

SETTLEMENT AGREEMENT BETWEEN LGE AND THE STATE OF ILLINOIS  
REGARDING CRT ANTITRUST LITIGATION

This Settlement Agreement ("Agreement") is made and entered into this 27<sup>th</sup> day of March 2017 by and between:

- (1) LG Electronics, Inc. (referred to herein as "LGE"), located at LG Twin Towers, 20 Yeouido-dong, Yeongdeungpo-gue, Seoul 150-721, South Korea; and
- (2) The State of Illinois (referred to herein as "the State"), through its Attorney General, on behalf of itself, all agencies that it may represent, and as *parens patriae* on behalf of non-governmental end-user indirect purchasers of CRT products in the United States at any time during the Relevant Period who do not opt out of this settlement.

The State and LGE are collectively referred to herein as the "Parties".

WHEREAS, the State has filed a complaint naming LGE and numerous other defendants in the matter of *The State of Illinois v. Hitachi, Ltd.*, No. 12 CH 35266, pending in the Circuit Court of Cook County, Illinois (the "Action");

WHEREAS, the State alleges in the Action that LGE participated in an unlawful conspiracy to raise, fix, maintain, or stabilize the price of certain Cathode Ray Tubes ("CRTs") at artificially high levels and to suppress, reduce, maintain, or stabilize the quantities of CRTs or capacity to produce CRTs at artificially low levels in violation of the Illinois Antitrust Act;

WHEREAS, LGE denies the State's allegations;

WHEREAS, the State has conducted an investigation into the facts and the law and has concluded that resolving claims against LGE according to the terms set forth below is fair, reasonable, and in the best interest of the State; and

WHEREAS, LGE has conducted an investigation into the facts and the law and has concluded that resolving claims of the State according to the terms set forth below is in its best interest;

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 between the State and LGE that, subject to the approval of the Circuit Court, all Released Claims (as defined below) shall be finally, fully and forever settled, compromised, and released, and the Action dismissed on the merits with prejudice as to LGE (and the LGE Releasees, as defined below), except as hereinafter provided, and without costs or attorneys' fees to the State or LGE, except as hereinafter provided, on the following terms and conditions:

A. Definitions.

1. "Complaint" shall refer to the Amended Complaint filed in the Action on May 17, 2013.

2. "CRT" and "CRTs" shall refer to Cathode Ray Tube(s) of any type (*e.g.*, color display tubes, color picture tubes and monochrome display tubes). "CRT products" shall refer to CRTs and finished products containing CRTs, such as televisions and computer monitors.

3. The "LGE Releasees" shall refer jointly and severally, individually and collectively, to LGE and to all of its past and present, direct and indirect, parent companies, subsidiaries, joint ventures, divisions, and Affiliates (where "Affiliate" is defined as any other entity that is now or was previously owned by LGE or any parent company or subsidiary of LGE, where "owned" means holding directly or indirectly 50% or greater equity or beneficial interest), including but not limited to Affiliates that are named as defendants or co-conspirators in the Complaint, and to each and all of those entities' past, present and former principals,

partners, officers, directors, supervisors, employees, representatives, insurers, attorneys, agents, servants, and stockholders, and the predecessors, successors, heirs, executors, administrators and assigns of any of the foregoing. The term "LGE Releasees" includes LGE to the extent it had an interest in the CRT joint venture between LGE and Philips known as LG.Philips Displays Holding B.V. ("LPD") or any of its predecessors, successors, heirs, executors, administrators, or assigns, but does not include other non-Affiliate defendants or co-conspirators named in the Complaint as of the Effective Date.

4. "Cooperation Materials" shall refer to the documents and other materials described in Paragraph 29.

5. "Effective Date" shall refer to the first date by which both LGE and the State shall have signed this Agreement.

6. "Final Date" shall refer to the first date by which the Circuit Court of Cook County, Illinois ("Circuit Court") has entered a final judgment implementing this Agreement dismissing the Action with prejudice as to LGE, and either (i) the time to appeal has expired with no appeal from that final judgment having been taken, or (ii) if an appeal is taken, the full appellate process has been completed with that final judgment affirmed.

