit a written request for exclusion to the Claims Administrator. Class Counsel shall
20 cause copies of requests for exclusion from the Class to be provided to the Panasonic Defendants’
21 counsel. No later than fourteen (14) days after the final date for mailing requests for exclusion, Class
22 Counsel shall provide the Panasonic Defendants’ counsel with a complete and final list of opt-outs.
23 With the motion for final approval of the Settlement, Class Counsel will file with the Court a complete
24 list of requests for exclusion from the Class, including only the name, city and state of the person or
25 entity requesting exclusion. The Panasonic Defendants or Class Counsel may at their discretion
26 dispute an exclusion request, and, if possible, resolve the disputed exclusion request by agreement
27 and inform the Court of their position, if necessary, within thirty (30) days of the deadline set by the
28 Court for any class member to seek exclusion from the Settlement Class. With respect to any potential

1 Class Member who requests exclusion from the Class, the Panasonic Defendants reserve all of their
2 legal rights and defenses, including, but not limited to, any defenses relating to whether the excluded
3 Class Member is an indirect purchaser of Linear Resistors and/or has standing to bring any claim.

4 b. Panasonic Corp. shall have the option to rescind and terminate this Settlement Agreement
5 in its entirety and without liability of any kind if based on available data, the aggregate purchases of
6 Linear Resistors purchased from distributors by Class Members that opt out pursuant to Paragraph
7 34(a) of this Settlement Agreement exceeds a threshold agreed to by IPPs and Panasonic Corp. in the
8 Confidential Termination Agreement that has been executed separately by IPPs and Panasonic Corp.
9 Panasonic Corp. shall exercise this option to rescind and terminate this Settlement Agreement by
10 providing thirty (30) business days written notice to Class Counsel. Upon such rescission and
11 termination, IPPs and the Panasonic Defendants will notify the Court immediately and withdraw all
12 pending motions filed to effectuate this Settlement. IPPs and the Panasonic Defendants will also, as
13 may be required by the Court, submit the Confidential Termination Agreement to the Court for in-
14 camera review. In the event that Panasonic Corp. exercises its option to rescind and terminate this
15 Settlement Agreement: (i) this Settlement Agreement shall be null and void as to the Panasonic
16 Defendants, and shall have no force or effect and shall be without prejudice to the rights and
17 contentions of Releasees and Releasers in this or any other litigation; (ii) the Gross Settlement fund,
18 including the Settlement Amount and all interest earned on the Settlement Amount while in escrow,
19 shall be refunded promptly to Panasonic Corp., minus such payment (as set forth in this Settlement
20 Agreement) of Notice and Administrative Costs and Taxes and Tax Expenses, consistent with the
21 provisions of Paragraphs 16 and 17.

22 35. **Objections.** Class Members who wish to object to any aspect of the Settlement must file
23 with the Court a written statement containing their objection by end of the period to object to the
24 Settlement. Any award or payment of attorneys' fees made to counsel to an objector to the Settlement
25 shall only be made by Court order and upon a showing of the benefit conferred to the Class. In
26 determining any such award of attorneys' fees to an objector's counsel, the Court will consider the
27 incremental value to the Class caused by any such objection. Any award of attorneys' fees by the
28 Court will be conditioned on the objector and his or her attorney stating under penalty of perjury that

1 no payments shall be made to the objector based on the objector's participation in the matter - other
2 than as ordered by the Court.

3 **36. Failure to Enter Proposed Preliminary Approval Order, Final Approval Order or**
4 **Judgment.** If the Court does not enter the Preliminary Approval Order, the Final Approval Order or
5 the Judgment, or if the Court enters the Final Approval Order and the Judgment and appellate review
6 is sought and, on such review, the Final Approval Order or the Judgment is finally vacated, modified
7 or reversed, then this Settlement Agreement and the Settlement incorporated therein shall be
8 cancelled and terminated; provided, however, the Settling Parties agree to act in good faith to secure
9 Final Approval of this Settlement and to attempt to address in good faith concerns regarding the
10 Settlement identified by the Court and any court of appeal. No Settling Party shall have any obligation
11 whatsoever to proceed under any terms other than substantially in the form provided and agreed to
12 herein; provided, however, that no order of the Court concerning any Fee and Expense Application
13 or Distribution Plan, or any modification or reversal on appeal of such order, shall constitute grounds
14 for cancellation or termination of this Settlement Agreement by any Settling Party. Without limiting
15 the foregoing, the Panasonic Defendants shall have, in their sole and absolute discretion, the option
16 to terminate the Settlement in its entirety in the event that the Judgment, upon becoming Final, does
17 not provide for the dismissal with prejudice of all of the Actions against them and complete release
18 of Released Claims against all Releasees.

