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7 UNITED STATES DISTRICT COURT  
8 NORTHERN DISTRICT OF CALIFORNIA  
9 SAN FRANCISCO DIVISION

10  
11 UNITED STATES OF AMERICA ) Case No. CR  
12 )  
v. )  
13 )  
SAMSUNG ELECTRONICS COMPANY, LTD. )  
14 and SAMSUNG SEMICONDUCTOR, INC. )  
15 Defendants. )

16 **PLEA AGREEMENT**

17 The United States of America and SAMSUNG ELECTRONICS COMPANY, LTD.,  
18 (“SEC”) a corporation organized and existing under the laws of the Republic of Korea (“Korea”),  
19 and SAMSUNG SEMICONDUCTOR, INC., (“SSI”) a corporation organized and existing under  
20 the laws of California, (hereinafter referred to collectively as “Defendants”) hereby enter into the  
21 following Plea Agreement pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal  
22 Procedure (“Fed. R. Crim. P.”):

23 **RIGHTS OF DEFENDANTS**

- 24 1. The Defendants understand their rights:
- 25 (a) to be represented by an attorney;
- 26 (b) to be charged by Indictment;
- 27 (c) as to SEC, a corporation organized and existing under the laws of Korea,
- 28

1 to decline to accept service of the Summons in this case, and to contest the jurisdiction of  
2 the United States to prosecute this case against it in the United States District Court for  
3 the Northern District of California;

4 (d) to plead not guilty to any criminal charge brought against them;

5 (e) to have a trial by jury, at which they would be presumed not guilty of the  
6 charge and the United States would have to prove every essential element of the charged  
7 offense beyond a reasonable doubt for them to be found guilty;

8 (f) to confront and cross-examine witnesses against them and to subpoena  
9 witnesses in their defense at trial;

10 (g) to appeal their conviction if they are found guilty; and

11 (h) to appeal the imposition of sentence against them.

12 **AGREEMENT TO PLEAD GUILTY**  
13 **AND WAIVE CERTAIN RIGHTS**

14 2. The Defendants knowingly and voluntarily waive the rights set out in Paragraph  
15 1(b)-(g) above, including all jurisdictional defenses to the prosecution of this case, and agree  
16 voluntarily to consent to the jurisdiction of the United States to prosecute this case against them  
17 in the United States District Court for the Northern District of California. The Defendants also  
18 knowingly and voluntarily waive the right to file any appeal, any collateral attack, or any other  
19 writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742, that challenge the  
20 sentence imposed by the Court if that sentence is consistent with or below the recommended  
21 sentence in Paragraph 8 of this Plea Agreement, regardless of how the sentence is determined by  
22 the Court. This agreement does not affect the rights or obligations of the United States as set  
23 forth in 18 U.S.C. § 3742(b) and (c). Further, pursuant to Fed. R. Crim. P. 7(b), the Defendants  
24 will waive indictment and plead guilty at arraignment to a one-count Information to be filed in  
25 the United States District Court for the Northern District of California. The Information will  
26 charge the Defendants with participating in a conspiracy in the United States and elsewhere to  
27 suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory  
28 (“DRAM”) to be sold to certain original equipment manufacturers of personal computers and

1 servers (“OEMs”) from on or about April 1, 1999, to on or about June 15, 2002, in violation of  
2 the Sherman Antitrust Act, 15 U.S.C. § 1.

3 3. The Defendants, pursuant to the terms of this Plea Agreement, will plead guilty to  
4 the criminal charge described in Paragraph 2 above and will make a factual admission of guilt to  
5 the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below.

6 **FACTUAL BASIS FOR OFFENSE CHARGED**

7 4. Had this case gone to trial, the United States would have presented evidence  
8 sufficient to prove the following facts:

9 (a) For purposes of this Plea Agreement, the “relevant period” is that period  
10 from on or about April 1, 1999, to on or about June 15, 2002. During the relevant period,  
11 SEC was a corporation organized and existing under the laws of Korea and SSI was a  
12 corporation organized and existing under the laws of California. SEC has its  
13 headquarters and principal place of business in Seoul, Korea. SSI has its headquarters  
14 and principal place of business in San Jose, California.