7. "MDL" shall refer to *In re Cathode Ray Tube (CRT) Antitrust Litigation*, United States District Court, Northern District of California (San Francisco), Master File No. 3:07-cv-5944, MDL No. 1917.

8. "Releasers" shall refer to the State, its agencies, and all non-government persons or entities that resided in Illinois or were incorporated in Illinois, and purchased CRTs or CRT Products in Illinois or for use in Illinois for end use ("Indirect Purchasers"), that do not request

exclusion (those requesting exclusion also being referred to herein as “Opt-Outs”) from this settlement.

9. “Released Claims” shall refer to (i) the claims, allegations and causes of action that were asserted in the Action, and (ii) any and all claims, demands, actions, judgments, suits, liabilities, expenses (including attorneys’ fees and interest), penalties, or causes of action that the State brought, could have brought, or hereafter could bring, against the LGE Releasees (or any of them), whether in law, in equity, or otherwise, based on the Relevant Conduct during the Relevant Period, including but not limited to (a) *parens patriae* claims, and (b) claims based on Releasers’ purchases of CRTs or CRT Products, that the State brought, could have brought, or hereafter could bring based on the Relevant Conduct during the Relevant Period, and any other claims arising from the Relevant Conduct during the Relevant Period under any federal, state, international, foreign, or local antitrust, unfair competition, unfair practices, deceptive trade practices, price discrimination, unitary pricing, common law unjust enrichment, consumer protection, trade practice, racketeering, or civil conspiracy law. For the avoidance of doubt, the release described in this Agreement is binding on the State of Illinois, and (i) all natural persons who, while residing in Illinois (for example, as either defined by the United States Census Bureau or the Illinois Department of Revenue), purchased CRT products during the Relevant Period, and (ii) business entities that, while headquartered in Illinois, purchased CRT products during the Relevant Period, who do not ask to be excluded. For the avoidance of doubt:

- a. The types of claims released are released regardless of the type of cause of action, common law principle, statute, regulation, ordinance, or other legal basis under which they are asserted; for example, such claims are released whether asserted under any federal, state, international, foreign, or local

antitrust, competition, unfair competition, unfair practices, deceptive trade practices, price discrimination, unitary pricing, restitution, common law unjust enrichment, consumer protection, fraud protection, trade practice, racketeering, or civil conspiracy law of any jurisdiction within the United States or elsewhere; and

- b. Released Claims include those against LGE Releasees relating to, arising out of, or based on any ownership, agency, management, or financial or other relationship between LGE Releasees, on the one hand, and LP Display International, Ltd. (LPDI"), LG Philips Displays Holding B.V. ("LPDH") or any of LPDI's or LPDH's subsidiaries or affiliates, on the other hand. For further avoidance of doubt, the Released Claims do not include claims against any entity other than any LGE Releasee against whom the State might have claims arising out of the conduct of LPDI, LPDH or any of LPDI's or LPDH's subsidiaries or affiliates. As an illustration, this Agreement does not affect any claims that the State would have against LPDI, LPDH, any of LPDI's or LPDH's subsidiaries or affiliates, or any shareholder of LPDI or LPDH other than any LGE Releasee.

10. "Relevant Conduct" shall refer to the LGE Releasees' alleged participation in any alleged unlawful conspiracy to raise, fix, maintain, or stabilize the price of CRTs at artificially high levels and/or to suppress, reduce, maintain, or stabilize the quantities of CRTs or capacity to produce CRTs at artificially low levels during the Relevant Period. Relevant Conduct is defined to include each conspiratorial act or omission alleged by the State in the Complaint.

11. "Relevant Period" shall refer to the period beginning March 1, 1995 and continuing through November 25, 2007.

12. "The Settlement Amount" shall be \$7.2 million in United States funds, and "CRT Second Qualified Settlement Fund" shall refer to the funds held in escrow after receipt of the Settlement Amount by the escrow agent.

B. Effectuating the Agreement and Dismissal of Claims against LGE.

13. The State and LGE shall use their best efforts to effectuate this Agreement, including cooperating in seeking any necessary court approvals to secure the complete and final dismissal with prejudice of the Action as to LGE.