19 **37. Termination.** Unless otherwise ordered by the Court, in the event that the Effective Date
20 does not occur or this Settlement Agreement should terminate, or be cancelled or otherwise fail to
21 become effective for any reason, the Settlement as described herein is not finally approved by the
22 Court, or the Judgment is reversed or vacated following any appeal taken therefrom, then:

23 (a) within five (5) business days after written notification of such event is sent by counsel for
24 the Panasonic Defendants to the Escrow Agent, the Gross Settlement Fund, including the Settlement
25 Amount and all interest earned on the Settlement Fund while held in escrow excluding only Notice
26 Administrative and Class Administration Costs that have either been properly disbursed or are due
27 and owing, Taxes and Tax Expenses that have been paid or that have accrued and will be payable at
28 some later date, and attorneys' fees and costs that have been disbursed pursuant to Court order will

1 be refunded, reimbursed and repaid by the Escrow Agent to Panasonic Corp.; if said amount or any
2 portion thereof is not returned within such five (5) business day period, then interest shall accrue
3 thereon at the rate of ten percent (10%) per annum until the date that said amount is returned;

4 (b) within thirty (30) business days after written notification of such event is sent by Counsel
5 for the Panasonic Defendants to Class Counsel, all attorneys' fees and costs which have been
6 disbursed to Class Counsel pursuant to Court order shall be refunded, reimbursed and repaid by Class
7 Counsel to Panasonic Corp. Any interest accrued on the Settlement Payment does not become part of
8 the Gross Settlement Fund unless and until the Effective Date.;

9 (c) the Escrow Agent or its designee shall apply for any tax refund owed to the Gross
10 Settlement Fund and pay the proceeds to Panasonic Corp., after deduction of any fees or expenses
11 reasonably incurred in connection with such application(s) for refund, pursuant to such written
12 request;

13 (d) the Settling Parties shall be restored to their respective positions in the Actions as of the
14 Execution Date, with all of their respective claims and defenses, preserved as they existed on that
15 date;

16 (e) the terms and provisions of this Settlement Agreement, with the exception of Paragraphs
17 37-40 (which shall continue in full force and effect), shall be null and void and shall have no further
18 force or effect with respect to the Settling Parties, and neither the existence nor the terms of this
19 Settlement Agreement (nor any negotiations preceding this Settlement Agreement nor any acts
20 performed pursuant to, or in furtherance of, this Settlement Agreement) shall be used in the Actions
21 or in any other action or proceeding for any purpose (other than to enforce the terms remaining in
22 effect); and

23 (f) any judgment or order entered by the Court in accordance with the terms of this Settlement
24 Agreement shall be treated as vacated, nunc pro tunc.

25 **No Admission of Liability**

26 38. *Final and Complete Resolution.* The Settling Parties intend the Settlement as described
27 herein to be a final and complete resolution of all disputes between them with respect to the Actions
28 and Released Claims and to compromise claims that are contested, and it shall not be deemed an

1 admission by any Settling Party as to the merits of any claim or defense or any allegation made in the
2 Actions.

3 **39. Federal Rule of Evidence 408.** The Settling Parties agree that this Settlement Agreement,
4 its terms and the negotiations surrounding this Settlement Agreement shall be governed by Federal
5 Rule of Evidence 408 and shall not be admissible or offered or received into evidence in any suit,
6 action or other proceeding, except upon the written agreement of the Settling Parties hereto, pursuant
7 to an order of a court of competent jurisdiction, or as shall be necessary to give effect to, declare or
8 enforce the rights of the Settling Parties with respect to any provision of this Settlement Agreement.

9 **40. Use of Agreement as Evidence.** Neither this Settlement Agreement nor the Settlement,
10 nor any act performed or document executed pursuant to or in furtherance of this Settlement
11 Agreement or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or
12 evidence of, the validity of any Released Claims, of any allegation made in the Actions, or of any
13 wrongdoing or liability of the Panasonic Defendants; or (b) is or may be deemed to be or may be used
14 as an admission of, or evidence of, any liability, fault or omission of the Releasees in any civil,
15 criminal or administrative proceeding in any court, administrative agency or other tribunal. Neither
16 this Settlement Agreement nor the Settlement, nor any act performed or document executed pursuant
17 to or in furtherance of this Settlement Agreement or the Settlement shall be admissible in any
18 proceeding for any purpose, except to enforce the terms of the Settlement, and except that the
19 Releasees may file this Settlement Agreement and/or the Judgment in any action for any purpose,
20 including, but not limited to, to support a defense or counterclaim based on principles of res judicata,
21 collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of
22 claim preclusion or issue preclusion or similar defense or counterclaim. The limitations described in
23 this paragraph apply whether or not the Court enters the Preliminary Approval Order, the Final
24 Approval Order, or the Judgment, or if this Settlement Agreement is terminated or rescinded.