15 (b) DRAM is the most commonly used semiconductor memory product.  
16 DRAM provides high-speed storage and retrieval of electronic information in personal  
17 computers, servers, and other devices. During the relevant period, the Defendants were  
18 producers of DRAM and were engaged in the sale of DRAM in the United States and  
19 elsewhere and employed more than 5000 employees. For purposes of this Plea  
20 Agreement, “DRAM” means dynamic random access memory semiconductor devices and  
21 modules, including synchronous dynamic random access memory (“SDRAM”), double  
22 date rate dynamic random access memory (“DDR”), and Rambus dynamic random access  
23 memory (“RDRAM”) semiconductor devices and modules. During the relevant period,  
24 Defendants’ DRAM sales, directly affected by the conspiracy, to OEMs in the United  
25 States totaled approximately \$1.2 billion.

26 (c) During at least certain periods of time during the relevant period, the  
27 Defendants, through certain officers and employees, participated in a conspiracy in the  
28 United States and elsewhere among certain DRAM producers, the primary purpose of

1 which was to fix the price of DRAM sold to certain OEMs. The conspiracy directly  
2 affected these OEMs in the United States: Dell Inc., Hewlett-Packard Company, Compaq  
3 Computer Corporation, International Business Machines Corporation, Apple Computer  
4 Inc., and Gateway, Inc. In furtherance of the conspiracy, the Defendants, through certain  
5 officers and employees, engaged in discussions and attended meetings with  
6 representatives of certain other DRAM producers and sellers. During these discussions  
7 and meetings, agreements were reached to fix the price of DRAM to be sold to certain  
8 OEMs.

9 (d) Defendants substantially added DRAM capacity and expanded output  
10 during the relevant period. At certain times during the relevant period, DRAM prices  
11 decreased significantly. Nevertheless, the Defendants and their coconspirators at times  
12 reached agreements to limit the rate of price declines, which were achieved with varying  
13 levels of effectiveness. At other periods, the Defendants and their coconspirators reached  
14 agreements on price increases and were able to institute price increases on DRAM sales  
15 to certain OEMs. Defendants invested in, promoted and marketed RDRAM during the  
16 relevant period as a competitive product in the marketplace. The charged violation with  
17 respect to RDRAM occurred at times during the period from January 1, 2001 to June 15,  
18 2002.

19 (e) During the relevant period, DRAM sold by one or more of the conspirator  
20 firms, and equipment and supplies necessary to the sale of DRAM, as well as payments  
21 for DRAM, traveled in interstate and foreign commerce. The business activities of the  
22 Defendants and their co-conspirators in connection with the sale of DRAM affected by  
23 this conspiracy were within the flow of, and substantially affected, interstate and foreign  
24 trade and commerce.

25 (f) Acts in furtherance of this conspiracy were carried out within the Northern  
26 District of California. DRAM affected by this conspiracy was sold by one or more of the  
27 conspirators to OEMs in this District.  
28

1 **POSSIBLE MAXIMUM SENTENCE**

2 5. The Defendants understand that the statutory maximum penalty which may be  
3 imposed against them upon conviction for a violation of Section One of the Sherman Antitrust  
4 Act is a fine in an amount equal to the greatest of:

- 5 (a) \$10 million (15 U.S.C. § 1);  
6 (b) twice the gross pecuniary gain the conspirators derived from the crime (18  
7 U.S.C. § 3571(c) and (d)); or  
8 (c) twice the gross pecuniary loss caused to the victims of the crime by the  
9 conspirators (18 U.S.C. § 3571(c) and (d)).

10 6. In addition, the Defendants understand that:

- 11 (a) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of  
12 probation of at least one year, but not more than five years;  
13 (b) pursuant to § 8B1.1 of the United States Sentencing Guidelines  
14 (“U.S.S.G.,” “Sentencing Guidelines,” or “Guidelines”), 18 U.S.C. § 3563(b)(2) or  
15 3663(a)(3), the Court may order them to pay restitution to the victims of the offense; and  
16 (c) pursuant to 18 U.S.C. § 3013(a)(2)(B), the Court is required to order the  
17 Defendants to pay a \$400 special assessment upon conviction for the charged crime.