14. The State and LGE shall jointly seek any orders and final judgments from the Circuit Court presiding over the Action. The State and LGE agree that for this Agreement to be final, such final judgment shall provide, at a minimum, all of the following:

- a. LGE shall provide, and shall cause the LG Defendants ("the LG Defendants" collectively refers herein to LGE and LG Electronics USA, Inc. (referred to herein as "LGE USA")) to provide, cooperation with the State as described in Paragraph 29.
- b. Seven hundred and twenty thousand dollars (\$720,000) from the Settlement Amount shall be awarded to the State for its fees and costs, which shall be used at the discretion of the Attorney General for any of the following purposes, within the limits of applicable law:
  - i. For deposit into an account dedicated to defraying the expenses of the State's antitrust or consumer protection enforcement; and

- ii. For deposit into the Attorney General State Projects and Court Ordered Distribution Fund for subsequent expenditures as authorized by the Attorney General.
- c. The remainder of the Settlement Amount shall be distributed, pursuant to order of the Circuit Court, to the Releasors within the sole discretion of the Illinois Attorney General, and may be used for payment of administration costs for distribution of these funds, including notice costs.
- d. LGE is dismissed with prejudice from the Action and LGE and the LGE Releasees are released in accordance with the terms of Paragraph 19.
- e. Each party shall bear its own costs except as otherwise stated in this Agreement.

15. Before the Circuit Court approves a final judgment as set forth in Paragraph 14, the State (i) shall provide notice, in a form and manner approved by the Circuit Court, to all Indirect Purchasers, and (ii) permit any Indirect Purchaser to opt out of the settlement before the Final Date or such earlier date as the Circuit Court may set.

16. On the Effective Date, the State and LGE shall be bound by the terms of this Agreement, and it shall not be rescinded except in accordance with this Agreement. If any party fails to sign the Agreement within thirty (30) days of the first signature, that party or those parties will be deemed to have rejected the Agreement and it shall not be effective.

17. Between the Effective Date and the Final Date of this Agreement, the LG Defendants' obligations to respond to any discovery or motion (unrelated to compliance with this Agreement) initiated by the State and the State's obligations to respond to any discovery or motion (unrelated to compliance with this Agreement) initiated by the LG Defendants shall be

stayed. The LG Defendants shall not file motions against the State, and the State shall not file motions against the LG Defendants, in the Action (other than motions relating to the enforcement of this Agreement) between the Effective Date and the Final Date of this Agreement, and the LG Defendants need not respond to discovery from the State or otherwise participate in the Action, except as required by the cooperation terms set forth in Paragraphs 13, 14, and 29 of this Agreement. If the Circuit Court denies approval of a final judgment as set forth in Paragraph 14, or a final judgment implementing this agreement is reversed on appeal: (a) all discovery responses stayed pursuant to this Paragraph will be due on the later of (i) thirty (30) days from such denial of approval or appellate reversal, or (ii) the date such responses would have been due if not stayed; (b) the Parties will negotiate in good faith to present a proposed briefing schedule to the Circuit Court for briefing and resolution of any motion stayed by this Paragraph and will jointly move the Circuit Court for a reasonable extension of any other deadlines, including any cut-off date for initiation of discovery that may have lapsed or that may be close to lapsing; and (c) the Parties will jointly move the Circuit Court for a new trial date for the LG Defendants.

18. Neither this Agreement (whether or not it becomes final) nor any final judgment(s), including consent decrees, resulting therefrom, nor any and all negotiations, documents and discussions associated with them, shall be deemed or construed to be an admission by LGE or the LGE Releasees, or evidence of any violation of any statute or law or of any liability or wrongdoing whatsoever by LGE or the LGE Releasees, or to be an admission of the truth of any of the claims or allegations contained in the Complaint or any other pleading filed by the State in any action whatsoever, and neither evidence of this Agreement (whether or not it becomes final) nor any final judgment(s), including consent decrees, resulting therefrom,



nor any and all negotiations, documents and discussions associated with them, shall be discoverable or used directly or indirectly, in any way in the Action or in any other action, lawsuit or proceeding against LGE or the LGE Releasees. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any other action taken to carry out this Agreement by any of the settling parties shall be referred to, offered as 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, or to defend against the assertion of Released Claims, or as otherwise required by law.

