UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 5, 2015

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 1-10658

Micron Technology, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**75-1618004**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
8000 S. Federal Way, Boise, Idaho	**83716-9632**
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	**(208) 368-4000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer x	Accelerated Filer o
Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

The number of outstanding shares of the registrant's common stock as of April 3, 2015, was 1,081,540,268.

Definitions of Commonly Used Terms

As used herein, "we," "our," "us," and similar terms include Micron Technology, Inc. and its subsidiaries, unless the context indicates otherwise. Abbreviations, terms, or acronyms are commonly used or found in multiple locations throughout this report and include the following:

Term	Definition
2023 Notes	5.250% Senior Notes due 2023
2027 Notes	1.875% Convertible Senior Notes
2031A Notes	1.500% Convertible Senior Notes due 2031
2031B Notes	1.875% Convertible Senior Notes due 2031
2032 Notes	The 2032C and 2032D Notes
2032C Notes	2.375% Convertible Senior Notes due 2032
2032D Notes	3.125% Convertible Senior Notes due 2032
2033 Notes	The 2033E and 2033F Notes
2033E Notes	1.625% Convertible Senior Notes due 2033
2033F Notes	2.125% Convertible Senior Notes due 2033
2043G Notes	3.00% Convertible Senior Notes due 2043
DRAM	Dynamic Random Access Memory
Elpida	Elpida Memory, Inc.
IMFT	IM Flash Technologies, LLC
Inotera	Inotera Memories, Inc.
Intel	Intel Corporation
Japan Court	Tokyo District Court
LPDRAM	Low Power DRAM
MAI	Micron Akita, Inc.
MMJ	Micron Memory Japan, Inc.
MMJ Companies	MMJ and MAI
MMJ Group	MMJ and its subsidiaries
MMT	Micron Memory Taiwan Co., Ltd.
MP Mask	MP Mask Technology Center, LLC
MTI	Micron Technology, Inc.
Nanya	Nanya Technology Corporation
PSRAM	Pseudo-static DRAM
Photronics	Photronics, Inc.
Qimonda	Qimonda AG
Rambus	Rambus, Inc.
R&D	Research and Development
RLDRAM	Reduced Latency DRAM
SG&A	Selling, General and Administration
SSD	Solid-State Drive
Tera Probe	Tera Probe, Inc.
VIE	Variable Interest Entity

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions except per share amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	March 5, 2015	**February 27, 2014**	**March 5, 2015**	**February 27, 2014**
Net sales	$ 4,166	$ 4,107	$ 8,739	$ 8,149
Cost of goods sold	2,761	2,704	5,696	5,465
Gross margin	1,405	1,403	3,043	2,684
Selling, general and administrative	187	177	380	353
Research and development	379	344	755	664
Other operating (income) expense, net	(16)	13	(32)	247
Operating income	855	869	1,940	1,420
Interest income	8	6	15	11
Interest expense	(83)	(83)	(173)	(184)
Other non-operating income (expense), net	(6)	(122)	(55)	(202)
	774	670	1,727	1,045
Income tax (provision) benefit	(47)	(63)	(122)	(143)
Equity in net income of equity method investees	208	134	332	220
Net income	935	741	1,937	1,122
Net (income) loss attributable to noncontrolling interests	(1)	(10)	—	(33)
Net income attributable to Micron	$ 934	$ 731	$ 1,937	$ 1,089
Earnings per share:				
Basic	$ 0.87	$ 0.69	$ 1.81	$ 1.03
Diluted	0.78	0.61	1.62	0.91
Number of shares used in per share calculations:				
Basic	1,074	1,060	1,072	1,053
Diluted	1,190	1,201	1,193	1,199

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Quarter Ended		Six Months Ended	
	March 5, 2015	**February 27, 2014**	**March 5, 2015**	**February 27, 2014**
Net income	$ 935	$ 741	$ 1,937	$ 1,122
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(50)	(10)	(74)	(4)
Gain (loss) on derivatives, net	(2)	(2)	(18)	(4)
Pension liability adjustments	(1)	2	18	2
Gain (loss) on investments, net	(1)	1	(1)	2
Other comprehensive income (loss)	(54)	(9)	(75)	(4)
Total comprehensive income	881	732	1,862	1,118
Comprehensive (income) loss attributable to noncontrolling interests	—	(10)	1	(33)
Comprehensive income attributable to Micron	$ 881	$ 722	$ 1,863	$ 1,085

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED BALANCE SHEETS
(in millions except par value amounts)
(Unaudited)