18 **SENTENCING GUIDELINES**

19 7. The Defendants understand that the Sentencing Guidelines are advisory, not  
20 mandatory, but that the Court must consider the Guidelines in effect on the day of sentencing,  
21 along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing  
22 sentence. The Defendants understand that the Guidelines determinations will be made by the  
23 Court by a preponderance of the evidence standard. The Defendants understand that although the  
24 Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its  
25 sentence must be reasonable based upon consideration of all relevant sentencing factors set forth  
26 in 18 U.S.C. § 3553(a). Pursuant to U.S.S.G. § 1B1.8, the United States agrees that  
27 self-incriminating information that the Defendants and their cooperating officers and employees  
28 provide to the United States will not be used to increase the volume of affected commerce

1 attributable to the Defendants or in determining the Defendants' applicable Guidelines range,  
2 except to the extent provided in U.S.S.G. § 1B1.8(b).

3 **SENTENCING AGREEMENT**

4 8. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the United States and Defendants agree  
5 that the appropriate disposition of this case is, and agree to recommend jointly that the Court  
6 impose a sentence requiring payment to the United States of a single criminal fine of \$300  
7 million, pursuant to 18 U.S.C. § 3571(d), payable in installments as set forth below with interest  
8 accruing under 18 U.S.C. § 3612(f)(1)-(2), with no term of probation ("the recommended  
9 sentence"). The parties agree that there exists no aggravating or mitigating circumstance of a  
10 kind, or to a degree, not adequately taken into consideration by the U.S. Sentencing Commission  
11 in formulating the Guidelines justifying a departure pursuant to U.S.S.G. § 5K2.0. The parties  
12 agree not to seek or support any sentence outside of the Guidelines range nor any Guidelines  
13 adjustment for any reason that is not set forth in this Plea Agreement. The parties further agree  
14 that the recommended sentence set forth in this Plea Agreement is reasonable.

15 (a) The United States and the Defendants agree to recommend, in the interest  
16 of justice pursuant to 18 U.S.C. § 3572(d)(1) and U.S.S.G. § 8C3.2(b), that the fine be  
17 paid in the following installments: within fifteen (15) days of imposition of sentence —  
18 \$50 million; at the one-year anniversary of imposition of sentence ("anniversary") — \$50  
19 million (plus any accrued interest); at the two-year anniversary — \$50 million (plus any  
20 accrued interest); at the three-year anniversary — \$50 million (plus any accrued interest);  
21 at the four-year anniversary — \$50 million (plus any accrued interest); and at the five-  
22 year anniversary — \$50 million (plus any accrued interest); provided, however, that the  
23 Defendants shall have the option at any time before the five-year anniversary of prepaying  
24 the remaining balance then owing on the fine.

25 (b) The Defendants understand that the Court will order them each to pay a  
26 \$400 special assessment, pursuant to 18 U.S.C. § 3013(a)(2)(B), in addition to any fine  
27 imposed.

28 (c) The United States and the Defendants jointly submit that this Plea

1 Agreement, together with the record that will be created by the United States and the  
2 Defendants at the plea and sentencing hearings, and the further disclosure described in  
3 Paragraph 10, will provide sufficient information concerning the Defendants, the crime  
4 charged in this case, and the Defendants' role in the crime to enable the meaningful  
5 exercise of sentencing authority by the Court under 18 U.S.C. § 3553. The United States  
6 and Defendants agree to request jointly that the Court accept the Defendants' guilty plea  
7 and impose sentence on an expedited schedule as early as the date of arraignment, based  
8 upon the record provided by the Defendants and the United States, under the provisions  
9 of Fed. R. Crim. P. 32(c)(1)(A)(ii), U.S.S.G. § 6A1.1, and Rule 32-1(b) of the U.S.D.C.  
10 N.D. California Criminal Local Rules. The Court's denial of the request to impose  
11 sentence on an expedited schedule will not void this Plea Agreement.

12 (d) The United States contends that had this case gone to trial, the United States  
13 would have presented evidence to prove that the gain derived from or the loss resulting  
14 from the charged offense is sufficient to justify the recommended sentence, pursuant to 18  
15 U.S.C. § 3571(d). For purposes of this plea and sentencing only, the Defendants waive  
16 their right to contest this calculation.

