

THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

IN RE: PRESSURE SENSITIVE
LABELSTOCK ANTITRUST
LITIGATION

MDL Docket No. 1556
(No. 3:03-MDL-1556)
JUDGE THOMAS I. VANASKIE

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made and entered into this _____th day of November, 2007 (the "Execution Date"), by and among defendants UPM-Kymmene Corporation and Raflatac, Inc. (collectively, "UPM") and plaintiffs Scranton Label, Inc.; Bertek Systems, Inc.; Glenroy, Inc.; McCarty Printing Corp.; and Pamco Tape & Label, Inc. (collectively "Plaintiffs"), who have filed suit as representatives of a putative class of similarly situated direct purchasers. Plaintiffs enter this Settlement Agreement both individually and on behalf of the Class defined in Paragraph 2 below.

WHEREAS, Plaintiffs are prosecuting the above-captioned action (the "Class Action") on their own behalf and on behalf of the Class against UPM and other Defendants;

WHEREAS, Plaintiffs allege, among other things, that UPM participated in an unlawful conspiracy to fix prices and allocate markets for Self-Adhesive Labelstock, as defined in Paragraph 17 below, in violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1 *et seq.*;

WHEREAS, UPM denies Plaintiffs' allegations, has not conceded or admitted any liability, and has asserted affirmative defenses to Plaintiffs' claims;

WHEREAS, counsel for plaintiffs have conducted an investigation into the facts and the law regarding the Class Action and have concluded that a settlement with UPM according to the terms set forth below is in the best interest of Plaintiffs and the Class;

WHEREAS, UPM has concluded, despite its belief that it has good defenses to the claims asserted, that it will enter into this Settlement Agreement in order to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, to obtain the releases and judgment contemplated by this Settlement Agreement, and to terminate with finality all claims that the Class has or could have asserted against UPM in this Class Action; and

WHEREAS, arm's-length settlement negotiations have taken place between counsel for Plaintiffs and UPM, and this Settlement Agreement, which embodies all of the terms and conditions of the settlement between UPM and Plaintiffs, both individually and on behalf of the Class, has been reached as a result of the parties' negotiations, subject to approval of the Court:

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 undersigned that the Class Action be settled, compromised, and dismissed on the merits with prejudice as to UPM, without costs as to Plaintiffs, the Class, or UPM, subject to the approval of the Court, on the following terms and conditions.

Definitions

The following terms, as used in this Settlement Agreement, have the following meanings:

1. "Claims Administrator" shall mean an independent professional service to be selected by Class Counsel and charged with administering the claims process, mailing and arranging for publication of required notices, and distributing the settlement proceeds pursuant to a Court-approved plan of distribution.

2. "Class" or "Class Members" shall mean all persons who purchased Self-Adhesive Labelstock in the United States directly from any of the Defendants, or any present or former parent, subsidiary or affiliate thereof, at any time during the period from January 1, 1996 to July 25, 2003. Excluded from the Class are governmental entities, Defendants, co-conspirators, other producers of Self-Adhesive Labelstock, and the present and former parents, predecessors, subsidiaries and affiliates of the foregoing.

3. "Class Action" shall mean the direct purchaser antitrust class actions consolidated under the caption *In re Pressure Sensitive Labelstock Antitrust Litigation*, MDL Docket No. 1556 (3:03-MDL-1556) (TIV) (M.D. Pa.).

4. "Class Counsel" shall refer to the law firms of Trujillo Rodriguez & Richards, L.L.C.; Lockridge Grindal Nauen P.L.L.P.; Cohen Milstein Hausfeld & Toll, P.L.L.C.; and Keating Muething & Klekamp, P.L.L.

5. "Class Period" means the period from and including January 1, 1996 to July 25, 2003.

6. "Defendants" means Avery Dennison Corporation, Bemis Company, Inc., Morgan Adhesives Company ("MACTac"), UPM-Kymmene Corporation, and Raflatac, Inc.

7. "Document" is defined to be synonymous in meaning and equal in scope to the usage of this term in Fed. R. Civ. P. 34(a), including, without limitation, electronic or computerized data compilations. A draft or non-identical copy is a separate document within the meaning of this term.

8. "Effective Date" is defined in Paragraph 27 below.

9. "Escrow Account" shall mean the account(s) established pursuant to the terms and conditions set forth in an Escrow Agreement, to be negotiated in good faith by the parties, and administered in accordance with the terms of this Settlement Agreement.

