

EXHIBIT

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE: ELECTRICAL CARBON PRODUCTS	:	MDL NO. 1514
ANTITRUST LITIGATION	:	MASTER CIVIL NO.
	:	03-2182 (JBS)

**SETTLEMENT AGREEMENT BETWEEN
CLASS PLAINTIFFS AND DEFENDANTS LUDWIG SCHUNK STIFTUNG E.V.,
SCHUNK GMBH, SCHUNK KOHLENSTOFF-TECHNIK GMBH, SCHUNK OF
NORTH AMERICA, INC., SCHUNK GRAPHITE TECHNOLOGY LLC,
HOFFMAN AND CO. ELEKTROKOHLE AG, AND HOFFMAN CARBON, INC.**

This Settlement Agreement dated December 17, 2004 (“Settlement Agreement”) is made and entered into by and among the Settling Parties: (a) the proposed class representative plaintiffs, on behalf of themselves and on behalf of the Class they seek to represent, by and through their respective counsel of record; and (b) Ludwig Schunk Stiftung e.V., Schunk GMBH, Schunk Kohlenstofftechnik GmbH, Schunk of North America, Inc., Schunk Graphite Technology LLC, Hoffman and Co. Elektrokohle AG, and Hoffman Carbon, Inc. (collectively the “Schunk Defendants”), by and through their respective counsel of record. Throughout this Settlement Agreement, any capitalized term not immediately defined is defined in accordance with Paragraphs 1 through 16.

WHEREAS, the class representative plaintiffs on behalf of themselves and the Class they seek to represent have alleged pursuant to the Litigation that the Schunk Defendants engaged in an unlawful conspiracy to fix, raise, maintain and stabilize the prices of Electrical Carbon Products in the United States; and

WHEREAS, the Schunk Defendants deny each and every allegation of wrongdoing and disclaim any and all wrongdoing or liability whatsoever, and have asserted a number of defenses to the claims asserted in the Litigation; and

WHEREAS, arms' length settlement negotiations have taken place between the Class Executive Committee and counsel for the Schunk Defendants, and this Settlement Agreement between Plaintiffs and the Schunk Defendants has been reached, subject to Final Approval of the Court; and

WHEREAS, the Class Executive Committee has concluded, after investigation of the facts and after considering the circumstances of the case and the applicable law, that it would be in the best interests of the Class to enter into this Settlement Agreement in order to avoid the uncertainties of litigation, and, further, consider the settlement set forth herein to be fair, reasonable and adequate; and

WHEREAS, the Schunk Defendants have concluded that they will enter into this Settlement Agreement solely to avoid the further expense, inconvenience and burden of this Litigation, and the distraction and diversion of their personnel and resources, and to put to rest this controversy with valued business customers, and to avoid the risks inherent in uncertain complex litigation;

IT IS THEREFORE STIPULATED AND AGREED, by and among the undersigned counsel, that the Litigation shall be compromised, resolved, discharged, settled and dismissed on the merits and with prejudice as to the Schunk Defendants, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure and subject to the following terms and conditions:

DEFINITIONS

1. "Class Executive Committee" shall refer to Steven A. Asher of Fox Rothschild LLP; Melissa H. Maxman of Duane Morris LLP; Warren Rubin of Law Offices Bernard M. Gross; and Howard J. Sedran of Levin, Fishbein, Sedran and Berman.

2. "Class" or "Plaintiffs" means all Persons (excluding federal government entities, Defendants, and their respective parents, subsidiaries and affiliates) who purchased Electrical Carbon Products in the United States, or from a facility located in the United States, directly from Defendants, their affiliates, subsidiaries or co-conspirators, during the period January 1, 1990 through December 31, 1999.

3. "Class Member" means each member of the Class who does not timely and validly elect to opt-out or be excluded from the Class.

4. "Class Period" means the period from January 1, 1990 up to and including December 31, 1999.