17 9. The United States and the Defendants agree that the applicable Sentencing  
18 Guidelines fine range exceeds the fine contained in the recommended sentence set out in  
19 Paragraph 8 above. Subject to the full and continuing cooperation of the Defendants, as  
20 described in Paragraph 13 of this Plea Agreement, and prior to sentencing in this case, the United  
21 States agrees that it will make a motion, pursuant to U.S.S.G. § 8C4.1, for a downward departure  
22 from the Guidelines fine range and will request that the Court impose the recommended sentence  
23 set out in Paragraph 8 of this Plea Agreement based on Defendants' substantial assistance to the  
24 government in investigating and prosecuting violations of federal criminal law in the DRAM  
25 industry.

26 10. Subject to the ongoing, full, and truthful cooperation of the Defendants described  
27 in Paragraph 13 of this Plea Agreement, and before sentencing in the case, the United States will  
28 fully advise the Court and the Probation Office as to: (i) the fact, manner, and extent of the

1 Defendants' cooperation and their commitment to prospective cooperation with the United  
2 States' investigation and prosecutions; (ii) all material facts relating to the Defendants'  
3 involvement in the charged offense; and (iii) all other relevant conduct.

4 11. The United States and the Defendants understand that the Court retains complete  
5 discretion to accept or reject the recommended sentence provided for in Paragraph 8 of this Plea  
6 Agreement.

7 (a) If the Court does not accept the recommended sentence, the United States  
8 and the Defendants agree that this Plea Agreement, except for Paragraph 11(b) below,  
9 shall be rendered void.

10 (b) If the Court does not accept the recommended sentence, the Defendants  
11 will be free to withdraw their guilty plea (Fed. R. Crim. P. 11(c)(5) and (d)). If the  
12 Defendants withdraw their guilty plea, this Plea Agreement, the guilty plea, and any  
13 statement made in the course of any proceedings under Fed. R. Crim. P. 11 regarding the  
14 guilty plea or this Plea Agreement, or made in the course of plea discussions with an  
15 attorney for the government, shall not be admissible against the Defendants in any  
16 criminal or civil proceeding, except as otherwise provided in Fed. R. Evid. 410. In  
17 addition, the Defendants agree that if they withdraw their guilty plea pursuant to this  
18 subparagraph of the Plea Agreement, the statute of limitations period for any offense  
19 referred to in Paragraph 15 of this Plea Agreement will be tolled for the period between  
20 the date of the signing of the Plea Agreement and the date the Defendants withdrew their  
21 guilty plea or for a period of sixty (60) days after the date of the signing of the Plea  
22 Agreement, whichever period is greater.

23 12. In light of the civil class action cases filed against Defendants, including *In re*  
24 *DRAM Antitrust Litigation*, No. M-02-1486PJH, MDL No. 1486, in the United States District  
25 Court, Northern District of California, and *DRAM Cases*, No. CJC-03-004265, in the Superior  
26 Court, San Francisco, California, and others which potentially provide for a recovery of a  
27 multiple of actual damages, the United States agrees that it will not seek a restitution order for  
28 the offense charged in the Information.



1 **DEFENDANTS' COOPERATION**

2 13. The Defendants and their subsidiaries that are engaged in the sale or production of  
3 DRAM (collectively, "Related Entities") will cooperate fully and truthfully with the United  
4 States in: (i) the prosecution of this case; (ii) the current federal investigation of violations of  
5 federal antitrust and related criminal laws involving the production or sale of DRAM in the  
6 United States and elsewhere; and (iii) any litigation or other proceedings relating to any such  
7 investigation to which the United States is a party (collectively i-iii, "Federal Proceeding"). The  
8 ongoing, full, and truthful cooperation of the Defendants shall include, but not be limited to:

9 (a) producing to the United States all non-privileged documents, information,  
10 and other materials (with translations into English), wherever located, in the possession,  
11 custody, or control of the Defendants or any of their Related Entities, requested by the  
12 United States in connection with any Federal Proceeding; and

13 (b) using their best efforts to secure the ongoing, full, and truthful  
14 cooperation, as defined in Paragraph 14 of this Plea Agreement, of the current and former  
15 directors, officers, and employees of the Defendants or any of their Related Entities as  
16 may be requested by the United States – but excluding Young Bae (Y.B.) Rha, Il Ung  
17 (I.U.) Kim, Young Hwan (Y.H.) Park, Sun Woo "Sunny" Lee, Young Woo Lee, Thomas  
18 Quinn, and Yeongho Kang – including making these persons available upon reasonable  
19 advance notice in the United States and at other mutually agreed-upon locations, at the  
20 Defendants' expense, for interviews and the provision of testimony in grand jury, trial,  
21 and other judicial proceedings in connection with any Federal Proceeding.