10. "Final Judgment" is defined in Paragraph 27 below.

11. "Non-Settling Defendant" means any Defendant other than UPM-Kymmene Corporation or Raflatac, Inc.

12. "Plaintiffs" means Scranton Label, Inc., Bertek Systems, Inc., Glenroy, Inc., McCarty Printing Corp., and Pamco Tape & Label, Inc.

13. "Purchases" means the dollar amount of purchases of Self-Adhesive Labelstock by Class Members directly from the Defendants in the United States during the Class Period.

14. "Released Claims" means those claims released pursuant to Paragraph 28 of this Settlement Agreement.

15. "Releasees" shall refer jointly and severally, individually and collectively to UPM-Kymmene Corporation and Raflatac, Inc., and their respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

16. "Releasers" shall refer jointly and severally, individually and collectively to Plaintiffs, the Settlement Class Members, and their respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

17. "Self-Adhesive Labelstock" means materials used to make labels, generally produced in large rolls of a multi-layer laminate consisting of a face material, an adhesive, a release layer, and the base material.

18. "Settlement Amount" means USD \$8,250,000.00.

19. "Settlement Class" or "Settlement Class Members" shall mean members of the Class who do not timely and validly opt out of the Class.

20. "Settlement Fund" shall mean the Settlement Amount and any interest earned thereon after payment thereof by UPM into the Escrow Account.

21. "UPM" means UPM Kymmene Corporation and Raflatac, Inc. and their respective past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents', subsidiaries', and affiliates' past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

Class Certification

22. Plaintiffs shall seek, and UPM shall not object to, certification of the Class as defined above for the purposes of this Settlement Agreement only, and appointment of Class Counsel as lead counsel for the Class.

23. Upon execution of this Agreement, UPM shall withdraw its opposition to Plaintiffs' pending motion for class certification, except that UPM reserves all its objections, arguments and defenses with respect to class certification if this Settlement Agreement is rescinded or otherwise does not receive final approval.

Approval of this Settlement Agreement and Dismissal of Claims

24. Plaintiffs and UPM shall use their best efforts to effectuate this Settlement Agreement, and shall cooperate to promptly seek and obtain the Court's preliminary and final approval of this Settlement Agreement (including providing class notice under

Federal Rules of Civil Procedure 23 (c) and (e)) and to secure the prompt, complete, and final dismissal with prejudice of the Class Action as to UPM only.

25. Within 20 business days after the Execution Date, Plaintiffs shall submit to the Court and UPM shall not object to a motion requesting entry of an Order preliminarily approving the settlement and authorizing dissemination of notice to the Class (the "Motion"), as well as a stay of all proceedings against UPM except those proceedings provided for or required by this Settlement Agreement. The Motion shall include: (a) the definition of the Class to be certified by the Court pursuant to this Settlement Agreement; and (b) the proposed form of, method for, and timetable for dissemination of notice to the Class. Unless otherwise directed by the Court, individual notice of the settlement shall be mailed to all members of the Class who can be identified through reasonable effort. UPM shall supply to Class Counsel in electronic mailing format, or such form as may be reasonably requested by Class Counsel, the names and addresses of direct purchasers of Self-Adhesive Labelstock that UPM has in its files.

26. Plaintiffs shall seek and UPM shall not object to entry of a final judgment order:

- a. approving finally this Settlement Agreement and its terms as being a fair, reasonable, and adequate settlement as to the Class Members within the meaning of Rule 23 of the Federal Rules of Civil Procedure and directing its consummation according to its terms;
- b. directing that, as to UPM, the Class Actions be dismissed with prejudice and, except as provided for in this Settlement Agreement, without costs;

- c. discharging and releasing the Releasees from all Released Claims, in conformance with this Settlement Agreement;
- d. reserving exclusive jurisdiction over the settlement and this Settlement Agreement, including the administration and consummation of this settlement; and
- e. finding under Federal Rule of Civil Procedure 54(b) that there is no just reason for delay and directing that the judgment of dismissal as to UPM shall be final and entered forthwith.