As of	March 5, 2015	August 28, 2014
Assets		
Cash and equivalents	$ 3,547	$ 4,150
Short-term investments	932	384
Receivables	2,761	2,906
Inventories	2,377	2,455
Other current assets	301	350
Total current assets	9,918	10,245
Long-term marketable investments	1,869	819
Property, plant and equipment, net	9,233	8,682
Equity method investments	1,239	971
Intangible assets, net	440	468
Deferred tax assets	651	816
Other noncurrent assets	468	497
Total assets	$ 23,818	$ 22,498
Liabilities and equity		
Accounts payable and accrued expenses	$ 2,662	$ 2,864
Deferred income	259	309
Current debt	1,199	1,638
Total current liabilities	4,120	4,811
Long-term debt	5,519	4,955
Other noncurrent liabilities	887	1,102
Total liabilities	10,526	10,868
Commitments and contingencies		
Redeemable convertible notes	51	57
Micron shareholders' equity:		
Common stock, $0.10 par value, 3,000 shares authorized, 1,081 shares issued and outstanding (1,073 as of August 28, 2014)	108	107
Additional capital	7,901	7,879
Retained earnings	4,627	2,729
Treasury stock	(192)	—
Accumulated other comprehensive income (loss)	(18)	56
Total Micron shareholders' equity	12,426	10,771
Noncontrolling interests in subsidiaries	815	802
Total equity	13,241	11,573
Total liabilities and equity	$ 23,818	$ 22,498

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

Six Months Ended	March 5, 2015	February 27, 2014
Cash flows from operating activities		
Net income	$ 1,937	$ 1,122
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense and amortization of intangible assets	1,284	1,008
Amortization of debt discount and other costs	71	94
Stock-based compensation	84	49
Loss on restructure of debt	30	166
Equity in net income of equity method investees	(332)	(220)
Change in operating assets and liabilities:		
Receivables	153	(458)
Inventories	78	188
Accounts payable and accrued expenses	(488)	642
Other noncurrent liabilities	(12)	183
Deferred income taxes, net	159	127
Other	(121)	(4)
Net cash provided by operating activities	2,843	2,897
Cash flows from investing activities		
Purchases of available-for-sale securities	(2,222)	(359)
Expenditures for property, plant and equipment	(1,522)	(1,234)
Payments to settle hedging activities	(88)	(24)
Proceeds from sales and maturities of available-for-sale securities	631	320
Decrease in restricted cash	5	556
Other	(6)	88
Net cash provided by (used for) investing activities	(3,202)	(653)
Cash flows from financing activities		
Repayments of debt	(1,149)	(1,987)
Cash paid to acquire treasury stock	(244)	(73)
Proceeds from issuance of debt	1,000	1,062
Proceeds from sale-leaseback transactions	254	14
Proceeds from issuance of stock under equity plans	50	224
Other	(55)	(44)
Net cash provided by (used for) financing activities	(144)	(804)
Effect of changes in currency exchange rates on cash and equivalents	(100)	(15)
Net increase (decrease) in cash and equivalents	(603)	1,425
Cash and equivalents at beginning of period	4,150	2,880
Cash and equivalents at end of period	$ 3,547	$ 4,305
Noncash investing and financing activities		
Exchange of convertible notes	—	756
Acquisition of noncontrolling interest	—	127

See accompanying notes to consolidated financial statements.

Business and Basis of Presentation

Micron Technology, Inc., including its consolidated subsidiaries, is a global leader in advanced semiconductor systems. Our broad portfolio of high-performance memory technologies, including DRAM, NAND Flash, and NOR Flash, is the basis for solid state drives, modules, multichip packages, and other system solutions. Our memory solutions enable the world's most innovative computing, consumer, enterprise storage, networking, mobile, embedded, and automotive applications. The accompanying financial statements include the accounts of Micron Technology, Inc. and its consolidated subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America consistent in all material respects with those applied in our Annual Report on Form 10-K for the year ended August 28, 2014. In the opinion of our management, the accompanying unaudited consolidated financial statements contain all necessary adjustments, consisting of a normal recurring nature, to fairly state the financial information set forth herein.

Certain reclassifications have been made to prior period amounts to conform to current period presentation. In addition, amounts for certain equipment purchases were reclassified from financing to investing within the statement of cash flows to better reflect the current nature of these transactions and to improve comparability with our industry peers.