22 14. The ongoing, full, and truthful cooperation of each person described in Paragraph  
23 13(b) above will be subject to the procedures and protections of this Paragraph, and shall include,  
24 but not be limited to:

25 (a) producing in the United States and at other mutually agreed-upon locations  
26 all non-privileged documents (with translations into English), including claimed personal  
27 documents, and other materials, wherever located, requested by attorneys and agents of  
28 the United States in connection with any Federal Proceeding;

1 (b) making himself or herself available for interviews in the United States and  
2 at other mutually agreed-upon locations, not at the expense of the United States, upon the  
3 request of attorneys and agents of the United States;

4 (c) responding fully and truthfully to all inquiries of the United States in  
5 connection with any Federal Proceeding, without falsely implicating any person or  
6 intentionally withholding any information, subject to the penalties of making false  
7 statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503);

8 (d) otherwise voluntarily providing the United States with any non-privileged  
9 material or information not requested in (a) - (c) of this Paragraph that he or she may have  
10 that is related to any Federal Proceeding;

11 (e) when called upon to do so by the United States in connection with any  
12 Federal Proceeding, upon reasonable advance notice, testifying in grand jury, trial, and  
13 other judicial proceedings in the United States fully, truthfully, and under oath, subject to  
14 the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in  
15 grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401- 402),  
16 and obstruction of justice (18 U.S.C. § 1503); and

17 (f) agreeing that, if the agreement not to prosecute him or her in this Plea  
18 Agreement is rendered void under Paragraph 16(c), the statute of limitations period for  
19 any Relevant Offense as defined in Paragraph 16(a) will be tolled as to him or her for the  
20 period between the date of the signing of this Plea Agreement and six (6) months after the  
21 date that the United States gave notice of its intent to void its obligations to that person  
22 under the Plea Agreement.

### 23 **GOVERNMENT'S AGREEMENT**

24 15. Upon acceptance of the guilty plea called for by this Plea Agreement and the  
25 imposition of the recommended sentence, and subject to the cooperation requirements of  
26 Paragraph 13 of this Plea Agreement, the United States agrees that it will not bring further  
27 criminal charges against the Defendants or any Related Entities for any act or offense committed  
28 before the date of this Plea Agreement that was undertaken in furtherance of or related to an

1 antitrust conspiracy involving the production or sale of DRAM in the United States and  
2 elsewhere, or undertaken in connection with any investigation of such a conspiracy. The  
3 nonprosecution terms of this Paragraph do not apply to civil matters of any kind, to any violation  
4 of the federal tax or securities laws, or to any crime of violence.

5 16. The United States agrees to the following:

6 (a) Upon the Court's acceptance of the guilty plea called for by this Plea  
7 Agreement and the imposition of the recommended sentence and subject to the  
8 exceptions noted in Paragraph 16(c), the United States will not bring criminal charges  
9 against any current or former director, officer, or employee of the Defendants or their  
10 Related Entities for any act or offense committed before the date of this Plea Agreement  
11 and while that person was acting as a director, officer, or employee of the Defendants or  
12 their Related Entities that was undertaken in furtherance of or related to an antitrust  
13 conspiracy involving the production or sale of DRAM in the United States and elsewhere,  
14 or undertaken in connection with any investigation of such a conspiracy ("Relevant  
15 Offense"), except that the protections granted in this Paragraph shall not apply to Y.B.  
16 Rha, I.U. Kim, Y.H. Park, Sun Woo "Sunny" Lee, Young Woo Lee, Thomas Quinn, and  
17 Yeongho Kang;

18 (b) Should the United States determine that any current or former director,  
19 officer, or employee of the Defendants or their Related Entities may have information  
20 relevant to any Federal Proceeding, the United States may request that person's  
21 cooperation under the terms of this Plea Agreement by written request delivered to  
22 counsel for the individual (with a copy to the undersigned counsel for the Defendants) or,  
23 if the individual is not known by the United States to be represented, to the undersigned  
24 counsel for the Defendants;