27. This Settlement Agreement shall become final, and the Effective Date shall occur, upon: (a) the entry by the Court of a final order approving the Settlement Agreement under Fed. R. Civ. P. 23(e) together with entry of a final judgment dismissing the Class Action and all claims therein against UPM on the merits with prejudice as to all Class Members (the “Final Judgment”), and (b) the expiration of the time for appeal or to seek permission to appeal from the Court’s approval of the Settlement Agreement and entry of the Final Judgment or, if an appeal from an approval and Final Judgment is taken, the affirmance of such Final Judgment in its entirety, without modification, by the court of last resort to which an appeal of such Final Judgment may be taken. 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-stated times.

Release and Discharge

28. Upon the occurrence of the Effective Date and in consideration of payment of the Settlement Amount specified in Paragraphs 18 and 32 of this Settlement Agreement and subject to this Paragraph, the Releasees shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits, and

causes of action (whether class, individual, or otherwise in nature); damages whenever incurred; and liabilities of any nature whatsoever, including costs, expenses, penalties, and attorneys' fees, that Releasors, or anyone of them, whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have against the Releasees, whether known or unknown, that relate in any way to the facts, occurrences, transactions, other matters alleged in the Class Action, or that could have been asserted in the Class Action under federal or state antitrust, unfair competition, unfair practices, price discrimination, unitary pricing, trade practice or civil conspiracy laws. "Released Claims" do not, however, include claims based on: (a) product defect, breach of contract, breach of warranty or similar claim; or (b) indirect purchases of Self-Adhesive Labelstock Products. Such reservation of claims by the Releasors does not constrain the Releasees from asserting any defense to those claims. The Releasors shall not, after the Effective Date of this Settlement Agreement, seek to recover against any of the Releasees for any of the Released Claims.

29. Upon the occurrence of the Effective Date, Releasors shall be completely released, acquitted, and forever discharged from any and all claims, demands, actions, suits, causes of action, damages whenever incurred, and liabilities of any nature whatsoever, including costs, expenses, penalties, and attorneys' fees, that Releasees, or any one of them, whether directly, representatively, derivatively, or any other capacity, ever had, now have, or hereafter can, shall, or may have against Releasors whether

known or unknown, relating in any way to the institution, prosecution, or assertion of the Class Action or the Released Claims.

30. This Settlement Agreement does not settle or compromise any claim other than the Released Claims against the Releasees. All rights of any Class Member against any person or entity other than the Releasees for sales made by UPM are specifically reserved by Plaintiffs and the Class Members. This Settlement Agreement is not intended to remove Purchases of Self-Adhesive Labelstock from UPM from the Class Action against the Non-Settling Defendants and/or any future defendants other than the Releasees as a basis for damage claims and joint and several liability against the Non-Settling Defendants and/or any future defendants or any persons or entities other than the Releasees.

31. Plaintiffs each knowingly, voluntarily, intentionally and expressly waive any and all rights and benefits conferred by California Civil Code Section 1542 or any law or principle of common law of any other state that is similar to Section 1542. Plaintiffs certify that they are aware of and have read and reviewed the following provisions of California Civil Code Section 1542 ("Section 1542"): "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." Plaintiffs acknowledge they may hereafter discover facts in addition to or different from those which they know or believe to be true with respect to the subject matter of this Settlement Agreement, but it is their intention to

fully and finally settle and release the Released Claims, including those which the Plaintiffs may not know or suspect to exist at the time of the execution of this Agreement, notwithstanding the discovery or existence of any such additional or different facts. The provisions of the release set forth above shall apply according to their terms, regardless of provisions of Section 1542 or any equivalent, similar, or comparable present or future law or principle of law of any jurisdiction. Plaintiffs hereby expressly waive and relinquish any and all rights and benefits existing under (i) Section 1542 or any equivalent, similar, or comparable present or future law or principle of law of any jurisdiction and (ii) any law or principle of law of any jurisdiction that would limit or restrict the effect or scope of the provisions of the release set forth above.

Payment

32. Subject to the provisions hereof, and in full, complete, and final settlement of the Class Actions as provided herein, UPM agrees to pay the Plaintiffs, on behalf of the Settlement Class Members, the Settlement Amount of \$8,250,000. Within 5 business days after the Execution Date, UPM shall pay into the Escrow Account the Settlement Amount. The Escrow Account shall be administered in accordance with the provisions of this Settlement Agreement.