Our fiscal year is the 52 or 53-week period ending on the Thursday closest to August 31. Fiscal year 2015 contains 53 weeks and the second quarter and first six months of 2015, which ended on March 5, 2015, contained 13 weeks and 27 weeks, respectively. Fiscal year 2014 contained 52 weeks and the second quarter and first six months of 2014, which ended on February 27, 2014, contained 13 weeks and 26 weeks, respectively. All period references are to our fiscal periods unless otherwise indicated. These interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended August 28, 2014.

Variable Interest Entities

We have interests in entities that are VIEs. If we are the primary beneficiary of a VIE, we are required to consolidate it. To determine if we are the primary beneficiary, we evaluate whether we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Our evaluation includes identification of significant activities and an assessment of our ability to direct those activities based on governance provisions and arrangements to provide or receive product and process technology, product supply, operations services, equity funding, financing, and other applicable agreements and circumstances. Our assessments of whether we are the primary beneficiary of our VIEs require significant assumptions and judgments.

Unconsolidated Variable Interest Entities

Inotera: Inotera is a VIE because its equity is not sufficient to permit it to finance its activities without additional support from its shareholders and because of the terms of its supply agreement with us. We have determined that we do not have the power to direct the activities of Inotera that most significantly impact its economic performance, primarily due to limitations on our governance rights that require the consent of other parties for key operating decisions and due to Inotera's dependence on Nanya for financing and the ability of Inotera to operate in Taiwan. Therefore, we do not consolidate Inotera and we account for our interest under the equity method. (See "Equity Method Investments – Inotera" note.)

EQUVO: EQUVO HK Limited ("EQUVO") is a special purpose entity created to facilitate an equipment sale-leaseback financing transaction between us and a consortium of financial institutions. Neither we nor the financing entities have an equity interest in EQUVO. EQUVO is a VIE because its equity is not sufficient to permit it to finance its activities without additional support from the financing entities and because the third-party equity holder lacks characteristics of a controlling financial interest. By design, the arrangement with EQUVO is merely a financing vehicle and we do not bear any significant risks from variable interests with EQUVO. Therefore, we have determined that we do not have the power to direct the activities of EQUVO that most significantly impact its economic performance and we do not consolidate EQUVO.

SC Hiroshima Energy Corporation: SC Hiroshima Energy Corporation ("SCHE") is an entity created to construct and operate a cogeneration, electrical power plant to support our wafer manufacturing facility in Hiroshima, Japan. SCHE is a VIE due to the nature of its tolling agreements with us and our purchase and call options for SCHE's assets. We do not have an equity ownership interest in SCHE. We do not control the operation and maintenance of the plant, which we have determined are the activities of SCHE that most significantly impact its economic performance. Therefore, we do not consolidate SCHE.

Consolidated Variable Interest Entities

IMFT: IMFT is a VIE because all of its costs are passed to us and its other member, Intel, through product purchase agreements and because IMFT is dependent upon us or Intel for any additional cash requirements. The primary activities of IMFT are driven by the constant introduction of product and process technology. Because we perform a significant majority of the technology development, we have the power to direct its key activities. In addition, IMFT manufactures certain products exclusively for us using our technology. We consolidate IMFT because we have the power to direct the activities of IMFT that most significantly impact its economic performance and because we have the obligation to absorb losses and the right to receive benefits from IMFT that could potentially be significant to it.

MP Mask: MP Mask is a VIE because substantially all of its costs are passed to us and its other member, Photronics, through product purchase agreements and MP Mask is dependent upon us or Photronics for any additional cash requirements. We have tie-breaking voting rights over key operating decisions and nearly all key MP Mask activities are driven by our supply needs. We consolidate MP Mask because we have the power to direct the activities of MP Mask that most significantly impact its economic performance and because we have the obligation to absorb losses and the right to receive benefits from MP Mask that could potentially be significant to it.

(See "Equity – Noncontrolling Interests in Subsidiaries" note.)

Recently Issued Accounting Standards

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-03 – *Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU requires retrospective adoption and will be effective for us beginning in our first quarter of 2017. Early adoption is permitted. We do not expect this adoption to have a material impact on our financial statements.

In February 2015, the FASB issued ASU 2015-02 – *Amendments to the Consolidation Analysis*, which amends the consolidation requirements in Accounting Standards Codification 810, *Consolidation*. ASU 2015-02 makes targeted amendments to the current consolidation guidance for VIEs, which could change consolidation conclusions. This ASU will be effective for us beginning in our first quarter of 2017 and early adoption is permitted. We are evaluating the effects of the adoption of this ASU on our financial statements.

In May 2014, the FASB issued ASU 2014-09 – *Revenue from Contracts with Customers*, which will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the U.S. The core principal of this ASU is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU will be effective for us in our first quarter of 2018. Early adoption is not permitted. This ASU allows for either full retrospective or modified retrospective adoption. We are evaluating the transition method we will elect and the effects of the adoption of this ASU on our financial statements.