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

19. Upon the Final Date of this Agreement, and in consideration of payment of the Settlement Amount, as specified in Paragraphs 12 and 21 of this Agreement, and for other valuable consideration, LGE and the LGE Releasees shall be completely released, acquitted, and forever discharged to the fullest extent permitted by law from any and all claims, demands, actions, suits, or causes of action for the Released Claims, that Releasors, or each of them, in their proprietary capacity, ever had, now have, or hereafter can, shall, or may have, including any claims that the State may have against any LGE Releasee that arise from LGE's ownership, alleged control, or shareholder equity, or any other beneficial interest in LPDI, LPDH, or any of LPDI's or LPDH's subsidiaries or affiliates.

20. The release, discharge, and covenant not to sue set forth in Paragraph 19 of this Agreement include only the Released Claims and do not include any other claims, including without limitation any claims as to other time periods outside of the Relevant Period or arising out of product liability, warranty or breach of contract claims (except for warranty or breach of contract claims based on the Relevant Conduct) in the ordinary course of business, or any other

claims not covered by the Released Claims. For the avoidance of doubt, the foregoing clause does not exclude from the scope of the Released Claims any claim to the extent that it arises out of allegations of an increase in price, stabilization of price, reduction or decrease in price, or a reduction in output, capacity for output, or quality, of CRTs or CRT products as a result of alleged anticompetitive conduct during the Relevant Period. The Attorney General covenants that the Attorney General will not hereafter commence or solicit litigation against LGE or the LGE Releasees on behalf of the State or any person, entity, political subdivision of the State, or any other party, in any suit, action, complaint, arbitration, mediation, or other grievance based on the Relevant Conduct alleged in the Complaint. The Attorney General further covenants that the Attorney General will not provide legal counsel or provide any non-public information to any person, entity, political subdivision of the State, or any other party, other than the State on its own behalf or as *parens patriae*, in connection with the Action, to support any suit, action, complaint, arbitration, mediation, or other grievance against LGE or the LGE Releasees based on the Relevant Conduct alleged in the Complaint. Without waiver of any claim of confidentiality or any other protection for any information provided in the Action, LGE agrees that nothing in this Paragraph precludes the State or the Attorney General from complying with the requirements of the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*).

D. Settlement Amount and the CRT Second Qualified Settlement Fund.

21. Subject to the provisions hereof and the provisions of the Escrow Agreement and the Circuit Court's Order Establishing the CRT Second Qualified Settlement Fund, and in full, complete, and final settlement of the Released Claims as provided herein, LGE shall, by wire transfer to the escrow agent pursuant to Paragraph 22 of this Agreement, pay \$7.2 million in United States Dollars to the State with no deduction for wiring fees within ninety (90) days of

the Effective Date. Payment in full of this amount by LGE will fulfill the obligations imposed by this Paragraph on LGE. The State agrees that any reasonable delay that occurs in wiring the Settlement Amount, as a result of matters beyond the control of LGE, will not be asserted as a basis for claiming a breach of the Agreement. The State will provide payment instructions to LGE by separate letter. After the Final Date, the Illinois Attorney General may distribute the funds in his or her discretion as permitted by state law and order of the Circuit Court. LGE shall have no responsibility for, and no rights in, nor authority over the allocation of the Settlement Amount or the CRT Second Qualified Settlement Fund as provided herein.