5. "Defendant" or "Defendants" means any Person or Persons named as defendants in the Litigation.

6. "District Court" means the court of the Honorable Jerome B. Simandle of the United States District Court for the District of New Jersey, or such other judge sitting in his place and stead.

7. "Electrical Carbon Products" means: (1) carbon brushes used in consumer products, including fractional horsepower brushes; (2) carbon brushes and current collectors (including pantographs but excluding brush holders and commutators) for automotive and traction-transit

applications; (3) carbon brushes used in battery-operated vehicles; and (4) mechanical carbon products for use in pump and compressor industries.

8. "Final Approval" means, with respect to any Judgment of the District Court or any other Court, that such order represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. A Judgment or other order becomes "Final" when: (a) if no appeal has been filed, the prescribed time for commencing an appeal has expired; or (b) if an appeal is filed, either (i) the appeal has been dismissed and the prescribed time, if any, for commencing any further appeal has expired, or (ii) the order has been affirmed in its entirety and the prescribed time, if any, for commencing any further appeal has expired.

9. "Judgment" means the order entered by the District Court in this Litigation pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, finally (a) approving certification of the Class pursuant to Rule 23 of the Federal Rules of Civil Procedure, solely for settlement purposes; (b) approving the settlement as fair, reasonable and adequate within the meaning of Rule 23; (c) dismissing the Litigation against the Schunk Defendants without costs, with prejudice and on the merits; (d) approving the release of the Released Claims against the Releasees; and (e) reserving jurisdiction over the settlement, including all further proceedings concerning the administration, consummation and enforcement of the Settlement Agreement.

10. "Litigation" means the various actions consolidated by Order of the District Court dated June 25, 2003, and captioned collectively as In re Electrical Carbon Products Antitrust Litigation, MDL No. 1514, Master Civil No. 03-2182 (JBS), pending in the United States District Court for the District of New Jersey.

11. "Notice" means a notice of settlement pursuant to this Settlement Agreement which shall include, in a form agreed upon by the Settling Parties and approved by the District Court in the Preliminary Approval Orders, the material terms of the settlement.

12. "Person" means any individual, corporation, partnership, association, affiliate, joint stock company, estate, trust, unincorporated association, entity, non-federal government and any political subdivision thereof, or any other type of business or legal entity.

13. "Preliminary Approval" means the order entered by the District Court (a) preliminarily approving certification of the class pursuant to Rule 23 of the Federal Rules of Civil Procedure, solely for settlement purposes; (b) preliminarily approving this settlement between the Class and the Schunk Defendants in accordance with the terms and conditions of this Settlement Agreement; (c) approving the mailing of a Notice of the Settlement; (d) approving the publication of a summary Notice of the Settlement; (e) setting a time during which Plaintiffs may serve written objections to the Settlement Agreement or any provision thereof; and (f) setting a hearing date to consider final approval of the Settlement Agreement.

14. "Releasees" shall refer jointly and severally, and individually and collectively, to the Schunk Defendants and all of their respective present and former parents, subsidiaries, divisions, affiliates, predecessors, successors and assigns and all of their respective present and former officers, directors, managers, employees, partners, limited partners, agents, heirs, and their personal representatives, executors, administrators, transfers and assigns. Notwithstanding the foregoing, "Releasees" does not include: (a) the Morgan Crucible Company PLC, Morganite Industries, Inc., Morganite, Inc., Morgan Advanced Materials and Technologies, Inc., Morganite Electrical Carbon

Ltd., National Electrical Carbon Products, Inc. (the preceding corporate defendants are hereafter referred to as the "Corporate Morganite Defendants"), Le Carbone Lorraine, S.A., Carbone Lorraine North America Corporation, Carbone of America Industries Corporation, SGL Carbon AG, SGL Carbon, LLC, Conradty Nuernberg GmbH, Ian P. Norris, Robin D. Emerson, F. Scott Brown and Jacobus Johan Anton Kroef; or (b) any co-conspirator of Defendants in this Litigation, other than the Releasees.