Cash and Investments

Cash and the fair values of our available-for-sale investments, which approximated amortized costs, were as follows:

	March 5, 2015				August 28, 2014			
	Cash and Equivalents	Short-term Investments	Long-term Marketable Investments[3]	Total Fair Value	Cash and Equivalents	Short-term Investments	Long-term Marketable Investments[3]	Total Fair Value
Cash	$ 2,162	$ —	$ —	$ 2,162	$ 2,445	$ —	$ —	$ 2,445
Level 1[1]								
Money market funds	868	—	—	868	1,281	—	—	1,281
Marketable equity securities	—	—	1	1	—	—	1	1
	868	—	1	869	1,281	—	1	1,282
Level 2[2]								
Corporate bonds	27	406	946	1,379	—	154	407	561
Government securities	9	146	433	588	—	136	284	420
Asset-backed securities	—	2	475	477	—	1	127	128
Commercial paper	141	321	—	462	22	85	—	107
Certificates of deposit	340	57	14	411	402	8	—	410
	517	932	1,868	3,317	424	384	818	1,626
	$ 3,547	$ 932	$ 1,869	$ 6,348	$ 4,150	$ 384	$ 819	$ 5,353

[1] *The fair value of Level 1 securities is measured based on quoted prices in active markets for identical assets.*

[2] *The fair value of Level 2 securities is valued using information obtained from pricing services, which obtain quoted market prices for similar instruments, non-binding market consensus prices that are corroborated by observable market data, or various other methodologies, to determine the appropriate value at the measurement date. We perform supplemental analysis to validate information obtained from these pricing services. As of March 5, 2015, no adjustments were made to such pricing information.*

[3] *The maturities of our long-term marketable securities generally range from one to four years.*

Proceeds from the sales of available-for-sale securities were $143 million and $376 million for the second quarter and first six months of 2015, respectively, and $110 million and $223 million for the second quarter and first six months of 2014, respectively. Gross realized gains and losses for the second quarter and first six months of 2015 and 2014 were not significant. As of March 5, 2015, none of our available-for-sale securities had been in a loss position for longer than 12 months.

Receivables

	March 5, 2015	August 28, 2014
Trade receivables, net	$ 2,439	$ 2,524
Income and other taxes	56	104
Other	266	278
	$ 2,761	$ 2,906

As of March 5, 2015 and August 28, 2014, other receivables included $86 million and $70 million, respectively, due from Intel for amounts related to product design and process development activities under cost-sharing agreements for NAND Flash and certain emerging memory technologies. (See "Equity – Noncontrolling Interests in Subsidiaries – IMFT" note.)

Inventories

	March 5, 2015	August 28, 2014
Finished goods	$ 862	$ 898
Work in process	1,297	1,372
Raw materials and supplies	218	185
	$ 2,377	$ 2,455

Property, Plant and Equipment

	March 5, 2015	August 28, 2014
Land	$ 88	$ 86
Buildings	5,205	5,093
Equipment[1]	19,097	17,781
Construction in progress[2]	161	114
Software	354	358
	24,905	23,432
Accumulated depreciation	(15,672)	(14,750)
	$ 9,233	$ 8,682

[1] Included costs related to equipment not placed into service of $661 million and $826 million, as of March 5, 2015 and August 28, 2014, respectively.
[2] Included building-related construction and tool installation costs on assets not placed into service.

Depreciation expense was $611 million and $1,224 million for the second quarter and first six months of 2015, respectively, and $486 million and $954 million for the second quarter and first six months of 2014, respectively.

Equity Method Investments

	March 5, 2015		August 28, 2014	
	Investment Balance	Ownership Percentage	Investment Balance	Ownership Percentage
Inotera[1]	$ 1,190	33%	$ 914	33%
Tera Probe	32	40%	48	40%
Other	17	Various	9	Various
	$ 1,239		$ 971	

[1] Entity is a variable interest entity.

As of March 5, 2015, substantially all of our maximum exposure to loss from our VIEs that were not consolidated was the $1.19 billion carrying value of our investment in Inotera. We may also incur losses in connection with our rights and obligations to purchase all of Inotera's wafer production capacity under our supply agreements with Inotera.