Determination of Opt Outs

33. Within 10 business days after the Court-ordered deadline by which members of the Class may opt out from the Class, the Claims Administrator shall

provide Class Counsel and counsel for UPM a list of all persons or entities who timely filed notices of exclusion ("Opt Out Plaintiffs").

34. In the event that there are Opt Out Plaintiffs, within 15 business days after the Claims Administrator provides the list of Opt-Out Plaintiffs, the Claims Administrator shall calculate a portion of the Settlement Amount calculated as the Settlement Amount multiplied by 75 percent of the ratio of the total Purchases by the Opt Out Plaintiffs to the total Purchases by the Class (the "Opt Out Refund"). For clarity and by way of example, if Purchases by the Opt Out Plaintiffs aggregate 10% of the total Purchases by Class Members, the Opt Out Refund shall equal 7.5% of the Settlement Amount (\$8,250,000), or \$618,750 (i.e., 75% of 10% of \$8,250,000), plus any interest accrued on that amount (i.e., any interest accrued with respect to the \$618,750 only). The Claims Administrator shall use the electronic transactional data produced by Defendants in this Action to calculate the Opt Out Refund. The Claims Administrator shall be entitled to conclusively rely on the electronic transactional data for purposes of making these calculations. In the event there are gaps in the electronic transactional data, the Claims Administrator shall be entitled to reasonably extrapolate from the existing data. The parties agree to meet and confer with respect to any disagreements regarding the above calculations.

35. Upon calculation of the Opt Out Refund, Class Counsel shall direct the deposit of such amount into an interest-bearing account that Class Counsel shall have

created to receive and hold the Opt Out Refund (“Opt Out Settlement Account”). The Opt Out Settlement Account shall be maintained separately from the Escrow Account.

36. If, within 10 months after the Court-ordered deadline by which members of the Class may opt out from the Class, any Opt Out Plaintiff files a lawsuit against UPM asserting claims relating to the conduct alleged in the Second Amended Complaint, UPM shall provide Class Counsel with notice of such lawsuit. UPM will provide this notice within 30 days of its receipt of any notice of the commencement of the lawsuit, and the notice shall include a copy of the complaint or other pleading commencing the lawsuit. The filing of such a lawsuit by an Opt Out Plaintiff, and UPM’s provision of notice in compliance with this Paragraph, shall be conditions precedent to UPM’s right to a refund of any portion of the Opt Out Refund pursuant to the terms of Paragraph 37.

37. Within 10 business days of receiving notice in compliance with the terms of Paragraph 36 that an Opt Out Plaintiff has filed a lawsuit against UPM asserting claims relating to the conduct alleged in the Second Amended Complaint, Class Counsel shall direct the Claims Administrator to promptly make a refund from the Opt Out Settlement Account to UPM in an amount equal to that Opt Out Plaintiff’s *pro rata* share of the Opt Out Refund, plus interest earned thereon, as calculated by the Claims Administrator. UPM shall provide the Claims Administrator with written instructions for payment of such refund.

38. Any money remaining in the Opt Out Settlement Account 60 days after the expiration of the 10-month period described in Paragraph 36 shall be re-deposited in the

Escrow Account and made available for distribution to the Settlement Class according to the plan of distribution approved by the Court with respect to this Agreement.

39. In the event either UPM or Class Counsel objects to any calculation by the Claims Administrator relative to the Opt Out Refund or distributions thereof, UPM and Class Counsel shall use their best efforts to resolve such objection. In the event they are unable to do so within 15 business days of service of the objection, they shall present their dispute to the Court within 10 business days thereafter. The Court's decision shall be final and non-appealable.

40. UPM shall not encourage the opt out from the Class by any Class Member. However, nothing contained herein shall prevent UPM from providing Class Members with information concerning their purchases of labelstock, the purchases of labelstock by all class members or the mechanisms provided by the settlement for opting out of the class action.

The Settlement Fund

41. Each Settlement Class Member shall look solely to the Settlement Fund for settlement and satisfaction, as provided herein, of all Released Claims. Except as provided by order of the Court, no Settlement Class Member shall have any interest in the Settlement Fund or any portion thereof. UPM shall have no liability or responsibility with respect to disbursements from, or administration of, the Settlement Amount.