15. "Releasors" shall refer jointly and severally, and individually and collectively, to the Class Members.

16. "Settling Parties" means the Class Members and the Schunk Defendants.

AUTHORIZATION AND BEST EFFORTS

17. The undersigned counsel represent that they are fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement, and they agree to undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement, and any other steps and efforts which may become necessary by order of the District Court or otherwise, to effectuate this Settlement Agreement, including cooperating in seeking to secure within a reasonable time Preliminary Approval of this Settlement Agreement and, subsequently, Final Approval of this Settlement Agreement and the complete and final dismissal with prejudice of the Litigation as to the Schunk Defendants. To that end, the Settling Parties shall use their best efforts to obtain Court approval of the settlement.

SETTLEMENT CLASS

18. For purposes of settlement only, the undersigned agree that the claims asserted in the Litigation on behalf of the Class shall be certified as a class action pursuant to the requirements of Rule 23 of the Federal Rules of Civil Procedure.

19. Within twenty (20) business days after the execution of this Settlement Agreement, Plaintiffs shall submit to the District Court a motion, to be joined in or stipulated to by the Schunk Defendants, requesting the Court to enter a Preliminary Approval Order, preliminarily certifying the Class pursuant to Rule 23 of the Federal Rules of Civil Procedure, solely for the purpose of settlement; authorizing dissemination of Notice to the class; scheduling a hearing to consider Final Approval of this Settlement Agreement; and staying the Litigation against the Schunk Defendants, except as required by the terms of this Settlement Agreement.

SETTLEMENT SUM AND GUARANTEE

20. (a) The Schunk Defendants agree that Schunk Kohlenstofftechnik GmbH and/or Hoffman and Co. Elektrokohle AG will pay or cause to be paid into an escrow account ("Escrow Account") maintained by the Class Executive Committee at Wachovia Bank, Philadelphia, Pennsylvania, as escrow agent ("Escrow Agent"), the sum of \$2.975 million U.S. dollars (\$2,975,000) (the "Settlement Sum"), within five (5) business days after the date that Preliminary Approval of this Settlement Agreement is granted by the District Court.

(b) The Escrow Account shall be an interest-bearing account insured by the FDIC. The Escrow Agent shall invest the Settlement Sum in instruments backed by the full faith and credit

of the United States Government or any agency thereof and shall reinvest the proceeds of those instruments as they mature in similar instruments at their then-current market rates.

(c) The Settlement Sum and any income earned thereon shall hereinafter be referred to as the "Settlement Fund." The Schunk Defendants shall not be liable for any expenses, costs or attorneys' fees paid or incurred by or on behalf of the Class Executive Committee or any other counsel of any Plaintiff, but all such expenses, costs and attorneys' fees as approved by the District Court shall be paid out of the Settlement Fund upon Final Approval of the Settlement Agreement, provided, however, that following Preliminary Approval of this Settlement Agreement by the District Court, the costs of identifying and giving Notice to the members of the Class up to \$100,000, which sum may be deposited from the Escrow Account in an FDIC member bank, shall be paid from the Settlement Fund.

(d) To the extent that any Notice pursuant to this Settlement Agreement covers or otherwise includes any settlement with one or more other Defendant, Plaintiffs will apportion the expenses of Notice and administration among all of said settlement(s) in proportion to the gross amounts of each.

(e) The Settlement Fund shall be deemed and considered to be *in custodia legis* of the District Court and shall remain subject to the jurisdiction of that Court until such time as the Fund shall be fully distributed pursuant to the terms approved by the Court.