25 (c) If any person requested to provide cooperation under Paragraph 16(b) fails  
26 to comply with his or her obligations under Paragraph 14, then the terms of this Plea  
27 Agreement as they pertain to that person, and the agreement not to prosecute that person  
28 granted in this Plea Agreement, shall be rendered void;

1 (d) Except as provided in Paragraph 16(e), information provided by a person  
2 described in Paragraph 16(b) to the United States under the terms of this Plea Agreement  
3 pertaining to any Relevant Offense, or any information directly or indirectly derived from  
4 that information, may not be used against that person in a criminal case, except in a  
5 prosecution for perjury (18 U.S.C. § 1621), making a false statement or declaration  
6 (18 U.S.C. §§ 1001, 1623), or obstruction of justice (18 U.S.C. § 1503);

7 (e) If any person who provides information to the United States under this  
8 Plea Agreement fails to comply fully with his or her obligations under Paragraph 14 of  
9 this Plea Agreement, the agreement in Paragraph 16(d) not to use that information or any  
10 information directly or indirectly derived from it against that person in a criminal case  
11 shall be rendered void;

12 (f) The nonprosecution terms of this Paragraph do not apply to civil matters  
13 of any kind, to any violation of the federal tax or securities laws, or to any crime of  
14 violence; and

15 (g) Documents provided under Paragraphs 13(a) and 14(a) shall be deemed  
16 responsive to outstanding grand jury subpoenas issued to the Defendants and/or any of  
17 their Related Entities.

18 17. The United States agrees that when any person travels to the United States for  
19 interviews, grand jury appearances, or court appearances pursuant to this Plea Agreement, or for  
20 meetings with counsel in preparation therefor, the United States will take no action, based upon  
21 any Relevant Offense, to subject such person to arrest, detention, or service of process, or to  
22 prevent such person from entering or departing the United States. This Paragraph does not apply  
23 to an individual's commission of perjury (18 U.S.C. § 1621), making false statements (18 U.S.C.  
24 § 1001), making false statements or declarations in grand jury or court proceedings (18 U.S.C. §  
25 1623), obstruction of justice (18 U.S.C. § 1503), or contempt (18 U.S.C. §§ 401- 402) in  
26 connection with any testimony or information provided or requested in any Federal Proceeding.

27 18. The Defendants understand that they may be subject to administrative action by  
28 federal or state agencies other than the United States Department of Justice, Antitrust Division,

1 based upon the conviction resulting from this Plea Agreement, and that this Plea Agreement in  
2 no way controls whatever action, if any, other agencies may take. However, the United States  
3 agrees that, if requested, it will advise the appropriate officials of any governmental agency  
4 considering such administrative action of the fact, manner, and extent of the cooperation of the  
5 Defendants and their Related Entities, including the fact that the United States, pursuant to  
6 U.S.S.G. § 8C4.1, moved for a downward departure from the Guidelines fine range, as matters  
7 for that agency to consider before determining what administrative action, if any, to take.

8 **REPRESENTATION BY COUNSEL**

9 19. The Defendants have been represented by counsel and are fully satisfied that their  
10 attorneys have provided competent legal representation. The Defendants have thoroughly  
11 reviewed this Plea Agreement and acknowledge that counsel has advised them of the nature of  
12 the charge, any possible defenses to the charge, and the nature and range of possible sentences.

13 **VOLUNTARY PLEA**

14 20. The Defendants' decision to enter into this Plea Agreement and to tender a plea of  
15 guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises,  
16 or representations other than the representations contained in this Plea Agreement. The United  
17 States has made no promises or representations to the Defendants as to whether the Court will  
18 accept or reject the recommendations contained within this Plea Agreement.