25 **Miscellaneous Provisions**

26 **41. Voluntary Settlement.** The Settling Parties agree that the Settlement Amount and the other
27 terms of the Settlement as described herein were negotiated in good faith by the Settling Parties, and
28 reflect a settlement that was reached voluntarily and after consultation with competent legal counsel.

1 42. ***Consent to Jurisdiction.*** Except for disputes referred to the Hon. Walker pursuant to
2 Paragraph 43 below, the Panasonic Defendants and each Class Member hereby irrevocably submit to
3 the exclusive jurisdiction of the Court only for the specific purpose of any suit, action, proceeding or
4 dispute arising out of or relating to this Settlement Agreement or the applicability of this Settlement
5 Agreement. Solely for purposes of such suit, action, or proceeding, to the fullest extent that they may
6 effectively do so under applicable law, the Panasonic Defendants and the Class Members irrevocably
7 waive and agree not to assert, by way of motion, as a defense or otherwise, any claim or objection
8 that they are not subject to the jurisdiction of the Court or that the Court is in any way an improper
9 venue or an inconvenient forum. Nothing herein shall be construed as a submission to jurisdiction for
10 any purpose other than any suit, action, proceeding, or dispute arising out of or relating to this
11 Settlement Agreement or the applicability of this Settlement Agreement.

12 43. ***Resolution of Disputes; Retention of Exclusive Jurisdiction.*** Any disputes between or
13 among the Panasonic Defendants and any Class Members concerning matters contained in this
14 Settlement Agreement and the Confidential Termination Agreement referenced in Paragraph 33 of
15 this Settlement Agreement shall, if they cannot be resolved by negotiation and agreement, be
16 submitted to Hon. Vaughn R. Walker. The Court shall retain exclusive jurisdiction over the
17 implementation and enforcement of any decision by Mr. Walker concerning this Settlement
18 Agreement.

19 44. ***Binding Effect.*** This Settlement Agreement shall be binding upon, and inure to the benefit
20 of, the successors and assigns of the parties hereto. Without limiting the generality of the foregoing,
21 each and every covenant and agreement herein by IPPs and Class Counsel shall be binding upon all
22 Class Members.

23 45. ***Authorization to Enter Settlement Agreement.*** The undersigned representatives of the
24 Panasonic Defendants represent that they are fully authorized to enter into and to execute this
25 Settlement Agreement on behalf of Panasonic Corp. Class Counsel, on behalf of IPPs and the Class,
26 represent that they are, subject to Court approval, expressly authorized to take all action required or
27 permitted to be taken by or on behalf of the IPPs and the Class pursuant to this Settlement Agreement
28

1 to effectuate its terms and to enter into and execute this Settlement Agreement and any modifications
2 or amendments to this Settlement Agreement on behalf of the Class that they deem appropriate.

3 46. **Notices.** All notices under this Settlement Agreement shall be in writing. Each such notice
4 shall be given either by (a) e-mail; (b) hand delivery; (c) registered or certified mail, return receipt
5 requested, postage pre-paid; (d) Federal Express or similar overnight courier; or (e) facsimile and first
6 class mail, postage pre-paid and, if directed to any Class Member, shall be addressed to Class Counsel
7 at their addresses set forth below, and if directed to the Panasonic Defendants, shall be addressed to
8 their attorneys at the addresses set forth below or such other addresses as Class Counsel or the
9 Panasonic Defendants may designate, from time to time, by giving notice to all parties hereto in the
10 manner described in this paragraph.

