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E-Filed 2/3/2010

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

IN RE TRIDENT MICROSYSTEMS,
INC. DERIVATIVE LITIGATION

LEAD CASE NO. C06-3440-JF

This Document Relates to:

ALL ACTIONS.

~~[PROPOSED]~~ AMENDED ORDER
PRELIMINARILY APPROVING PARTIAL
DERIVATIVE SETTLEMENT AND
PROVIDING FOR NOTICE

WHEREAS, the Settling Parties have made application, pursuant to Federal Rule of Civil Procedure 23.1, for an order (i) preliminarily approving the proposed settlement (the "Settlement") of the above-captioned shareholder derivative action (the "Federal Derivative Action") and the related derivative action pending in the Superior Court of the State of California for the County of Santa Clara entitled *Limke v. Lin, et al.*, No. 1:07-cv-080390 (the "State Derivative Action") (collectively, the "Derivative Actions"), in accordance with a Stipulation of Partial Settlement, dated October 20, 2009, and the Exhibits thereto (the "Stipulation"), and (ii) approving for distribution of the Notice of Partial Derivative Settlement (the "Notice");

1 WHEREAS, the Stipulation sets forth the terms and conditions of the Settlement;

2 WHEREAS, the Settlement appears to be the product of serious, informed, non-collusive
3 negotiations and falls within the range of possible approval;

4 WHEREAS, all capitalized terms contained herein shall have the same meanings as set
5 forth in the Stipulation (in addition to those capitalized terms defined herein); and

6 WHEREAS, this Court, having considered the Stipulation and the Exhibits annexed thereto
7 and having heard the arguments of the Settling Parties at the preliminary approval hearing:

8 NOW THEREFORE, IT IS HEREBY ORDERED:

9 1. This Court does hereby preliminarily approve, subject to further consideration at
10 the Settlement Hearing described below, the Stipulation and the terms of the Settlement set forth
11 therein.

12 2. A hearing (the “Settlement Hearing”) shall be held before this Court on March 26,
13 2010 at 9:00 a.m. in Courtroom 3, 5th Floor, United States District Court for the Northern District
14 of California, San Jose Division, 280 South First Street, San Jose, CA 95113, to determine
15 whether:

16 (a) the terms and conditions of the Settlement provided for in the Stipulation
17 are fair, reasonable, adequate, and in the best interests of Trident and current Trident shareholders;
18 and

19 (b) an order and judgment as provided for in ¶1.9 of the Stipulation should be
20 entered.

21 3. The Court approves, as to form and content, the Notice annexed as Exhibit A-1
22 hereto, and finds that the filing of the Stipulation and publication of the Notice substantially in the
23 manner and form set forth in ¶4.2 of the Stipulation, meets the requirements of Federal Rule of
24 Civil Procedure 23.1 and due process, is the best notice practicable under the circumstances, and
25 shall constitute due and sufficient notice to all Persons entitled thereto of all matters relating to the
26 Settlement.

27 4. Not later than ten (10) business days following entry of this Order, Trident shall
28 cause the Stipulation and the Notice, substantially in the form annexed as Exhibit A-1 hereto, to be

1 published on its website, such that visitors to the website home page will readily find a hyperlink
2 to the Notice.

3 5. Not later than ten (10) business days following entry of this Order, Trident shall
4 cause a copy of the Stipulation to be filed with the Securities and Exchange Commission via a
5 Form 8-K.

6 6. Not later than ten (10) business days following entry of this Order, Trident shall
7 cause a copy of the Notice, substantially in the form annexed as Exhibit A-1 hereto, to be
8 published once in *Investor's Business Daily*.

9 7. All costs incurred in the filing of the Stipulation and publication of the Notice shall
10 be paid by Trident and Trident shall undertake all administrative responsibility for filing the
11 Stipulation and publication of the Notice.

12 8. At least fourteen (14) calendar days prior to the Settlement Hearing, Trident's
13 counsel shall serve on Federal Co-Lead Counsel and file with the Court proof, by affidavit or
14 declaration, of such filing of the Stipulation and publication of the Notice.