19 **VIOLATION OF PLEA AGREEMENT**

20 21. The Defendants agree that, should the United States determine in good faith,  
21 during the period that any Federal Proceeding is pending, that the Defendants or any of their  
22 Related Entities have failed to provide full and truthful cooperation, as described in Paragraph 13  
23 of this Plea Agreement, or have otherwise violated any provision of this Plea Agreement, the  
24 United States will notify counsel for the Defendants in writing by personal or overnight delivery  
25 or facsimile transmission and may also notify counsel by telephone of its intention to void any of  
26 its obligations under this Plea Agreement (except its obligations under this Paragraph), and the  
27 Defendants and their Related Entities shall be subject to prosecution for any federal crime of  
28 which the United States has knowledge including, but not limited to, the substantive offenses

1 relating to the investigation resulting in this Plea Agreement. The Defendants may seek Court  
2 review of any determination made by the United States under this Paragraph to void any of its  
3 obligations under the Plea Agreement. The Defendants and their Related Entities agree that, in  
4 the event that the United States is released from its obligations under this Plea Agreement and  
5 brings criminal charges against the Defendants or their Related Entities for any offense referred  
6 to in Paragraph 15 of this Plea Agreement, the statute of limitations period for such offense will  
7 be tolled for the period between the date of the signing of this Plea Agreement and six months  
8 after the date the United States gave notice of its intent to void its obligations under this Plea  
9 Agreement.

10 22. The Defendants understand and agree that in any further prosecution  
11 of them or their Related Entities resulting from the release of the United States from its  
12 obligations under this Plea Agreement, because of the Defendants' or their Related Entities'  
13 violation of the Plea Agreement, any documents, statements, information, testimony, or evidence  
14 provided by them, their Related Entities, or their current or former directors, officers, or  
15 employees of them or their Related Entities, to attorneys or agents of the United States, federal  
16 grand juries, or courts, and any leads derived therefrom, may be used against them or their  
17 Related Entities in any such further prosecution. In addition, the Defendants unconditionally  
18 waive their right to challenge the use of such evidence in any such further prosecution,  
19 notwithstanding the protections of Fed. R. Evid. 410.

20 **ENTIRETY OF AGREEMENT**

21 23. This Plea Agreement constitutes the entire agreement between the United States  
22 and the Defendants concerning the disposition of the criminal charge in this case. This Plea  
23 Agreement cannot be modified except in writing, signed by the United States and the Defendants.

24 24. The undersigned is authorized to enter this Plea Agreement on behalf of the  
25 Defendants as evidenced by the Resolution of the Board of Directors or Committee authorized by  
26 the Board of Directors of the Defendants attached to, and incorporated by reference in, this Plea  
27 Agreement.

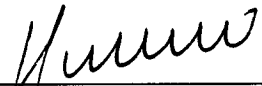
28 25. The undersigned attorneys for the United States have been authorized

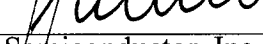
1 by the Attorney General of the United States to enter this Plea Agreement on behalf of the United  
2 States.

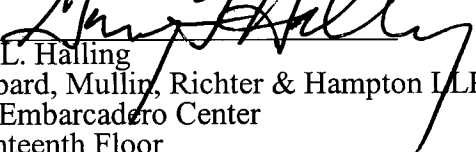
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6  
7 DATED: October 13, 2005

8 AGREED

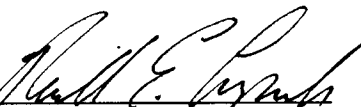
9  
10 BY:   
11 Samsung Electronics Company, Ltd.  
12 250, 2-Ga, Taepyeong  
Jung-gu, Seoul 100-742  
Republic of Korea

13 BY:   
14 Samsung Semiconductor, Inc.  
15 3655 North First Street  
San Jose, CA 95134

16 BY:   
17 Gary L. Halling  
18 Sheppard, Mullin, Richter & Hampton LLP  
Four Embarcadero Center  
Seventeenth Floor  
San Francisco, CA 94111  
Tel: (415) 774-3234  
19 Fax: (415) 434-3947

20 BY: \_\_\_\_\_  
21 David A. Donohoe  
22 Akin Gump Strauss Hauer & Feld LLP  
1333 New Hampshire Ave., N.W.  
Washington, D.C. 20036  
Tel: (202) 887-4000  
23 Fax: (202) 887-4288

24 BY: \_\_\_\_\_  
25 Mark C. Schechter  
26 Howrey LLP  
1299 Pennsylvania Ave., N.W.  
Washington, D.C. 20004  
Tel: (202) 383-6890  
27 Fax: (202) 383-6610