We recognize our share of earnings or losses from our equity method investees generally on a two-month lag. Included in our share of earnings for the second quarter 2015 was $65 million related to Inotera's full release of its valuation allowance against net deferred tax assets related to its net operating loss carryforward. Equity in net income of equity method investees, net of tax, included the following:

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Inotera	$ 206	$ 131	$ 335	$ 215
Tera Probe	1	4	(6)	6
Other	1	(1)	3	(1)
	$ 208	$ 134	$ 332	$ 220

Inotera

We have partnered with Nanya in Inotera, a Taiwan DRAM memory company, since 2009. As of March 5, 2015, we held a 33% ownership interest in Inotera, Nanya and certain of its affiliates held a 33% ownership interest, and the remaining ownership interest in Inotera was publicly held.

As of March 5, 2015, the market value of our equity interest in Inotera was $3.09 billion based on the closing trading price of 45.25 New Taiwan dollars per share in an active market. As of March 5, 2015 and August 28, 2014, there were losses of $19 million and gains of $44 million, respectively, in accumulated other comprehensive income for cumulative translation adjustments from our equity investment in Inotera.

Since January 2013, we have purchased all of Inotera's DRAM output at a price reflecting a discount from market prices for our comparable components under a supply agreement (the "2013 Supply Agreement"). In the second quarter of 2015, we executed a supply agreement, to be effective beginning on January 1, 2016 (the "2016 Supply Agreement"), which will replace the 2013 Supply Agreement. Under the 2016 Supply Agreement, the price for DRAM products sold to us will be based on a formula that equally shares margin between Inotera and us. The 2016 Supply Agreement has an initial two-year term, followed by a three-year wind-down period, and contemplates negotiations in late 2016 with respect to a two-year extension, and annual negotiations thereafter with respect to successive one-year extensions. Upon termination of the initial two-year term of the 2016 Supply Agreement, or any extensions, we would purchase DRAM from Inotera for the wind-down period. Our share of Inotera's capacity would decline over the wind-down period. In the first six months of 2015 and in 2014, our cost of products purchased from Inotera was significantly higher than our cost of similar products manufactured in our wholly-owned facilities. We purchased $628 million and $1.36 billion of DRAM products from Inotera in the second quarter and first six months of 2015, respectively, and $714 million and $1.30 billion in the second quarter and first six months of 2014, respectively.

Tera Probe

In 2013, we acquired a 40% interest in Tera Probe, which provides semiconductor wafer testing and probe services to us and others. As of March 5, 2015, the market value of our equity interest in Tera Probe was $33 million based on the closing trading price of 1,076 yen per share in an active market. During the first quarter of 2015, we recorded an impairment charge of $10 million within equity in net income of equity method investees to write down the carrying value of our investment in Tera Probe to its fair value, based on its trading price (Level 1 fair value measurement). As of March 5, 2015, the difference between our investment balance and our proportionate share of underlying equity in Tera Probe was $31 million and is expected to be accreted as income to our earnings through equity in net income of equity method investees over a weighted-average period of 7 years. We incurred manufacturing costs for services performed by Tera Probe of $22 million and $47 million for the second quarter and first six months of 2015, respectively, and $31 million and $64 million for the second quarter and first six months of 2014, respectively.

Intangible Assets

	March 5, 2015		August 28, 2014	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Product and process technology	$ 823	$ (383)	$ 809	$ (341)

During the first six months of 2015 and 2014, we capitalized $32 million and $19 million, respectively, for product and process technology with weighted-average useful lives of 7 years and 10 years, respectively. Amortization expense was $30 million and $60 million for the second quarter and first six months of 2015, respectively, and $31 million and $54 million for the second quarter and first six months of 2014, respectively. Annual amortization expense is estimated to be $116 million for 2015, $103 million for 2016, $92 million for 2017, $81 million for 2018 and $33 million for 2019.

Accounts Payable and Accrued Expenses

	March 5, 2015	August 28, 2014
Accounts payable	$ 948	$ 996
Property, plant and equipment payables	503	289
Related party payables	437	673
Salaries, wages and benefits	338	456
Customer advances	101	98
Income and other taxes	83	71
Other	252	281
	$ 2,662	$ 2,864

As of March 5, 2015 and August 28, 2014, related party payables included $427 million and $660 million, respectively, due to Inotera primarily for the purchase of DRAM products. As of March 5, 2015 and August 28, 2014, related party payables also included $10 million and $13 million, respectively, due to Tera Probe for testing and probe services performed. (See "Equity Method Investments" note.)

As of March 5, 2015 and August 28, 2014, customer advances included $90 million and $90 million, respectively, for amounts received from a customer in 2014 under a DRAM supply agreement to be applied to purchases at market pricing through September 2016. As of March 5, 2015 and August 28, 2014, other noncurrent liabilities included $45 million and $90 million, respectively, from this DRAM supply agreement.