15 9. All current Trident shareholders shall be bound by all orders, determinations, and
16 judgments in the Federal Derivative Action concerning the Settlement, whether favorable or
17 unfavorable to current Trident shareholders.

18 10. Pending final determination of whether the Settlement should be approved, no
19 current Trident shareholder shall commence or prosecute against any of the Individual Settling
20 Defendants or their Related Persons any action or proceeding in any court or tribunal asserting any
21 of the Released Claims.

22 11. All papers in support of the Settlement shall be filed with the Court and served at
23 least seven (7) calendar days prior to the Settlement Hearing.

24 12. Any current record holders and beneficial owners of common stock of Trident as of
25 March 26, 2010 may appear and show cause, if he, she or it has any reason why the terms of the
26 Settlement should not be approved as fair, reasonable, and adequate, or why a judgment should
27 not be entered thereon, provided, however, unless otherwise ordered by the Court, no current
28 Trident shareholder shall be heard or entitled to contest the approval of all or any of the terms and

1 conditions of the Settlement, or, if approved, the Federal Judgment to be entered thereon
2 approving the same, unless that Person has, at least fourteen (14) days prior to the Settlement
3 Hearing, filed with the Clerk of the Court at the address listed below and served on the following
4 counsel (delivered by hand or sent by first class mail) appropriate proof of stock ownership, along
5 with written objections, including the basis therefore, and copies of any papers and briefs in
6 support thereof:

7 Clerk of the Court
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION
11 280 South First Street
12 San Jose, CA 95113

13 ***Counsel for Federal Plaintiffs***

14 Jeffrey D. Light
15 COUGHLIN STOIA GELLER
16 RUDMAN & ROBBINS LLP
17 655 West Broadway, Suite 1900
18 San Diego, CA 92101-3301

19 Robin Winchester
20 BARROWAY TOPAZ KESSLER
21 MELTZER & CHECK, LLP
22 280 King of Prussia Road
23 Radnor, PA 19087

24 ***Counsel for State Plaintiff***

25 Marc M. Umeda
26 ROBBINS UMEDA LLP
27 600 B Street, Suite 1900
28 San Diego, CA 92101

Counsel for Trident by Its Special Litigation Committee

John D. Pernick
BINGHAM McCUTCHEN LLP
Three Embarcadero Center, Suite 1800
San Francisco, CA 94111-4066

Any current Trident shareholder who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the Stipulation, unless otherwise ordered by the Court, but shall otherwise be bound by the Federal Judgment to be entered and the releases to be given.

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CERTIFICATE OF SERVICE

I hereby certify that on January 29, 2010, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the email addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on January 29, 2010.

_____/s/
DAVID F. GROSS
DLA PIPER LLP (US)
555 Mission Street, Suite 2400
San Francisco, CA 94105
Tel.: (415) 836-2562
Fax: (415) 836-2501
Email: david.gross@dlapiper.com

Mailing Information for a Case 5:06-cv-03440-JF

Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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11 Telephone: (415) 393-2544
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12 Attorneys for THE SPECIAL LITIGATION
13 COMMITTEE OF THE BOARD OF DIRECTORS
OF TRIDENT MICROSYSTEMS, INC.

14
15 UNITED STATES DISTRICT COURT
16 NORTHERN DISTRICT OF CALIFORNIA
17 SAN JOSE DIVISION

18 IN RE TRIDENT MICROSYSTEMS,
19 INC. DERIVATIVE LITIGATION

LEAD CASE NO. C06-3440-JF

**NOTICE OF PARTIAL DERIVATIVE
SETTLEMENT**

20 This Document Relates to:

EXHIBIT A-1

21 ALL ACTIONS.
22
23

24 **TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS OF THE
25 COMMON STOCK OF TRIDENT MICROSYSTEMS, INC. (“TRIDENT” OR THE
“COMPANY”) AS OF JANUARY 31, 2010**

26 PLEASE TAKE NOTICE that the above-captioned shareholder derivative litigation (the
27 “Litigation”), as well as the action in Santa Clara Superior Court entitled *Limke v. Lin, et al.*, Santa
28 Clara Superior Court Case No. 1:07cv080390 (collectively, the “Derivative Actions”), are being

