

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)
)
)
Plaintiff,)
)
v.)
)
SPRINT CORPORATION)
and)
JOINT VENTURE COMPANY,)
)
Defendants.)

)
)
)

Civil Action No.
Filed: **[Filed: July 13, 1995]**

STIPULATION

It is stipulated and agreed by and between the undersigned parties, by their respective attorneys, that:

1. The Court has jurisdiction over the subject matter of this action and over each of the parties hereto and venue of this action is proper in the District of Columbia. Defendants are hereby estopped from contesting the entry or enforceability of the Final Judgment on the ground that the Court lacks venue or jurisdiction over the subject matter of the action or over any defendant. For purposes of this stipulation defendant Joint Venture Company and any reference to Joint Venture Company herein, shall be understood to have the same meaning as the term "Joint Venture Company" in the attached proposed Final Judgment.

2. The parties consent that a Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any

time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent. Plaintiff may withdraw its consent to entry of the Final Judgment at any time before it is entered, by serving notice on the defendants and by filing that notice with the Court.

3. Pending entry of the Final Judgment, defendants shall abide by and comply with the provisions of the Final Judgment following consummation of the Investment Agreement dated June 22, 1995 (and related agreements), the Joint Venture Agreement dated June 22, 1995 (and related agreements), or any similar arrangement between any defendant and France Télécom ("FT") or Deutsche Telekom A.G. ("DT"). This obligation shall not be affected by the timing of execution of any agreements between defendants and FT or DT to provide to Sprint and Joint Venture Co. information needed for compliance with the requirements of Sections II.A.1-7 or III of the Final Judgment. Any such agreements, which shall be executed prior to the entry of the Final Judgment, shall be consistent with Section II.B of the Final Judgment and shall be provided to the Department of Justice upon execution.

4. The agreements governing disclosure to United States international telecommunications providers ("providers"), referred to in Section V.F of the Final Judgment, will provide that: (1) non-public information received from the Department of Justice is intended for use to complain to, or provide information to, any government authorities in the United States or France or Germany, and to identify and evaluate internally any conduct that may be made the subject of such a complaint or provision of information, but may not be used for commercial purposes; (2) such information may not be disclosed to persons other than officers, directors,

employees, agents, or contractors of the provider, for permissible purposes under (1), and to government authorities in the United States or France or Germany (including, but not limited to, the Federal Communications Commission, Direction Générale des Postes et Télécommunications, and the Bundesministerium für Post und Telekommunikation); (3) all persons to whom the information is disclosed will be advised of the limitations on use and disclosure of the information; and (4) if unauthorized use or disclosure occurs, the Department of Justice may, in its sole discretion, revoke or otherwise limit the provider's further access to such information. Plaintiff, in its discretion, may add further conditions to such agreements. Any actions taken by the Department to redress unauthorized use or disclosure will not diminish or create any ability in Sprint or Joint Venture Co. to pursue separately against persons receiving such information from the Department any legal remedies for unauthorized use or disclosure.

5. FT and DT have reached an agreement with Infonet Services Corporation ("Infonet") as of June 20, 1995, requiring FT and DT to divest part of their shareholdings in Infonet by August 3, 1995 (the "Initial Tranche") and to divest fully their remaining shareholdings in Infonet (the "Second Tranche") forty-five days after the earlier of (1) the date as of which FT or DT directly or indirectly acquire any of the securities of Sprint, or (2) six months after all approvals necessary for the investment by FT and DT in Sprint and the consummation of the joint venture between FT, DT and Sprint have been received from the plaintiff, the Federal Communications Commission, the Commission of the European Communities and the Cartel Office of the Federal Republic of Germany. Infonet is a company that competes with Sprint in providing some types of telecommunications and enhanced telecommunications services and would compete with some of the planned telecommunications and enhanced telecommunications