Debt

Instrument[1]	Stated Rate	Effective Rate	March 5, 2015			August 28, 2014		
			Current	Long-Term	Total	Current	Long-Term	Total
Capital lease obligations[2]	N/A	N/A	$ 369	$ 576	$ 945	$ 323	$ 588	$ 911
MMJ creditor installment payments	N/A	6.25%	157	684	841	192	939	1,131
2019 senior notes	1.258%	1.97%	92	278	370	92	324	416
2022 senior notes	5.875%	6.14%	—	600	600	—	600	600
2023 senior notes	5.250%	5.43%	—	1,000	1,000	—	—	—
2025 senior notes	5.500%	5.56%	—	1,150	1,150	—	1,150	1,150
2031B convertible senior notes	1.875%	6.98%	—	—	—	362	—	362
2032C convertible senior notes[3]	2.375%	5.95%	—	314	314	—	314	314
2032D convertible senior notes[3]	3.125%	6.33%	—	265	265	—	288	288
2033E convertible senior notes[3]	1.625%	4.50%	275	—	275	278	—	278
2033F convertible senior notes[3]	2.125%	4.93%	268	—	268	265	—	265
2043G convertible senior notes	3.000%	6.76%	—	642	642	—	636	636
Other notes payable	2.634%	2.63%	38	10	48	126	116	242
			$ 1,199	$ 5,519	$ 6,718	$ 1,638	$ 4,955	$ 6,593

(1) We have either the obligation or the option to pay cash for the principal amount due upon conversion for all of our convertible notes. Since it is our current intent to settle in cash the principal amount of all of our convertible notes upon conversion, the dilutive effect of such notes on earnings per share is computed under the treasury stock method.

(2) Weighted-average imputed rate of 3.9% and 4.3% as of March 5, 2015 and August 28, 2014, respectively.

(3) Since the closing price of our common stock for at least 20 trading days in the 30 trading day period ending on December 31, 2014 exceeded 130% of the conversion price per share, holders had the right to convert their notes at any time during the calendar quarter ended March 31, 2015. The closing price of our common stock also exceeded the thresholds for the calendar quarter ended March 31, 2015; therefore, these notes are convertible by the holders through June 30, 2015. The 2033 Notes are classified as current because the terms of these notes would require us to pay cash for the principal amount of any converted notes.

2015 Debt Activity

In the first six months of 2015, we consummated a number of transactions with respect to our debt, including conversions and settlements, repurchases, the issuance of non-convertible senior notes, and the early repayment of a note. The following table presents the effect of each of the actions:

	Increase (Decrease) in Principal	Increase (Decrease) in Carrying Value	Increase (Decrease) in Cash	(Decrease) in Equity	(Loss) Gain[1]
Conversions and settlements:					
2031B Notes	$ (114)	$ (362)	$ (389)	$ —	$ (24)
2033E Notes	(6)	(6)	(18)	(14)	2
	(120)	(368)	(407)	(14)	(22)
Repurchases:					
2032C Notes	(5)	(4)	(18)	(13)	(1)
2032D Notes	(31)	(26)	(107)	(79)	(2)
	(36)	(30)	(125)	(92)	(3)
Issuance	1,000	1,000	988	—	—
Early repayment of note	(121)	(120)	(122)	—	(5)
	$ 723	$ 482	$ 334	$ (106)	$ (30)

[1] *Included in other non-operating expense.*

Conversions and Settlements: During the first six months of 2015, we had the following debt conversions and settlements:

2031B Notes – On July 23, 2014, we called for the redemption of our remaining 2031B Notes effective on August 22, 2014. Prior to such effective date, substantially all of the holders of our 2031B Notes exercised their option to convert their notes and, in each case, we elected to settle the amount due upon conversion entirely in cash.

2033E Notes – On September 30, 2014, a holder converted a portion of our 2033E Notes, and we elected to settle the amount due upon conversion entirely in cash.

As a result of our elections to settle the amounts due upon conversion in cash, each of the settlement obligations became derivative debt liabilities subject to mark-to-market accounting treatment. Under the terms of the indentures for the above notes, cash settlement amounts for these derivative debt liabilities were determined based on the shares underlying the converted notes multiplied by the volume-weighted-average price of our common stock over a period of 20 consecutive trading days. Therefore, at the dates of our election to settle the conversion in cash, we reclassified the fair values of the equity components of each of the converted notes from additional capital to derivative debt liabilities within current debt in our consolidated balance sheet.

