

SETTLING STATES' SEPARATE AGREEMENT
AS TO CERTAIN STATUTORY CLAIMS

WHEREAS, this Agreement as to certain state statutory claims asserted by the Settling States (“Settling States Agreement”) is made and entered into this 22nd day of November, 2011 (the “Execution Date”), by and between Sharp Corporation (“SC”), and the following states, by and through their Attorneys General: Arkansas, California, Florida, Michigan, Missouri, New York, West Virginia, and Wisconsin (the “Settling States”).

WHEREAS, the Settling States are prosecuting separate cases in *In re TFT-LCD (Flat Panels) Antitrust Litigation*, MDL No. 1827 (N.D. Cal.), including *State of Missouri ex rel. Koster, et al. v. AUO, et al.* (Plaintiff States of Missouri, Arkansas, Michigan, West Virginia, and Wisconsin), Case No. 3:10-cv-3619 SI; *State of Florida v. AUO, et al.*, Case No. 3:10-cv-03517-SI; *State of New York v. AUO, et al.*, Case No. 3:11-cv-711-SI, and in California state court, *State of California, et al. v. AUO, et al.*, San Francisco Superior Court Case No. CGC-10-504651 (the “California State Court Action”), each of which litigations are brought against SC and Sharp Electronics Corporation (collectively, “Sharp”) and other defendants under federal and/or state laws either: (1) on behalf of governmental entities within each state; (2) as *parens patriae* on behalf of resident end-user purchasers (“Consumers”); or (3) on behalf of both governmental entities and consumers (cumulatively, the “Actions”).

WHEREAS, the Settling States have alleged in the Actions that since about 1996 Sharp has participated in an unlawful conspiracy to raise, fix, maintain, or stabilize the price of TFT-LCD panels at artificially high levels in violation of Section 1 of the Sherman Act (15 U.S.C. § 1) and of various state antitrust, unfair competition, unjust enrichment, and other similar state laws.

WHEREAS, in addition to the other relief sought by the Settling States in the Actions, each of the Settling States seeks to recover from Sharp civil fines or penalties under its respective state statutes, specifically, Ark. Cod Ann. 4-75-315(a)(4); Cal. Bus. & Prof. Code § 17206; Florida Antitrust Act, Section 542.21, Florida Statutes; Florida Deceptive and Unfair Trade Practices Act Sections 501.2075 and 501.2077, Florida Statutes; Missouri Merchandising Practices Act Section 407.100.6, Mo. Rev. Stat.; Michigan Antitrust Reform Act, Mich. Comp. Laws § 445.777; N.Y. Gen. Bus. L. § 342-a; W.Va. Code § 47-18-8; and Wis. Stat. §133.03(3).

WHEREAS, SC has, contemporaneously with entering into this Settling States Agreement, entered a separate settlement agreement relating to the above Actions, to which the Settling States are parties, which agreement provides for payment of a settlement amount, injunctive relief, and cooperation in the ongoing litigation of the Actions (“the Settlement Agreement”).

WHEREAS, the Settling States find that the relief and other provisions contained in this Settling States Agreement are appropriate and in the public interest.

WHEREAS, SC, despite its belief that Sharp is not liable for the claims asserted in the Actions and has good defenses to the Actions, has nevertheless agreed to enter into this Settling States Agreement to avoid further expense, inconvenience, and distraction of burdensome and protracted litigation and to obtain the releases contemplated by this Settling States Agreement.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein, and for other good and valuable consideration, it is agreed by and among the Settling States and SC as follows:

1. Within thirty (30) business days of the execution of this Settling States Agreement, SC shall pay pursuant to the written instructions of the Settling States, the sum of \$6,000,000 (the "Settling States' Settlement Amount"), which amount will be designated as payment in resolution of the States' claims for civil penalties and which amount will be apportioned among the Settling States. Said amount may be paid to the Settling States through an escrow agent approved by the Settling States' Court-appointed Liaison Counsel, or through an account held in a United States federally insured bank (the "Escrow Account").
2. Upon receipt by the Settling States of payment of their apportionment of the Settling States' Settlement Amount, each will acknowledge such receipt and will, within ten (10) business days of such receipt, provide the following release, discharge and covenant:

The State of _____, acting through its Attorney General, acknowledges receipt of payment in settlement of the State's claims for civil penalties [or fines] paid by or on behalf of Sharp Corporation ("SC"), and releases and discharges SC and Sharp Electronics Corporation (collectively, "Sharp") and the Sharp Releasees¹ for any assessment or imposition of civil penalties under [*cite applicable statute[s]*] for the claims asserted in the Actions (as defined in the Settling States Agreement, dated November 22, 2011), and agrees to not to seek additional penalties based upon those claims.