services of Joint Venture Co. Due to this competition between Sprint and Infonet, the United States has indicated that it has competitive concerns about FT and DT having ownership interests in both Sprint and Infonet and representation on the boards of directors of both companies. Sprint will not issue any equity of itself to be acquired by FT or DT, or acquire an ownership interest in or contribute assets to form Joint Venture Co., until FT and DT have each completed the divestiture of their Infonet shares in the Initial Tranche. In addition, until the complete divestiture of FT and DT shareholdings in Infonet is accomplished pursuant to the above referenced agreement, Sprint and Joint Venture Co. shall (a) be maintained as separate and independent businesses with their assets (including proprietary technology, customer base, management, operations and books and records) separate, distinct and apart from those of Infonet; and (b) take all steps necessary to assure that no proprietary business or financial information specific to Infonet is transferred, or otherwise becomes available to Sprint or Joint Venture Co., or is used by Sprint or Joint Venture Co. to compete with Infonet. Moreover, Sprint will not allow any director appointed by FT or DT to serve on the Sprint Board of Directors for such period as any director appointed by FT or DT is serving on the Infonet Board of Directors and exercises any voting rights in connection therewith, and if any director appointed by FT or DT serves on the Infonet Board of Directors, regardless of whether such director exercises any voting rights, for more than 45 days after the occurrence of the first of either of the following events: (i) FT or DT has acquired directly or indirectly any of Sprint's securities, or (ii) FT or DT has appointed any director to the Sprint Board of Directors, Sprint will remove all FT or DT appointed directors from the Sprint board.

6. Joint Venture Co. is necessary as a defendant in this action, together with Sprint, for the relief specified in the proposed Final Judgment to be effective. Until it has been demonstrated to the satisfaction of the plaintiff, such satisfaction being confirmed in writing, that Joint Venture Co. (i) has been created as a legal entity, (ii) is subject to suit and is within the reach of the jurisdiction of the United States courts, and (iii) will have full authority and power to carry out all of the obligations imposed upon it by the proposed Final Judgment as those obligations take effect, and Joint Venture Co. has consented to and executed this Stipulation on the same terms as Sprint, without reservation or qualification, Sprint agrees that it will not issue any equity of itself to be acquired by FT or DT, until Joint Venture Co. has been formed and made a party to this stipulation. Sprint will not permit Joint Venture Co. to do any business until the conditions in this paragraph pertaining to Joint Venture Co. are satisfied. If for any reason the conditions pertaining to Joint Venture Co. in this paragraph are not satisfied, plaintiff shall be under no obligation to move for entry of the Final Judgment and may withdraw its consent to entry of the Final Judgment, and defendants shall not move for entry of the Final Judgment.

7. In the event plaintiff withdraws its consent to entry of the proposed Final Judgment or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatsoever and its making shall be without prejudice to any party in this or any other proceeding, except that if the Court decides not to enter the Final Judgment, and the defendants and FT and DT have consummated pursuant to paragraph 3 of this Stipulation, defendants shall abide by and comply with the terms of the Final Judgment until the conclusion of this action, unless the parties otherwise agree or the Court otherwise orders.

8. The Stipulation and the Final Judgment to which it relates are for settlement purposes only and do not constitute an admission by defendants in this or any other proceedings that Section 7 of the Clayton Act, 15 U.S.C. § 18, as amended, or any other provision of law, has been violated.

9. If the transactions contemplated by the Investment Agreement and Joint Venture Agreement are not consummated in any form, and Sprint, FT and DT withdraw their notifications under the Hart-Scott-Rodino Antitrust Improvements Act, then this Stipulation shall be null and void, and the parties shall be under no obligation to enter into or be bound by the proposed Final Judgment.

Dated: July 13, 1995

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Date Signed _____

STIPULATION APPROVED FOR FILING

Done this ____ day of _____, 1995.

UNITED STATES DISTRICT JUDGE

DISCLOSURE PURSUANT TO RULE 108(k)

Pursuant to Rule 108(k) of the Local Rules of this Court, the following is a list of all individuals entitled to be notified of the entry of the foregoing Stipulation and of the entry of the proposed Final Judgment:

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