22. LGE shall pay the Settlement Amount set forth in Paragraph 21 by wire transfer to an escrow agent appointed by Court order for the benefit of the Parties and subject to the orders of the Circuit Court. The Settlement Amount so held in escrow in the CRT Second Qualified Settlement Fund shall be deemed and considered to be in *custodia legis* of the Circuit Court of Cook County before whom the Complaint was filed, and shall remain subject to the jurisdiction of the Court, until such time as such Settlement Amount and the CRT Second Qualified Settlement Fund shall be distributed pursuant to this Agreement and/or further order(s) of the Court. The escrow agent shall treat the Settlement Amount and the CRT Second Qualified Settlement Fund as being at all times "qualified settlement funds" as provided in Treas. Reg. § 1.468B-1. The escrow agent shall timely make such elections as necessary or advisable to carry out the provisions of this Agreement, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulation. It shall be the responsibility of the escrow agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate

filing to occur. The escrow agent shall be deemed the “administrator” (as defined in Treasury Regulation 1.468B-2(K)(3)) of the CRT Second Qualified Settlement Fund. The escrow agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Amount and the CRT Second Qualified Settlement Fund (including without limitation the returns described in Treas. Reg. § 1.468B-2(k) and (l)). Such returns shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by the Settlement Amount and the CRT Second Qualified Settlement Fund shall be paid out of the CRT Second Qualified Settlement Fund. All (i) taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Settlement Amount and the CRT Second Qualified Settlement Fund, including any taxes or tax detriments that may be imposed upon LGE with respect to any income earned by the Settlement Amount and the CRT Second Qualified Settlement Fund for any period during which the Settlement Amount or the CRT Second Qualified Settlement Fund do not qualify as “qualified settlement funds” for federal or state income tax purposes (“Taxes”), and (ii) expenses and costs incurred in connection with the operation and implementation of this Paragraph (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described herein (“Tax Expenses”)), shall be paid out of the CRT Second Qualified Settlement Fund. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the escrow and shall be timely paid by the escrow agent out of the CRT Second Qualified Settlement Fund, and the escrow agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution any funds necessary to pay such amounts including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg.

§ 1.468B-2(1)(2)). Neither LGE nor its counsel shall have any liability or responsibility for the Taxes or Tax Expenses, nor for maintaining or securing any desired tax status for the Settlement Amount or the CRT Second Qualified Settlement Fund, nor for any negligence, fraud, or malfeasance regarding the Settlement Amount or the CRT Second Qualified Settlement Fund. The Parties agree to cooperate with the escrow agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Paragraph.

23. If this Agreement does not receive final Circuit Court approval, all appeals having been taken, or if LGE elects to terminate the Agreement under Paragraph 25 below, then the Settlement Amount shall be promptly returned to LGE from the State along with interest, if any, accrued thereon, less any taxes, fees, or court approved expenses incurred prior to that date for class notice, claims administration, or settlement administration, or any other court approved expenses excluding any fees paid to the Attorney General out of the Settlement Amount. The Attorney General agrees that it shall not submit any motion seeking an award of attorneys' fees prior to filing the State's motion for final approval of this Agreement. The Attorney General further agrees that in any such motion for attorneys' fees, the Attorney General will not request that the payment of attorneys' fees be made before the Final Date of this Agreement.

24. The Attorney General shall cause copies of requests for exclusion from the settlement to be provided to counsel for LGE as they are received. No later than ten (10) days after the final date for mailing requests for exclusion, the Attorney General shall provide counsel for LGE with a complete and final list of Opt-Outs.

25. In the event that LGE determines that valid and timely requests for exclusion have been made by multiple entities who would have been Releasers but for their opt out, such that LGE believes in good faith that there is a risk that it will be forced to defend substantial litigation

with respect to claims by Opt-Outs, LGE, in its discretion, acting in good faith, and after meeting and conferring with the State, may elect to terminate this Agreement by serving written notice of such election on the State by email and overnight courier and by filing a copy of such notice with the Circuit Court no later than the twentieth (20th) day from the day on which LGE receives the final list of Opt-Outs. In the event that LGE exercises its option to terminate this Agreement:

(a) this Agreement shall be null and void, and shall have no force or effect and shall be without prejudice to the rights and contentions of LGE and the Releasors in this or any other litigation; and (b) the Settlement Amount paid by LGE, plus interest, if any, thereon, shall be refunded promptly to LGE, minus expenses incurred for taxes, notice, claims administration, or settlement administration costs or any other court approved expenses paid out of the Settlement Amount.