1 settled with Glen Antle, Jung-Herng Chang, Shyur-Jen Paul Chien, Yasushi Chikagami, Charles
2 Dickerson, John S. Edmunds, Richard Hegberg, Peter Jen, James Lindstrom, Gerry Liu, Leonard
3 Liu, John Luke, Amir Mashkoori, Millard Phelps, W. Steven Rowe, and Richard Silverman on the
4 terms set forth in a Stipulation of Partial Settlement dated October 20, 2009 (the “Stipulation”).¹
5 The terms of the settlement set forth in the Stipulation (the “Settlement”) include: (1) cash
6 payments by certain Trident officers totaling \$1,744,909; (2) the waiver by certain Trident officers
7 to claims against the Company with a value of \$2,232,847.97 as determined by the SLC; and (3)
8 Trident’s payment of Plaintiffs’ Counsel’s expenses in the amount of \$750,000.

9 IF YOU ARE A CURRENT OWNER OF TRIDENT COMMON STOCK, YOUR
10 RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THE LITIGATION.

11 On March 26, 2010, at 9:00 a.m., a hearing (the “Settlement Hearing”) will be held before
12 the United States District Court for the Northern District of California, San Jose Division, Robert
13 F. Peckham Federal Building and United States Courthouse, 280 South First Street, San Jose, CA
14 95113, to determine: (1) whether the terms of the Settlement should be approved as fair,
15 reasonable, and adequate; and (2) whether the Derivative Actions should be dismissed on the
16 merits and with prejudice.

17 Any shareholder of Trident that objects to the Settlement of the Derivative Actions shall
18 have a right to appear and to be heard at the Settlement Hearing, provided that he, she, or it is a
19 shareholder of record or beneficial owner as of March 26, 2010. Any shareholder of Trident who
20 satisfies this requirement may enter an appearance through counsel of such shareholder’s own
21 choosing and at such shareholder’s own expense or may appear on their own. However, no
22 shareholder of Trident shall be heard at the Settlement Hearing unless no later than fourteen (14)
23 days prior to the date of the Settlement Hearing, such shareholder has filed with the Court and
24 delivered to Plaintiffs’ Counsel and the Special Litigation Committee’s counsel, a written notice
25

26 ¹ This Notice should be read in conjunction with, and is qualified in its entirety by reference to,
27 the text of the Stipulation, which has been filed with the Federal Court and on a Form 8K filed
28 with the Securities and Exchange Commission. The Stipulation can also be viewed at
www.tridentmicro.com. All capitalized terms herein have the same meanings as set forth in the
Stipulation.

1 of objection, their ground for opposing the Settlement, and proof of both their status as a
2 shareholder and the dates of stock ownership in Trident. Only shareholders who have filed and
3 delivered valid and timely written notices of objection will be entitled to be heard at the Settlement
4 Hearing unless the Court orders otherwise.

5 If you wish to object to the Settlement, you must file a written objection setting forth the
6 grounds for such an objection with the Court at the address below on or before March 12, 2010,
7 with service on the following parties on or before March 12, 2010:

8 Clerk of the Court
9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION
12 280 South First Street
13 San Jose, CA 95113

14 ***Counsel for Federal Plaintiffs***

15 Jeffrey D. Light
16 COUGHLIN STOIA GELLER
17 RUDMAN & ROBBINS LLP
18 655 West Broadway, Suite 1900
19 San Diego, CA 92101-3301

20 Robin Winchester
21 BARROWAY TOPAZ KESSLER
22 MELTZER & CHECK, LLP
23 280 King of Prussia Road
24 Radnor, PA 19087

25 ***Counsel for State Plaintiff***

26 Marc M. Umeda
27 ATTN: Client Relations Department
28 ROBBINS UMEDA LLP
600 B Street, Suite 1900
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Counsel for Trident by Its Special Litigation Committee

John D. Pernick
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Inquiries may be made to Plaintiffs' Counsel: Rick Nelson, c/o Shareholder Relations,
Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA
92101; telephone 619-231-1058.

DATED: _____, 2010

THE HONORABLE JEREMY FOGEL
UNITED STATES DISTRICT JUDGE