42. Before the Effective Date, Class Counsel may withdraw up to a total of \$100,000 from the Settlement Fund for reimbursement of expenses associated with

providing notice of the settlement to the Class and expenses associated with administering the settlement, and may withdraw additional amounts for reimbursement of taxes paid with respect to the Escrow Account. Such amounts shall not be refundable to UPM in the event the Settlement Agreement is disapproved, rescinded, or otherwise fails to become effective, except as provided in Paragraph 50.

42. The Escrow Account and Opt Out Settlement Account shall be maintained in cash or invested in cash equivalents or other instruments backed by the full faith and credit of the United States Government, provided, however, that such portions of the Escrow Account as may reasonably be needed to pay current expenses associated with providing notice to the Class and administering the Settlement Fund may be deposited in a federally insured bank account. All interest earned by the Escrow Account shall become and remain part of the Escrow Account, and all interest earned by the Opt Out Settlement Account shall become and remain part of the Opt Out Settlement Account.

44. UPM shall not have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, use, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such investment, distribution, use, or administration, except as otherwise provided in this Settlement Agreement. All funds held in the Settlement Account and Opt Out Settlement Account shall remain subject to the jurisdiction of the Court until such time as such funds are distributed pursuant to the Settlement Agreement and/or further order of the Court.

45. After the Effective Date, the Settlement Fund shall be distributed in accordance with a plan that Class Counsel shall have previously submitted and the Court shall have previously approved.

46. Subject to application to and approval of the Court, Plaintiffs and Class Counsel shall be reimbursed and paid solely out of the Settlement Fund for all expenses including, but not limited to, attorneys' fees; past, current, or future litigation expenses (including, but not limited to, experts' and consultants' fees and expenses); the costs of giving notice of this settlement to the Class; and any incentive awards to the Plaintiffs.

47. After making the payment described in Paragraph 32 of this Settlement Agreement, UPM shall have no responsibility whatsoever for the allocation or distribution of the Settlement Amount and shall not be responsible or otherwise liable for any disputes relating to the amount, allocation, or distribution of any fees, costs, or awards. Further, after making the payment described in Paragraph 32, UPM shall not be liable for any additional payments to the Settlement Class Members or Class Counsel pursuant to this Settlement Agreement.

48. UPM agrees to take no position, subject to any Order of the Court, with respect to any application to the Court for incentive awards to the Plaintiffs, or any application by Class Counsel for reimbursement of attorneys' fees, costs and expenses incurred in the prosecution of this Class Action.

49. UPM further agrees not to object to the payment to Class Counsel of Court-approved attorneys' fees, costs, and expenses within 10 calendar days after entry of final

judgment and any order awarding attorneys' fees, costs, and expenses; provided however, that if the Court's award of fees, costs, and expenses is vacated, reversed, or reduced on or as a result of an appeal, Plaintiffs and Class Counsel shall, within 10 business days after receiving written notice from the Court or from UPM of such vacatur, reversal, or reduction, make a refund to the Escrow Account in the amount of such vacatur, reversal, or reduction, with interest; and further provided that if Plaintiffs and/or UPM elect to rescind the Settlement Agreement as described in Paragraph 50 below, Plaintiffs and Class Counsel shall, within 10 business days after giving notice to or receiving notice from UPM of such rescission, make a refund to the Escrow Account in the amount of any such fee or expense award or reimbursement, with interest. The interest rate applicable to any refund made to the Escrow Account pursuant to this Paragraph shall be same interest rate earned by the Escrow Account during the period between the payment of the attorneys' fees, costs, and expenses and any such refund. To the extent any incentive award is made to the Plaintiffs prior to the Effective Date, the terms of this Paragraph shall likewise apply in the event of any vacatur, reversal, or reduction of such award, or in the event of rescission of this Settlement Agreement.

Rescission if the Settlement Agreement is Not Finally Approved

50. If the Court declines to approve this Settlement Agreement or any part hereof, or if such approval is materially modified or set aside on appeal, or if the Court does not enter the Final Judgment, or if the Court enters the Final Judgment and on appellate review the Final Judgment is not affirmed, then UPM and the Plaintiffs shall