8  
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10 BY:   
11 Niall E. Lynch, CA No. 157959  
12 Nathanael M. Cousins, CA No. 177944  
13 May Y. Lee, CA No. 209366  
14 Brigid S. Biermann, CA No. 231705  
15 Trial Attorneys  
16 U.S. Department of Justice  
17 Antitrust Division  
18 450 Golden Gate Avenue  
19 Box 36046, Room 10-0101  
San Francisco, CA 94102  
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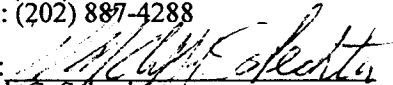
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Minutes of the Resolution of the Management Committee of Samsung Electronics Co., Ltd.  
with respect to the Execution of the Plea Agreement attached as Exhibit 1  
and Entry of Guilty Plea

On October 13, 2005, after discussion, the Management Committee, composed of Messrs Jong-Yong Yun (CEO), Yoon-Woo Lee, and Do-Seok Choi unanimously took the following resolutions:

1. The execution, delivery and performance of the so-called Plea Agreement between Samsung Electronics Co., Ltd. (the "Corporation") and the United States Department of Justice, in substantially the form of the presented draft, as appended hereto as Exhibit 1, is hereby approved.
2. Dahm Huh, CFO and Vice President of Samsung Semiconductor, Inc., is hereby authorized and directed to execute and deliver, in the name and on behalf of the Corporation, the Plea Agreement.
3. Dahm Huh may individually represent the Corporation at any hearing in order to waive any and all rights of the Corporation referred to under section 2 of the Plea Agreement and to plead guilty in accordance with the provisions of the Plea Agreement in the name and on behalf of the Corporation.
4. Dahm Huh is hereby authorized and empowered to take individually any and all actions required or appropriate in order to carry out the intent and purpose of the preceding resolution.

The above resolutions are hereby adopted by the Management Committee in accordance with authority specifically vested by the Board of Directors of the Corporation and the Commercial Laws of the Republic of Korea.

Korea, October 13, 2005



Jong-Yong Yun

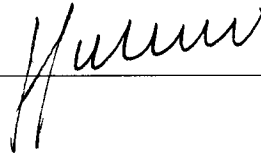
**CERTIFICATE OF SECRETARY**

I, Dahm Huh, the duly elected, qualified and acting Secretary of Samsung Semiconductor, Inc., do hereby certify that the attached copy of the Resolutions, adopted by the Board of Directors of Samsung Semiconductor, Inc. at a special meeting held on October 11, 2005, is true, correct and complete, that said Resolutions were duly adopted and that said Resolutions have not been amended, modified or repealed, and remain in full force and effect, as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Samsung Semiconductor, Inc. this eleventh day of October, 2005.

(SEAL)

\_\_\_\_\_  
Dahm Huh  
Secretary



**SAMSUNG SEMICONDUCTOR, INC.**

Resolutions of the Board of Directors

October 11, 2005

RESOLVED, that the execution, delivery and performance of that certain Plea Agreement, by and among Samsung Semiconductor, Inc., Samsung Electronics, Co. Ltd. and the United States Department of Justice, in substantially the form made available to the Board (the "Plea Agreement"), is hereby approved;

RESOLVED, that Mr. Dahm Huh, Vice President and Chief Financial Officer of the Corporation, be, and hereby is, authorized, empowered and directed, for and on behalf of the Corporation, to execute and deliver the Plea Agreement;

RESOLVED, that Mr. Dahm Huh, Vice President and Chief Financial Officer of the Corporation, be, and hereby is, authorized, empowered and directed to represent the Corporation at any hearing in order to waive any and all rights of the Corporation referred to in the Plea Agreement and to plead guilty at such hearing, for and on behalf of the Corporation, in accordance with the terms therein; and

RESOLVED, that Mr. Dahm Huh, Vice President and Chief Financial Officer of the Corporation, be, and hereby is, authorized, empowered and directed, for and on behalf of the Corporation, to prepare and deliver or cause to be prepared and delivered and to execute all documents and take or cause to be taken such further actions as he may deem necessary, appropriate or advisable to fully effectuate the intent of the foregoing resolutions and to comply with the provisions of any of the documents or instruments approved or authorized hereby.