For the avoidance of doubt, Paragraphs 17 and 18 survive such termination.

26. Releasors shall look solely to the Settlement Amount for settlement and satisfaction against the LGE Releasees of all Released Claims, and shall have no other recovery of costs, fees, attorneys' fees, damages, or other relief against LGE or the LGE Releasees except as set forth in this Agreement.

27. The State shall be responsible for distribution of the Settlement Amount and the CRT Second Qualified Settlement Fund in accordance with Illinois law and orders of Illinois courts. In no event shall LGE or any of the LGE Releasees have any responsibility, financial obligation, or liability whatsoever with respect to the investment, allocation, preservation, distribution or administration of the Settlement Amount or the CRT Second Qualified Settlement Fund, including, but not limited to, the costs and expenses of such distribution and administration.

28. In no circumstances shall this Agreement be construed to require LGE to pay more or less than the Settlement Amount.

E. Cooperation.

29. LGE agrees that it will cause the LG Defendants to provide their best efforts to fully cooperate with the State by:

- a. Upon request, promptly providing a proffer to the Illinois Attorney General regarding the allegations in the Complaint, including but not limited to, the material facts and witnesses relating to the LG Defendants' alleged participation in a conspiracy with other major CRT producers, and reasonably answer any follow-up questions posed by the Illinois Attorney General;
- b. In response to reasonable and specific requests from the Illinois Attorney General, identifying for the Illinois Attorney General, to the extent already known by the LG Defendants, the documents already produced (including cross-references to all production numbers used for each document) or, to the extent not already produced, producing the following documents: (i) documents that were provided to the U.S. Department of Justice by the LG Defendants during the course of their investigation of antitrust violations in the CRT industry during the Relevant Period, to the extent such documents are not privileged or protected under the work product doctrine and are not subject to any order by a court prohibiting or preventing the production of such materials; and (ii) documents (including deposition transcripts and exhibits thereto) that were produced by the LG Defendants in the MDL, whether voluntarily or as part of discovery or pursuant to any court order, as

reasonably requested by the Illinois Attorney General and to the extent allowed by the protective order in the MDL and to the extent not already produced to the State and not subject to any privilege; and (iii) documents that reflect sales or purchases of CRTs by the LG Defendants during the Relevant Period, along with information sufficient to identify such sales or purchase information in those documents to the extent that such documents exist and have been produced or are being produced to any other person or party in connection with any CRT matter, including the MDL; and (iv) the LG Defendants' documents that materially relate to or evidence any meetings or communications among the Defendants and/or Co-Conspirators named in the Complaint that show how any CRT conspiracy was allegedly formed, implemented, and/or enforced, to the extent already collected by the LG Defendants and not already produced to the State, including any documents or communications that reflect alleged agreements between the LG Defendants and any competitors regarding the price, supply, capacity, production, or distribution of CRTs during the Relevant Period. The LG Defendants shall not be required to identify or produce privileged documents or documents protected under the work product doctrine, or such materials that are subject to court-ordered protection in any other CRT litigation matter. Any non-Defendant document subject to court-ordered protection may ~~only~~ be produced to Plaintiff under this Agreement ~~only~~ to the extent and in the fashion permitted by the applicable protective order.



- c. Authenticating documents for use in deposition, trial or any other proceeding in the State's CRT litigation, as reasonably required by the Illinois Attorney General. In addition, the LG Defendants shall use their best efforts to provide affidavits on behalf of persons the LG Defendants control as officers, employees or agents solely for the purpose of authenticating business records as reasonably required and upon reasonable notice by the Illinois Attorney General.
- d. Using its best efforts to make available for interviews and evidence depositions in Illinois or by video conference at a mutually agreed-upon time and place up to five (5) persons, which may consist of current or former directors, officers and/or employees of the LG Defendants, provided that such persons are within the LG Defendants' control, whom the Illinois Attorney General, in consultation with the LG Defendants, reasonably and in good faith believes to have relevant knowledge regarding the Action. Interviews and evidence depositions provided pursuant to this Paragraph shall be requested by December 31, 2017, shall be limited to a total of six (6) hours over one day (i) of direct testimony per evidence deposition, and (ii) per interview, plus reasonable follow-up conversations, and shall be conducted by February 28, 2018.
- e. Producing live at trial up to three (3) percipient witnesses employed by the LG Defendants at the time called to testify, as reasonably identified by the Illinois Attorney General at least 45 days before the date that the trial commences.