each, in their respective sole discretion, have the option to rescind this Settlement Agreement in its entirety, and any and all amounts constituting the Settlement Fund (including, but not limited to, any fees, costs, and/or expenses advanced to Class Counsel pursuant to Paragraph 49 above) shall be returned forthwith to UPM, except for any disbursements made or incurred in accordance with Paragraph 42 of this Settlement Agreement. The Claims Administrator shall disburse the Settlement Fund to UPM in accordance with this Paragraph within 15 business days after receipt of either (i) written notice signed by counsel for UPM and Class Counsel stating that this Settlement Agreement has been rescinded, or (ii) any order of the Court so directing. To the extent any taxes that are paid from the Settlement Fund pursuant to Paragraphs 42 or 57-59 of this Settlement Agreement are refunded as a result of rescission of the Agreement, such refunded amounts shall likewise be returned to the Settlement Fund for disbursement to UPM. If the Settlement Agreement is rescinded pursuant to this Paragraph, any obligations pursuant to this Settlement Agreement (other than disbursement of the Settlement Fund to UPM as set forth above) shall cease immediately. A modification or reversal on appeal of any amount of Class Counsel's fees and expenses awarded by the Court from the Settlement Fund or any plan of allocation or distribution of the Settlement Fund shall not be deemed a modification of all or part of the terms of this Settlement Agreement or the Final Judgment.

Cooperation Agreement

51. Attorney Proffers. Within 10 business days of the Execution Date, and subject to the provisions of Paragraph 53, UPM shall, through its counsel, proffer all known facts and information potentially relevant to the Class Action, including without limitation those that arguably evidence collusion or agreements between and among producers or potential producers of Self-Adhesive Labelstock in the United States during the Class Period. Counsel for UPM shall promptly disclose any other potentially relevant information which it subsequently learns. During the proffers, counsel for UPM shall identify all of its current and former officers, directors and employees whom UPM believes have potentially relevant information.

52. In addition to the provisions of Paragraph 51, beginning within 10 business days of the Court's preliminary approval of this Settlement Agreement (except as otherwise provided in this Paragraph), and subject to the provisions of Paragraph 53, UPM agrees to cooperate with Plaintiffs and Class Counsel as follows:

(a) Interviews. UPM agrees that its counsel will meet as often as is reasonable with counsel for Class Plaintiffs following the Effective Date to identify individuals who may possess potentially relevant information and Documents that may contain or reflect potentially relevant information. UPM shall make available for interviews with Class Counsel and/or experts, upon reasonable notice by Class Counsel and at a mutually agreeable date and time, its current or former directors, officers, and employees of UPM, to be designated by Class Counsel, who Class Counsel reasonably believe possess

information that may be relevant to Plaintiffs' claims as alleged in the Class Action. Each party shall be responsible for its own costs of preparing for and conducting the interviews, including the costs of its counsel and any individuals affiliated with that party. Class Counsel, in their sole discretion, may agree to conduct an interview by telephone but retain the right to require in-person interviews. Any in-person interviews shall take place at the business address of the relevant director, officer or employee or at such other location as may be agreed upon by the parties. If the parties agree to conduct an interview in the United States of an individual whose business address is outside the United States, Class Counsel shall be responsible for the interviewee's travel costs and any reasonable out of pocket costs incurred during travel, but will not be required to pay other costs such as reimbursement for an employee's time away from his or her employer. The substance of the interviews must be relevant to the claims in the Class Action.

(b) Declarations and Affidavits. UPM shall make available to Class Counsel current or former directors, officers, and employees of UPM to be designated by Class Counsel for the preparation of declarations and/or affidavits, upon reasonable notice by Class Counsel and at a mutually convenient date and time, for a reasonable time and at one of the locations identified in the preceding subparagraph and pursuant to the travel cost provisions of the preceding subparagraph. The content of the affidavit or declaration must be relevant to the claims in the Class Action and shall be such that the declarant/affiant is willing to sign under penalty of perjury. Further, UPM and the

declarant/affiant do not waive and shall be entitled to assert all testimonial privileges and protections.

(c) Testimony in Deposition and at Trial. Upon reasonable notice, UPM shall make available for testimony in deposition and at trial in this Class Action current or former directors, officers, and employees of UPM designated by Plaintiffs and reasonably believed by Class Counsel to have knowledge relevant to Plaintiffs' claims as alleged in the Class Action. This obligation is subject to circumstances beyond the control of UPM that may prevent the appearance of the witness. Each party shall be responsible for its own costs related to the testimony, including the costs of its counsel and any individuals affiliated with that party. Further, UPM and the UPM witnesses do not waive and shall be entitled to assert all testimonial privileges and protections.