Repurchases: During the first quarter of 2015, we repurchased a portion of our 2032C Notes and 2032D Notes in privately-negotiated transactions. The liability and equity components of the repurchased notes had previously been stated separately within debt and additional capital in our consolidated balance sheet. As a result, our accounting for the repurchased notes affected debt and equity.

Issuance: On February 3, 2015, we issued $1.00 billion in principal amount of 2023 Notes due August 2023. Issuance costs for the 2023 Notes totaled $12 million.

The 2023 Notes contain covenants that, among other things, limit, in certain circumstances, our ability and/or the ability of our domestic restricted subsidiaries (which are generally subsidiaries in the U.S. in which we own at least 80% of the voting stock) to (1) create or incur certain liens and enter into sale and lease-back transactions, (2) create, assume, incur or guarantee certain additional secured indebtedness and unsecured indebtedness of certain of our domestic restricted subsidiaries, and (3) consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our assets, to another entity. These covenants are subject to a number of limitations, exceptions, and qualifications.

Cash Redemption at Our Option: Prior to February 1, 2018, we may redeem the 2023 Notes, in whole or in part, at a price equal to the principal amount of the 2023 Notes to be redeemed plus a make-whole premium as described in the indenture governing the 2023 Notes, together with accrued and unpaid interest. On or after February 1, 2018, we may redeem the 2023 Notes, in whole or in part, at prices above the principal amount that decline over time, as specified in the indenture, together with accrued and unpaid interest. Additionally, prior to February 1, 2018, we may use the net cash proceeds of one or more equity offerings to redeem up to 35% of the aggregate principal amount of the 2023 Notes at a price equal to 105.25% of the principal amount together with accrued and unpaid interest.

Early Repayment of Note: On October 17, 2014, we repaid a note prior to its scheduled maturity.

2014 Debt Activity

Throughout 2014, we reduced the dilutive effects of our convertible notes by exchanging portions of these notes with less-dilutive convertible notes, or by converting or repurchasing portions of these notes using cash generated from operations and proceeds from issuing non-convertible debt. In the first six months of 2014, we incurred losses related to these activities as follows:

- $49 million (which included $38 million in non-operating expense and $11 million of interest expense from the payment of a "make-whole") from the exchange of an aggregate principal amount of $440 million of 2027 Notes, 2031A Notes, and 2031B Notes into 2043G Notes;
- $112 million (which included $106 million in non-operating expense and $6 million of interest expense from the payment of a "make-whole") from the conversion of $351 million of aggregate principal amount of 2014 Notes, 2027 Notes, and 2031A Notes; and
- $11 million in non-operating expense from the cash repurchase of $164 million of aggregate principal amount of 2031B Notes, 2032C Notes, and 2032D Notes.

Convertible Notes With Debt and Equity Components

As of March 5, 2015, the trading price of our common stock was higher than the conversion prices of all of our outstanding convertible notes. As a result, the conversion values were in excess of principal amounts for such notes. The following table summarizes our convertible notes outstanding as of March 5, 2015:

	Holder Put Date[1]	Outstanding Principal	Underlying Shares	Conversion Price Per Share	Conversion Price Per Share Threshold[2]	Conversion Value in Excess of Principal[3]
2032C Notes	May 2019	$ 357	37	$ 9.63	$ 12.52	$ 730
2032D Notes	May 2021	313	31	9.98	12.97	604
2033E Notes	February 2018	294	27	10.93	14.21	492
2033F Notes	February 2020	300	27	10.93	14.21	504
2043G Notes[4]	November 2028	1,025	35	29.16	37.91	4
		$ 2,289	157			$ 2,334

(1) *The terms of our convertible notes give holders the right to require us to repurchase all or a portion of their notes at a date prior to the contractual maturities of the notes.*

(2) *Holders have the right to convert all or a portion of their notes at a date prior to the contractual maturity if, during any calendar quarter, the closing price of our common stock for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is more than 130% of the conversion price. The closing price of our common stock exceeded the thresholds for the calendar quarter ended March 31, 2015; therefore, our 2032 Notes and 2033 Notes notes are convertible by the holders through June 30, 2015.*

(3) *Based on our closing share price of $29.28 as of March 5, 2015.*

(4) *The original principal amount of $820 million accretes up to $917 million in November 2028 and $1.03 billion at maturity in 2043.*

We amortize any initial debt discount or imputed interest over the period from issuance of the notes through the earliest date that holders can require us to repurchase all or a portion of their notes (see "Holder Put Date" in the table above). As a result, the period of amortization can be significantly shorter than the contractual maturity.