RELEASE TERMS

21. This Settlement Agreement shall have received Final Approval when the District Court enters a Judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, which has

become Final, discharging the Releasees of all further liability to the Releasors, dismissing the Litigation without costs on the merits and with prejudice as against the Releasees, and releasing and forever discharging the Releasees from all manner of claims, demands, actions, rights, suits, causes of action, of any kind whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, accrued or not accrued, and whether or not concealed or hidden, in law or in equity, on behalf of the Releasors, arising under the Antitrust Laws of the United States or of any state or other jurisdiction, or under any similar statutory or common law, whether sounding in antitrust, unfair or deceptive trade practices or unfair competition, through the date on which this Settlement Agreement receives Final Approval, which have been, might have been, are now or could be asserted and which relate to or arise out of any alleged unlawful conspiracy to fix, raise, maintain or stabilize the prices of Electrical Carbon Products in the United States or that are in any way connected with any fact, circumstance, statement, event or matter of any kind that was raised or referred to or could have been raised or referred to in this Litigation. Nothing in this Settlement Agreement shall: (a) limit the right of any Plaintiff to submit a claim and participate in the Settlement or to exercise its right to exclude itself from the Class; (b) constitute a release of any commercial claim arising out of an alleged product defect or breach of contract relating to Electrical Carbon Products; or (c) limit the right of any Plaintiff to bring a claim with respect to his, her, or its indirect purchases of Electrical Carbon Products. The claims covered pursuant to this Paragraph and those released pursuant to Paragraph 22 are referred to collectively as "Released Claims."

22. In addition to the provisions of Paragraph 21, upon this Settlement Agreement receiving Final Approval, each Class Member hereby expressly waives and releases any and all provisions, rights and benefits conferred by §1542 of the California Civil Code, which provides:

Section 1542. Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor;

or by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to §1542 of the California Civil Code. Each Class Member may hereafter discover facts in addition to, other than or different from those which he, she or it knows or believes to be true with respect to the claims that are the subject matter of the provisions of Paragraph 21, but each Class Member hereby expressly waives and fully, finally and forever settles and releases, upon this Settlement Agreement receiving Final Approval, any claim, whether known or unknown, suspected or unsuspected, contingent or non-contingent whether or not concealed or hidden, that now exists or heretofore have existed upon any theory of law or equity, which is the subject matter of Paragraph 21, without regard to the subsequent discovery or existence of such different or other facts. The Settling Parties acknowledge and/or shall be deemed to have acknowledged and by operation of the Judgment shall have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

INVESTMENT AND USE OF THE SETTLEMENT FUNDS

23. The payment set forth in Paragraph 20 shall be the only payment that any Schunk Defendant shall be required to make or cause to be made in connection with the Settlement

Agreement. The Schunk Defendants shall have no responsibility for, no interest in or liability with respect to the investment of the Settlement Fund, the determination or calculation of any claim or payment from, or distribution of such Fund, the administration of such Fund, or any losses incurred in connection with such matters.

24. After this Settlement Agreement receives Final Approval, up to \$500,000 of the Settlement Fund may, upon application of the Class Executive Committee, be disbursed to pay costs and expenses incurred on behalf of the Plaintiffs by the Class Executive Committee or other counsel of Plaintiffs in connection with the prosecution of this Litigation, including costs and expenses incurred in connection with the administration and disbursement of the Settlement Fund. Disbursements for such costs and expenses shall be made from time to time with the approval of the Court.

QUALIFIED SETTLEMENT FUND

25. The Settlement Fund is intended by the Settling Parties and the Escrow Agent to be treated as a "qualified settlement fund" for federal income tax purposes pursuant to Treas. Reg. § 1.468B-1 and to that end the Settling Parties hereto shall cooperate with each other and shall not take a position in any filing or before any tax authority that is inconsistent with such treatment. At the request of Settling Parties and the Escrow Agent, a "relation back election" as described in Treas. Reg. § 1.468B-1(j) shall be made so as to enable the Settlement Fund to be treated as a qualified settlement fund from the earliest date possible, and the parties hereto shall take all actions as may be necessary or appropriate to this end. The Class Executive Committee, upon advice of its accountants or tax advisers, shall file all tax returns and pay from the Settlement Fund all taxes (including