(d) Efforts as to Former Directors, Officers, and Employees. With respect to all former directors, officers, and employees mentioned in the above subparagraphs, UPM shall make its best efforts to produce such former directors, officers, and employees for interviews and trial testimony, and to provide declarations and/or affidavits as set out in the preceding subparagraphs, and shall have no further obligations with respect to securing the person's appearance.

(e) Production of Documents. In addition to the Documents already produced and those that are identified through the process of cooperating or otherwise as containing potentially relevant information, UPM shall be obligated to produce the following Documents, to the extent not previously produced, and to the extent they are

within its possession, custody, or control and may reasonably be produced: (i) any and all Documents, including without limitation witness statements and transcripts, produced by UPM to the United States Department of Justice or any other government investigative agency in the United States pertaining to anticompetitive conduct in the Self-Adhesive Labelstock industry; and (ii) in unredacted form any and all Documents, including witness statements and transcripts, produced by UPM in or in connection with *United States v. UPM-Kymmene Oyj*, No. 03-C-2528 (N.D. Ill.). UPM shall use its best efforts to produce such information within 30 days of preliminary approval of this Settlement Agreement. UPM agrees that its counsel will meet as often as is reasonable with counsel for Class Plaintiffs following the preliminary approval of this Settlement Agreement to identify additional Documents that may reflect or contain potentially relevant information, and that UPM will produce to Plaintiffs any such additional Documents.

(f) Production of data. UPM shall be obligated to produce the following data, to the extent not previously produced, and to the extent they are within its possession, custody, or control and may reasonably be produced: (i) transaction data in electronic format sufficient to show UPM's sales of Self-Adhesive Labelstock Products from January 1, 1996, through September 30, 2007 plus such information as UPM has readily available in summary form with respect to the payment of rebates to customers in connection with such sales; and (ii) data in electronic format from which Plaintiffs may calculate on a monthly and annual basis from January 1, 1996, through September 30,

2007, the quantity of Self-Adhesive Labelstock Products sold in the United States by UPM, and the "costs" associated with the production and sale of such products, including the cost of delivery to customers, to the extent that "costs" are identified or identifiable in the databases which UPM regularly maintains. UPM shall use its best efforts to produce such information within 60 days of preliminary approval of this Settlement Agreement.

(g) Authentication of Documents. UPM agrees to produce at trial and deposition, or through affidavits or declarations, at its option, qualified representatives of its choice to authenticate UPM's Documents produced in the Class Action, and if applicable, to provide the testimony reasonably necessary to lay the foundation for the admission of the Documents into evidence, whether as a business record or otherwise.

53. Nothing in this Settlement Agreement shall be deemed a waiver by UPM of any privilege (including the attorney-client privilege) or protection (including the work product doctrine), and UPM shall be entitled to assert those privileges and protections notwithstanding this Settlement Agreement. Similarly, nothing in this Settlement Agreement shall require UPM to violate the terms of any current, applicable joint defense agreement, confidentiality agreement, or protective order. However, UPM shall take any and all actions required under any current, applicable joint defense agreement, confidentiality agreement, or protective order to seek consent to produce Documents and information as required by the terms of this Settlement Agreement.

54. UPM shall have the right to designate any information, testimony, or Documents produced pursuant to this Agreement as "Confidential" or "Highly

Confidential” in accordance with the Superseding Confidentiality Order entered in this Action. Any such designations shall survive the termination or rescission of this Settlement Agreement, and shall continue to enjoy the fullest protections offered by the Superseding Confidentiality Order.

55. No information provided to Class Counsel pursuant to this Settlement Agreement may be disclosed to or shared with any other person or party (other than co-counsel or experts retained in the course of the Class Action), including absent Class Members, Opt-Out Plaintiffs and counsel for absent Class Members or Opt-Out Plaintiffs, except to the extent that non-privileged or non-protected Documents or testimony are filed with the Court or produced at a hearing or trial of the Class Action, consistent with the Superseding Confidentiality Order in the Class Action. Class Counsel agrees that even if filed with the Court or produced at a hearing, deposition, or trial, Documents or testimony designated as “Confidential” or “Highly Confidential” in accordance with the Superseding Confidentiality Order shall retain the protection of that order until the Court directs otherwise.

56. UPM’s obligations to cooperate shall not be affected by the Release set forth in Paragraph 28 of this Settlement Agreement. UPM’s obligations to cooperate shall cease as of the date that final judgment has been rendered in the Class Action against all Defendants.

