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E-Filed 12/18/09

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re ATMEL CORPORATION DERIVATIVE
LITIGATION

Master File No. CV 06-4592-JF

This Document Related To:
All Actions.

~~SETTLEMENT AGREEMENT~~
~~EXHIBIT A~~

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

1 This matter came on for hearing on December 18, 2009. The Settling Parties have made
2 application, pursuant to Federal Rule of Civil Procedure 23.1, for an order: (i) preliminarily
3 approving the proposed settlement of the above-captioned shareholder derivative action and the
4 related State Actions pending in the Superior Court of the State of California, County of Santa
5 Clara, and the Court of Chancery of the State of Delaware, in accordance with the Settlement
6 Agreement dated December 9, 2009 (the "Agreement") and (ii) approving for distribution of the
7 Notice of Settlement.

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

9 1. The Court, for purposes of this Preliminary Order, adopts the definitions set forth
10 in paragraphs 1.1 through 1.31 of the Agreement.

11 2. The Court preliminarily approves the settlement of the Actions set forth in this
12 Agreement as falling within the range of possible approval and meriting submission to Current
13 Atmel Shareholders for consideration.

14 3. Not later than ten days following entry of this Order, Atmel shall cause a Notice of
15 Proposed Settlement, substantially in the form of Exhibit B to the Agreement, to be filed with the
16 Securities and Exchange Commission ("SEC") on Form 8-K. Atmel shall also file a copy of this
17 Agreement as an exhibit to the Form 8-K.

18 4. Not later than twenty-four (24) days following entry of this Order, Atmel shall
19 issue a press release regarding the Agreement and shall post a link to the Notice of Proposed
20 Settlement on its website.

21 5. Not later than twenty-four (24) days following entry of this Order, Atmel shall
22 cause a summary notice of proposed settlement to be published in *Investors Business Daily*.
23 Atmel shall bear the costs of this advertisement.

24 6. The Court finds that dissemination of information regarding the proposed
25 settlement in the manner set out in this Order constitutes the best notice practicable under the
26 circumstances and complies fully with Rule 23.1 of the Federal Rules of Civil Procedure and the
27 United States Constitution.

1 7. A settlement hearing shall be held on March 12, 2010 at 9:00 A.M. , at the
2 United States District Court for the Northern District of California, 280 South First Street, San
3 Jose, CA 95113, at which the Court will determine: (i) whether the terms of the Agreement
4 should be approved as fair, reasonable, and adequate; (ii) whether the separately negotiated
5 payment of Plaintiffs' Counsel's attorneys' fees and expenses should be approved; and (iii)
6 whether the above-entitled action should be dismissed on the merits and with prejudice. The
7 Court may adjourn or continue the hearing without further notice to Current Atmel Shareholders.

8 8. Any Current Atmel Shareholder who objects to the settlement of the Actions, or to
9 the separately negotiated payment of Plaintiffs' Counsel's attorneys' fees and expenses, shall
10 have a right to appear and be heard at the settlement hearing. Any such person must file with the
11 Court and deliver to Plaintiffs' Counsel a written notice of objection postmarked on or before
12 February 26, 2010 . The objection should be accompanied by proof of ownership of Atmel
13 stock, and shall contain a plain statement of the person's objections, along with any documents or
14 other evidence the person wishes the Court to consider. Only Shareholders who have filed and
15 delivered valid and timely written notices of objection will be entitled to be heard at the hearing,
16 unless the Court orders otherwise. Federal Plaintiffs' Counsel shall provide copies of any and all
17 such notices of objection to Counsel for Defendants at least five business days before the
18 settlement hearing.

19 9. Any Current Atmel Shareholder who does not make an objection in the manner
20 provided herein shall be deemed to have waived any such objection.

21 10. All discovery and other proceedings in the Actions are hereby stayed and/or
22 enjoined until further order of the Court, except as may be necessary to implement the settlement
23 of the Actions or comply with the terms of this Agreement.

24 11. Atmel, Settling Defendants, and all Current Atmel Shareholders are hereby barred
25 from commencing or prosecuting any direct or representative action asserting any of the Settled
26 Claims against any of the Released Persons unless and until the Agreement is terminated
27 according to its terms.

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12. The Court may, for good cause, extend any of the deadlines set forth in the Order without further notice to Current Atmel Shareholders.

13. Neither this Preliminary Order, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be referred to, offered as evidence, or received in evidence in any pending or future civil, criminal, or administrative action or proceedings, except in a proceeding to enforce the Preliminary Order, to defend against the assertion of the Settled Claims, or as otherwise required by law.

DATED: December 18, 2009



THE HONORABLE JEREMY FOGEL
UNITED STATES DISTRICT JUDGE