estimated taxes, interest or penalties) due with respect to the Fund. After Preliminary Approval and whether or not Final Approval has occurred, the Class Executive Committee shall pay all other related costs and expenses from the Settlement Fund. In all events, the Schunk Defendants shall have no responsibility or liability for the payment of any taxes or tax expenses in connection with the Settlement Fund. In the event federal or state income tax liability, including interest and penalties, is finally assessed against and paid by the Schunk Defendants as a result of any income earned on the Settlement Fund, the Schunk Defendants shall be entitled to reimbursement of such payment from the Fund, after approval by the District Court. The Schunk Defendants will use their best efforts to resist any such assessment or payment. The Schunk Defendants shall have no responsibility or liability for the acts or omissions of the Escrow Agent.

FINAL APPROVAL

26. This Settlement Agreement shall not be Final and, except as provided in Paragraph 20(c) hereof, no distribution from the Fund shall be made until Final Approval of the Judgment entered by the District Court in conformance with Paragraph 9 has occurred. It is agreed that neither the provisions of Rule 60 of the Federal Rules of Civil Procedure, nor the All Writs Act, 28 U.S.C. §1651, shall be taken into account in determining the above dates. Appeals relating solely to attorneys' fees, costs and/or the plan of distribution shall not delay the Final Approval of this Settlement Agreement.

TERMINATION

27. Within ten (10) days after the Court-ordered deadline for submission of timely requests for exclusion from the Class, the Class Executive Committee shall provide to counsel for

the Schunk Defendants a list of those Class Members who have timely opted-out or excluded themselves from the Class. Within twenty (20) days after the actual receipt by the Schunk Defendants of the opt-out list from the Committee, counsel for the Schunk Defendants and the Class Executive Committee shall confer for the purpose of calculating the approximate aggregate dollar volume of purchases of those Class Members who have timely excluded themselves from the Class and to determine the approximate percentage that those purchases represent of all purchases of Electrical Carbon Products in the United States made from Schunk Defendants during the Class Period. If the Schunk Defendants reasonably determine that the requests for exclusions from the Class have been made by Class Members representing more than twenty percent (20%) of the dollar amount of sales of Electrical Carbon Products from the Schunk Defendants in the United States, or from a Schunk Defendants' facility located in the United States, this Settlement Agreement may be terminated at the option of the Schunk Defendants. Such option shall be exercised, if at all, within such period by service of written notice of the election to terminate this Settlement Agreement upon the Class Executive Committee, with a copy filed with the District Court. If the Class Executive Committee and counsel for the Schunk Defendants are unable to agree as to the percentage of purchases attributable to those Class Members who have timely excluded themselves from the Class, the matter shall be referred to the Court for decision, and the Court's decision shall be final, binding and unappealable.

CLASS LIST

28. The Schunk Defendants will provide to the Class Executive Committee, subject to the Confidentiality Order entered by the District Court, lists of the names and addresses of customers

who purchased Electrical Carbon Products in the United States directly from it or directly from facilities located in the United States during the Class Period, to the extent that such lists are available. Such lists shall be provided by the Schunk Defendants in computer readable and mailing label formats, if available, on or before thirty (30) days prior to the date Notice to the Class is required pursuant to the Preliminary Approval Order of the District Court. The Class Executive Committee will send a Notice approved by the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure, to the Class shown on such lists provided by the Schunk Defendants and all other Defendants.