Taxes

57. Class Counsel shall be solely responsible for directing the Claims Administrator to file all informational and other tax returns necessary to report any taxable and/or net taxable income earned by the Settlement Fund. Further, Class Counsel shall be solely responsible for directing the Claims Administrator to take out of the Settlement Fund, as and when legally required, any tax payments, including interest and penalties due on income earned by the Settlement Fund. UPM shall have no responsibility to make any filings relating to the Settlement Fund and shall have no responsibility to pay tax on any income earned by the Settlement Fund or to pay any taxes on the Settlement Fund unless the settlement is not consummated and the Settlement Fund is returned to UPM. Other than as specifically set forth herein, UPM shall have no responsibility for the payment of taxes or tax expenses. If for any reason, for any period of time, UPM is required to pay taxes on income earned by the Escrow Account, the Claims Administrator shall, upon written instructions from UPM with notice to Class Counsel, timely pay to UPM sufficient funds to enable it to pay all taxes (state, federal, or other) on income earned by the Escrow Account.

58. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "Administrator" of the Escrow Account and the Opt-Out Settlement Account ("Accounts") shall be the Claims Administrator, who shall timely and properly file or cause to be filed on a timely basis, all tax returns necessary or advisable with respect to the Accounts (including without

limitation all income tax returns, all informational returns, and all returns described in Treas. Reg. § 1.468B-2(1)).

59. The parties to this Settlement Agreement and their counsel shall treat, and shall cause the Claims Administrator to treat, the Accounts as being at all times "qualified settlement funds" within the meaning of Treas. Reg. § 1.468B-1. The parties, their counsel, the Claims Administrator, and the Claims Administrator agree that they will not ask the Court to take any action inconsistent with the treatment of the Accounts in such manner. In addition, the Claims Administrator and, as required, the parties shall timely make such elections as necessary or advisable to carry out the provisions of this Paragraph, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. The Claims Administrator shall timely and properly prepare and deliver the necessary documentation for signature by all necessary parties and thereafter to cause the appropriate filing to occur. All provisions of this Settlement Agreement shall be interpreted in a manner that is consistent with the Accounts being "qualified settlement funds" within the meaning of Treas. Reg. § 1.468B-1.

Miscellaneous

60. This Settlement Agreement constitutes the entire agreement among Plaintiffs and UPM pertaining to the settlement of the Class Action against UPM only and supersedes any and all prior and contemporaneous undertakings of Plaintiffs and

UPM in connection therewith. This Settlement Agreement may be modified or amended only by a writing executed by Class Counsel and UPM and, after preliminary approval of the settlement, approved by the Court.

61. All terms of this Settlement Agreement shall be governed by and interpreted according to the substantive laws of Pennsylvania without regard to its choice of law or conflict of law principles.

62. The United States District Court for the Middle District of Pennsylvania retains exclusive jurisdiction over all matters relating to the implementation and enforcement of the Settlement Agreement.

63. This Settlement Agreement may be executed in counterparts by Plaintiffs and UPM and/or their respective counsel, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

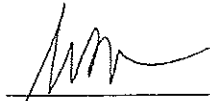
64. Each of the undersigned attorneys represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement, subject to Court approval.

IN WITNESS WHEREOF, the parties hereto, through their fully authorized representatives, have agreed to this Settlement Agreement as of the date first herein written above.

[Signatures Of Counsel
Appear On The Following Page]

Signature Page

Dated: November 8, 2007



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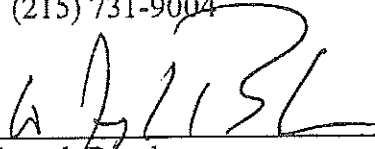
Class Counsel

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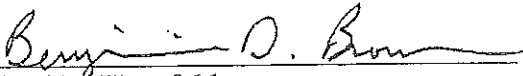
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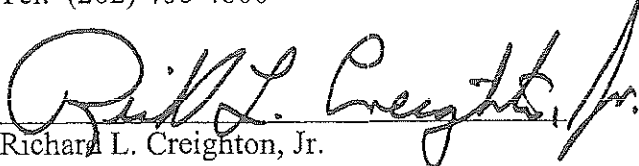
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Dated: November 9, 2007



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*Counsel for UPM-Kymmene Corporation and
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