Direct testimony provided pursuant to this Paragraph shall be limited to a total of 6 hours per witness;

- f. Providing all pre-existing translations in English of LG Defendant-produced Korean language documents in the possession of the LG Defendants that are to be or have been produced pursuant to this Agreement and all future English translations of LG Defendant-produced documents as they are translated by the LG Defendants in the regular course of any CRT litigation; and
- g. In response to reasonable and specific requests from the Illinois Attorney General, providing reasonable assistance with search and review of the LG Defendants' documents.

30. In the event that this Agreement fails to receive final approval by the Court as contemplated in Paragraphs 13-18 hereof, or in the event that it is terminated by either party under any provision herein, the Parties agree that, with the exception of any documents produced pursuant to Paragraphs 29(b) or 29(f) or evidence deposition conducted pursuant to Paragraph 29(d), the State shall not be permitted to introduce into evidence against any LG Defendant, at any hearing, or in support of any motion, opposition or other pleading in this Action or in any other federal or state action alleging any claim relating to the subject matter of this Action, any evidence or information obtained through the proffer provided pursuant to Paragraph 29(a), through any affidavit provided pursuant to Paragraph 29(c), or through any interview provided pursuant to Paragraph 29(d) (the proffer provided pursuant to Paragraph 29(a), each affidavit provided pursuant to Paragraph 29(c), and each interview provided pursuant to Paragraph 29(d) shall be referred to herein as a "Prohibited Source"), or any information directly or indirectly derived from any Prohibited Source. The prohibition in this paragraph shall apply only to

information challenged by an LG Defendant and directly or indirectly derived from any Prohibited Source. Notwithstanding any other provision of this paragraph, the State may use any evidence or other information that the State proves it obtained from a source wholly independent of any Prohibited Source.

31. To avoid any doubt, all terms in this section E are material terms and any breach thereof is a material breach, provided that the State will seek such cooperation only after making a good faith effort to review and utilize evidence and testimony already available in deposition or trial transcripts from or related to the MDL. All terms in this section E are enforceable by court order. If the State believes that there has been a material breach of the terms in this section E, then the State will provide written notice to counsel for the LG Defendants of such belief. The parties shall then meet and confer to resolve the dispute, and then the LG Defendants shall have a reasonable time to resolve the breach before the State may pursue a court order or any other remedy relating to the alleged material breach. If after a reasonable time the dispute is not resolved, the State may immediately seek enforcement of section E by injunction. The LG Defendants' failure to comply with any such injunction is subject to the full sanctions power of the Circuit Court. The Circuit Court, on application of the State, shall negate the release in Paragraph 19 if the LG Defendants fail to produce at trial a key percipient witness who at the time of trial was employed by the LG Defendants and whose attendance at trial was timely requested by the State pursuant to Paragraph 29.e. Such negation of the release shall require the State to return the Settlement Amount to LGE, with the exception of \$500,000 that the State shall retain as liquidated damages, but will not impair the State's rights to continued possession and use of the Cooperation Materials previously received. For purposes of this section E, "best efforts" means efforts no less effective than has occurred previously in the MDL. If the State

voids the release in Paragraph 19, any applicable statute of limitations or laches period shall be deemed tolled from the Effective Date of this Agreement until ninety (90) days after the Circuit Court has held that the LG Defendants failed to produce at trial a key percipient witness who at the time of trial was employed by the LG Defendants and whose attendance at trial was timely requested by the State pursuant to Paragraph 29.e.