COOPERATION

29. The Schunk Defendants shall provide reasonable cooperation to the Class Executive Committee in order to assist Plaintiffs in prosecuting this Litigation against the remaining Defendants. This cooperation shall proceed in two phases. The first phase shall commence after entry of the Preliminary Approval Order, at the point made necessary by the status of discovery directed toward other Defendants. The second phase shall commence promptly after entry of the Final Approval Order. The first phase shall consist of an oral proffer by counsel for Schunk to Plaintiffs' Executive Committee, which proffer shall take place at the offices of counsel for the Schunk Defendants. In this proffer, accompanied by a discussion of relevant documents, counsel for Schunk shall set forth the facts known to them which are relevant to the claims asserted by Class Plaintiffs in the Third Consolidated Amended Complaint. In the second phase, the Schunk Defendants shall provide plaintiffs with the full measure of cooperation set forth in Section 213(b) of

the Antitrust Criminal Penalty Enhancement and Reform Act of 2004 ("the Act") which will include the following:

(a) The Schunk Defendants shall make available to Plaintiffs documents in their possession, custody or control which are relevant to the claims asserted by Plaintiffs in this Litigation, including, but not limited to, documents and materials regarding Electrical Carbon Products provided to the Department of Justice with respect to its investigations of collusive activity in the Electrical Carbon Products industry.

(b) The Schunk Defendants will make their current employees with information relevant to the claims asserted by Plaintiffs, including information concerning meetings with competitors available for interview, deposition and trial. Any individual who is interviewed or deposed while an employee of the Schunk Defendants will remain obligated to appear for trial in the United States. The release set forth in paragraphs nos. 14, 21 and 22, shall apply to each such person unless that person unreasonably refuses to appear for interview, deposition and trial as reasonably requested by Plaintiffs' counsel. In the event that an employee, or individual who was an employee at the time he was interviewed or deposed, unreasonably refuses to appear for trial in the United States, that individual's release may be voided by Plaintiffs. The Schunk Defendants shall pay the expenses for such persons to appear for interviews, depositions and trial, provided that the individual is an employee of the Schunk Defendants. If the individual is not a then-current employee, the reasonable travel expenses for such person to appear for interviews, depositions and trial will be paid by the Plaintiffs.

The Schunk Defendants will use their best efforts to make available for interview, deposition and trial in the United States former employees with information relevant to the claims asserted by Plaintiffs, including information concerning meetings with competitors. The release set forth in paragraph nos. 14, 21 and 22 shall apply to each such person unless such person unreasonably refuses to appear for an interview and deposition as reasonably requested by Plaintiffs' counsel. Plaintiffs will pay for the reasonable travel expenses for former employees.

The failure of any current or former employee to comply with the terms of paragraph no. 29(b), or the invalidation of the release of any current or former employee, shall not affect in any way the release of the Schunk Defendants. By presenting such employees for depositions or trial, the Schunk Defendants will not and do not waive the Fifth Amendment rights of those employees, which rights belong to those employees individually.

(c) The Schunk Defendants agree to produce transactional data relating to Schunk North America's sale of Electrical Carbon Products in the United States or from its facilities located in the United States in order to assist Plaintiffs in their calculation of damages. To the extent possible, the Schunk Defendants will produce such data in electronic form and will assist the Class Executive Committee in interpreting such data.

(d) The Schunk Defendants agree to provide written declarations pursuant to Federal Rules of Evidence 902(11) and (12) with respect to documents produced by the Schunk Defendants. In the event that such declarations are not sufficient to secure the admission of the documents, subject to the provisions of Paragraph 29(b), the Schunk Defendants agree to make available a witness for the purpose of testifying as to whether the documents produced in the

Litigation are authentic, as well as whether they are true and correct copies of the originals and business records, and such other testimony as may be necessary to secure the admission of such documents.

30. The Settling Parties and their counsel agree that any information disclosed to them by the Schunk Defendants, formally or informally, shall be used solely for purposes of this Litigation and shall be treated as Highly Confidential under the Protective Order entered in this Litigation, unless designated otherwise.

MOST FAVORED NATIONS

31. In the event that the Carbone Defendants, as defined in the Carbone Settlement Agreement dated August 11, 2004 (a copy of which is attached hereto), are entitled to a refund pursuant to the Most Favored Nations provision set forth in paragraph 30 of the Carbone Settlement Agreement, then the Schunk Defendants shall also be entitled to a refund in the amount of 50% of the refund paid by Plaintiffs to the Carbone Defendants except that in no event shall the amount of refund paid by Plaintiffs to the Schunk Defendants exceed \$750,000.