11 If directed to the IPPs, address notice to:

12 COTCHETT, PITRE & MCCARTHY
13 Adam J. Zapala (azapala@cpmlegal.com)
14 San Francisco Airport Office Center
15 840 Malcolm Road, Suite 200
16 Burlingame, CA 94010
17 Telephone: 650-697-6000
18 Facsimile: 650-697-0577

19 If directed to the Panasonic Defendants, address notice to:

20 WINSTON & STRAWN LLP
21 Jeffrey L. Kessler (jkessler@winston.com)
22 200 Park Avenue
23 New York, NY 10166-4193
24 Telephone: (212) 294-4698
25 Facsimile: (212) 294-4700

26 47. **Confidentiality of Settlement Negotiations.** The terms of this Settlement Agreement (with
27 the exception of the terms of the Confidential Termination Agreement) shall be considered public as
28 of the Execution Date. Class Counsel shall keep strictly confidential and not disclose to any third
party, including specifically any counsel representing any other current or former party to the Action,
any non-public information regarding the Settling Parties' negotiation of this settlement and/or the
Settlement Agreement. For the sake of clarity, Panasonic may issue a press release regarding
execution of the Settlement Agreement and the amount paid in connection with the Settlement

1 Agreement, and otherwise disclose information about the terms of the Settlement Agreement in
2 compliance with applicable securities or other laws, including but not limited to the rules of the Tokyo
3 Stock Exchange.

4 48. **Headings.** The headings used in this Settlement Agreement are intended for the
5 convenience of the reader only and shall not affect the meaning or interpretation of this Settlement
6 Agreement.

7 49. **No Party Deemed to Be the Drafter.** None of the parties hereto shall be deemed to be the
8 drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law
9 or rule of interpretation or construction that would or might cause any provision to be construed
10 against the drafter hereof.

11 50. **Choice of Law.** This Settlement Agreement shall be considered to have been negotiated,
12 executed and delivered, and to be wholly performed, in the State of California, and the rights and
13 obligations of the parties to this Settlement Agreement shall be construed and enforced in accordance
14 with, and governed by, the internal, substantive laws of the State of California without giving effect
15 to that State's choice of law principles.

16 51. **Amendment; Waiver.** This Settlement Agreement shall not be modified in any respect
17 except by a writing executed by all the parties hereto, and the waiver of any rights conferred hereunder
18 shall be effective only if made by written instrument of the waiving party. The waiver by any party
19 of any breach of this Settlement Agreement shall not be deemed or construed as a waiver of any other
20 breach, whether prior, subsequent or contemporaneous, of this Settlement Agreement.

21 52. **Execution in Counterparts.** This Settlement Agreement may be executed in one or more
22 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
23 instrument. Counsel for the parties to this Settlement Agreement shall exchange among themselves
24 original signed counterparts and a complete set of executed counterparts shall be filed with the Court.

25 53. **Notification of State Officials.** The Panasonic Defendants shall be responsible for
26 providing all notices required by the Class Action Fairness Act to be provided to state attorneys
27 general or to the United States of America.

28

1 54. *Integrated Agreement.* This Settlement Agreement and the Confidential Termination
2 Agreement constitute the entire agreement between the Settling Parties and no representations,
3 warranties or inducements have been made to any party concerning this Settlement Agreement and
4 the Confidential Termination Agreement other than the representations, warranties and covenants
5 contained and memorialized herein. It is understood by the Settling Parties that, except for the matters
6 expressly represented herein, the facts or law with respect to which this Settlement Agreement and
7 the Confidential Termination Agreement is entered into may turn out to be other than or different
8 from the facts now known to each party or believed by such party to be true; each party therefore
9 expressly assumes the risk of the facts or law turning out to be so different, and agrees that this
10 Settlement Agreement and the Confidential Termination Agreement shall be in all respects effective
11 and not subject to termination by reason of any such different facts or law. Except as otherwise
12 provided herein, each party shall bear its own costs and attorneys' fees.

13 IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives,
14 have executed this Settlement Agreement as of the date first herein above written.

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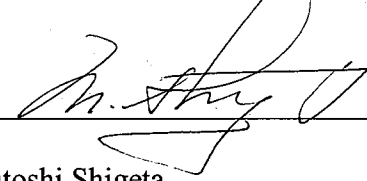
CLASS COUNSEL, on behalf of IPPs individually and on behalf of the Class.

By: 

Adam J. Zapala
Elizabeth T. Castillo
Mark F. Ram
Tamarah P. Prevost
COTCHETT, PITRE & MCCARTHY
San Francisco Airport Office Center
840 Malcolm Road, Suite 200
Burlingame, CA 94010
Telephone: 650-697-6000
Fax: 650-697-0577
azapala@cpmlegal.com
ecastillo@cpmlegal.com
mram@cpmlegal.com
tprevost@cpmlegal.com

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PANASONIC CORPORATION

By:  _____

Mitsutoshi Shigeta
Director, Device Solutions Business Division
Automotive & Industrial Systems Company
Panasonic Corporation