F. Miscellaneous.

32. Except as permitted under this Paragraph, the State and LGE agree that they will not disclose publicly or to any other person, other than by LGE to a State with which LGE is attempting to reach a settlement of similar claims, the terms of this Agreement until the Agreement has been made public by the State, whether by incorporation or reference in a publicly-available filing in court, unless otherwise permitted by the Parties or required by law. The State shall use reasonable best efforts to file the Agreement with the Circuit Court within four (4) business days of the Effective Date. In the event the Illinois Attorney General does not file an unredacted, public version of the Agreement with the Circuit Court within four (4) business days of the Effective Date, the Parties may disclose the Agreement itself and the terms and conditions thereof (a) to persons for whom such information is necessary to effectuate the provisions of the Agreement (and who shall be advised of its confidentiality and agree to this provision); (b) to those employees and outside professional advisors (*e.g.*, accountants, lawyers, tax advisors) who need to be aware of this Agreement or its terms in the ordinary course of business to perform their duties and to properly advise the Parties; (c) to the extent such disclosure is required for enforcement of this Agreement; or (d) as otherwise required by U.S. federal or state law or foreign law, including, for example, notice requirements of the securities

laws of the United States. In addition, a party may disclose solely the fact of the settlement memorialized herein (without referencing terms thereof) to other defendants in this Action.

33. This Agreement shall be construed and interpreted to effectuate the intent of the Parties, which is to provide, through this Agreement, for a complete resolution of the relevant claims with respect to each of the LGE Releasees as provided in this Agreement.

34. This Agreement does not settle or compromise any claim by the State against any person or entity other than LGE and the other LGE Releasees. All rights against such other persons or entities are specifically reserved by the State. The State shall not be precluded from asserting joint and several liability against defendants, other than the LGE Releasees, based upon the LGE Releasees' sales of CRTs.

35. This Agreement shall not affect whatever rights Releasors, or any of them, may have (i) to seek damages or other relief from any other person or entity other than LGE and the other LGE Releasees, with respect to any direct or indirect purchases of CRTs; and (ii) to assert any product liability, personal injury, breach of warranty, or breach of contract claims (except for warranty or breach of contract claims based on the Relevant Conduct) in the ordinary course of business which are not covered by the Released Claims.

36. The Circuit Court 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 State and LGE or any LGE Releasee. This Agreement shall be governed by and interpreted according to the substantive laws of the State of Illinois without regard to its choice of law or conflict of laws principles.

37. This Agreement constitutes the entire, complete, and integrated agreement between the State and LGE pertaining to the settlement of the Action against LGE, and supersedes all prior and contemporaneous undertakings of the State and LGE in connection herewith. This Agreement may not be modified or amended except in writing executed by the State and LGE, and, to the extent necessary, approved by the Circuit Court.

38. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the State and LGE and the other LGE Releasees. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the State shall be binding upon all Releasees. The LGE Releasees (other than LGE, which is a party hereto) are third-party beneficiaries of this Agreement and are authorized to enforce its terms applicable to them.

39. This Agreement may be executed in counterparts by the State, through its Attorney General, and LGE, through its designated representative and counsel, and a facsimile, PDF, or electronic signature shall be deemed an original signature for purposes of executing this Agreement.

40. Neither the State nor LGE shall be considered the drafter 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 drafter of this Agreement.

41. Where this Agreement requires either party to provide notice to the other, such notice shall be in writing, and such notice shall be provided by email and letter by overnight delivery to the counsel identified below for the party to whom notice is being provided. Any

party may change the identity of the recipient of such notice by providing notice of such change under the terms of this Paragraph.

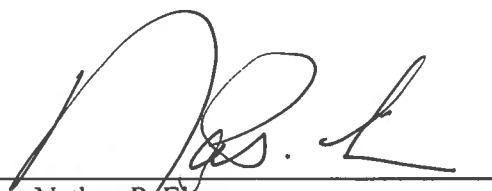
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42. Each of the undersigned attorneys represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Agreement, subject to Court approval.

Dated: April 29, 2017 By: 

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Chicago, IL 60604  
Tel: (312) 660-7600  
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Attorney for LG Electronics, Inc.



Dated: 3/27/2017

LISA MADIGAN  
Attorney General of Illinois

By: *Blake L. Harrop*

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