MISCELLANEOUS PROVISIONS

32. If this Settlement Agreement is not approved by the District Court in substantially its present form, the Settlement Agreement does not obtain Final Approval, or the Settlement Agreement is terminated in accordance with its provisions or for any reason whatsoever, the Settling Parties shall be restored to their respective positions as of the date of this Settlement Agreement, and all monies, including interest, paid into the Settlement Fund shall be returned to the Schunk Defendants, except that Plaintiffs shall not be required to return that share of the costs of identifying

and giving Notice to the members of the Class that was apportioned to the Schunk Defendants. The terms and provisions of this Settlement Agreement shall at that time have no further force and effect with respect to the Settling Parties and, to the extent permitted by law, shall not be used in any action or proceeding for any purpose and any judgment entered in accordance with the terms of the Settlement Agreement shall be treated as vacated, nunc pro tunc. The Schunk Defendants at that time: (i) shall not be deemed to have waived any procedural or substantive defenses of any kind, including their right to challenge class certification on the merits, and (ii) shall be released from any and all obligations under the Settlement Agreement, including those cooperation obligations arising under Paragraph 29 of the Settlement Agreement. Notwithstanding the foregoing, at that time, any travel expenses already incurred pursuant to Paragraph 29 for which Plaintiffs would have been responsible under this Settlement Agreement shall be paid by Plaintiffs.

33. Except as specified in this paragraph, the fact of this settlement with Schunk shall not be construed to affect, in any manner whatsoever, any joint and several liability of any non-settling Defendants for the alleged conspiracy and other acts alleged in the Third Consolidated Amended Complaint in the above-captioned litigation, any putative common law rule or practice or State or local statute to the contrary notwithstanding. Plaintiffs and members of the Class, not timely excluded, shall not exclude from the dollar amount claimed against any other Defendant in the above-captioned litigation any damages based upon Schunk's sales of Electrical Carbon Products in the United States to such members during the Class Period except those sales, if any, that would be excluded by operation of applicable law.

34. Any disputes between or among the Schunk Defendants and any Member or Members of the Class or the Class Executive Committee concerning matters contained in this Settlement Agreement shall, if they cannot be resolved by negotiation and agreement, be submitted to the District Court. The District Court shall retain jurisdiction over the implementation and enforcement of this Agreement.

35. This Settlement Agreement may be executed in several counterparts, including pages sent by facsimile, all of which shall constitute one and the same instrument.

36. The recitals set forth in this Settlement Agreement are incorporated as though fully set forth herein.

37. This Agreement of Settlement shall become effective, upon its execution by the undersigned counsel, as of December 17, 2004.

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JENNER AND BLOCK LLPC

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FOR DEFENDANTS :

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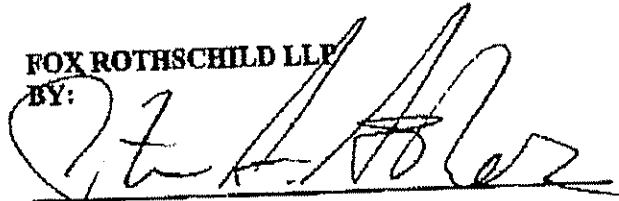
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**FOR PLAINTIFFS METRO-NORTH COMMUTER
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YORK CITY TRANSIT AUTHORITY ("NYCTA");
LONG ISLAND RAIL ROAD ("LIRR");
SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY ("SEPTA"); and
LOCKWOOD ELECTRIC MOTOR SERVICE OF
TRENTON, NEW JERSEY ("LOCKWOOD"):**

Sent by: LEVIN, FISHBEIN, SEDRAN & BERMAN 215 592 4663; 12/17/2004 0:36; #84; Page 1/2
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