3. The release, discharge, and covenant not to sue set forth herein shall not be construed as any waiver or compromise of any claims made by any Settling State beyond the express scope stated in Paragraph 2 above. The release, discharge, and covenant not to sue set forth in this Settling States Agreement is separate from and cumulative to the releases,

¹ "Sharp Releasees" shall refer to Sharp and to all of their respective past and present, direct or indirect, parent companies, subsidiaries, and affiliates, including, without limitation, entities wholly owned or majority owned by the past and present, direct and indirect, parent companies of Sharp; the predecessors, successors and assigns of any of the above; and each and all of the present and former principals, partners, officers, directors, supervisors, employees, representatives, insurers, attorneys, heirs, executors, administrators and assigns of each of the foregoing. Sharp Releasees does not include any other defendant besides Sharp in the Actions. Each "Sharp Releasee" shall have the full benefits of this Settling States Agreement even though the specific corporate name of each such Sharp Releasee is not set forth herein.

discharges, and covenants not to sue provided for in the Settlement Agreement. Provided that the terms of this Settling States Agreement are satisfied by SC, the release, discharge, and covenant not to sue set forth herein shall be immediately effective notwithstanding any delay in the Settlement Agreement becoming final or any failure to receive judicial approval.

4. The Settling States Agreement stands alone and is not part of the Settlement Agreement. Nothing herein shall prevent a Settling State from seeking any penalty, forfeiture or fine, as allowed by law, in enforcing the terms of the separate Settlement Agreement or any Judgment subsequently entered in any of the Actions.
5. Nothing herein shall prevent any Settling State from making any application to enforce or interpret the provisions of this Settling States Agreement or, in connection therewith, seeking further relief as any Settling State may determine in its sole discretion is proper and necessary for the enforcement of this Settling States Agreement.
6. The United States District Court for the Northern District of California shall retain jurisdiction over the implementation, enforcement and performance of this Settling States Agreement, and shall have jurisdiction over any suit, action, proceeding or dispute arising out of or relating to this Settling States Agreement or the applicability of this Settling States Agreement that cannot be resolved by negotiation and agreement by Settling States and Sharp.
7. This Settling States Agreement shall be governed by and interpreted according to the substantive laws of the state of California without regard to its choice of law or conflict of laws principles.
8. This Settling States Agreement may not be modified or amended except in writing executed by the Settling States and SC.
9. This Settling States Agreement may be executed in counterparts by the Settling States and SC, and a facsimile signature or PDF signature shall be deemed an original signature for purposes of executing this Settling States Agreement. SC represents and warrants that it is authorized to execute this Settling States Agreement on behalf of Sharp.

10. 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 Settling States Agreement.

Dated: ~~November~~ ^{December} 13, 2011

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Dated: November ____, 2011

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10. 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 Settling States Agreement.

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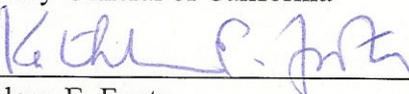
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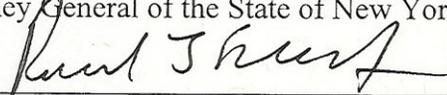
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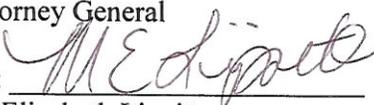
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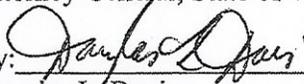
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Dated: November ____, 2011

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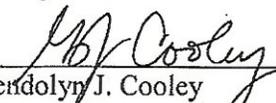
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