Capital Lease Obligations

In the second quarter of 2015, we recorded capital lease obligations aggregating $287 million, including $254 million related to equipment sale-leaseback transactions, at a weighted-average effective interest rate of 3.2%, payable in periodic installments through February 2019.

Revolving Credit Facilities

On February 12, 2015, we terminated our unused $255 million senior secured three-year revolving credit facility and entered into a senior secured five-year revolving credit facility. Under this credit facility, we can draw up to the lesser of $750 million or 80% of the net outstanding balance of certain trade receivables, as defined in the facility agreement. Any amounts drawn are collateralized by a security interest in such trade receivables. The revolving credit facility contains customary covenants and conditions, including as a funding condition the absence of any event or circumstance that has a material adverse effect on certain of our operations, assets, prospects, business or condition, and including negative covenants that limit or restrict our ability to create liens on, or dispose of, the collateral securing the obligations under this facility. Interest is payable on any outstanding principal balance at a variable rate equal to the London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging between 1.75% to 2.25%, depending upon the utilized portion of the facility. As of March 5, 2015, the amount available to us was $704 million and we had not drawn any amounts under this facility.

On December 2, 2014, we terminated our unused $153 million senior secured three-year revolving credit facility and entered into a senior secured five-year revolving credit facility, collateralized by a security interest in certain trade receivables and inventory. The credit facility has an aggregate revolving commitment which is subject to certain adjustments, including an availability block that effectively limits the maximum amount we could draw to $540 million. Additionally, the maximum amount we could draw may decrease further if the value, as defined, of our trade receivables and inventory collateralizing the credit facility, decreases below a specified threshold. The revolving credit facility contains customary covenants and conditions, including as a funding condition the absence of any event or circumstance that has a material adverse effect on our business or financial condition. Generally, interest is payable on any outstanding principal balance at a variable rate not to exceed LIBOR plus an applicable margin ranging between 1.25% to 1.75%, depending upon the utilized portion of the facility. As of March 5, 2015, the amount available to us was $473 million and we had not drawn any amounts under this facility.

Contractual Maturities

As of March 5, 2015, debt maturities and future minimum lease payments under capital lease obligations were as follows:

	Notes Payable	Capital Lease Obligations
Remainder of 2015	$ 65	$ 202
2016	287	340
2017	258	164
2018	551	122
2019	643	85
2020 and thereafter	4,561	109
Unamortized discounts and interest, respectively	(592)	(77)
	$ 5,773	$ 945

Contingencies

We have accrued a liability and charged operations for the estimated costs of adjudication or settlement of various asserted and unasserted claims existing as of the balance sheet date, including those described below. We are currently a party to other legal actions arising from the normal course of business, none of which is expected to have a material adverse effect on our business, results of operations, or financial condition.

Patent Matters

As is typical in the semiconductor and other high technology industries, from time to time others have asserted, and may in the future assert, that our products or manufacturing processes infringe their intellectual property rights.

On September 1, 2011, HSM Portfolio LLC and Technology Properties Limited LLC filed a patent infringement action in the U.S. District Court for the District of Delaware against us and seventeen other defendants, including MMJ and Elpida Memory (USA) Inc. On August 22, 2013, the plaintiffs filed a third amended complaint. The third amended complaint alleges that certain of our DRAM and image sensor products infringe four U.S. patents and that certain MMJ and Elpida Memory (USA) Inc. DRAM products infringe two U.S. patents and seeks damages, attorneys' fees, and costs. Trial currently is scheduled for February 22, 2016. On March 23, 2012, MMJ and Elpida Memory (USA) Inc. filed a Notice of Filing and Hearing on Petition Under Chapter 15 of the U.S. Bankruptcy Code and Issuance of Provisional Relief that included an order of the U.S. Bankruptcy Court for the District of Delaware staying judicial proceedings against MMJ and Elpida Memory (USA) Inc. Accordingly, the plaintiffs' case against MMJ and Elpida Memory (USA) was stayed. On June 25, 2013, the U.S. Bankruptcy Court for the District of Delaware entered its Order (1) Granting Recognition of the Japanese Reorganization Plan of MMJ and the Tokyo District Court's Confirmation Orders, (2) Entrusting MMJ's U.S. Assets to Foreign Representatives and Approving Certain Plan Transactions, (3) Granting Permanent Injunction, and (4) Granting Related Relief (the "Recognition Order"). Pursuant to the Recognition Order, the plaintiffs are permanently enjoined from continuing their case against MMJ and Elpida Memory (USA) Inc. in respect of any claim or claims arising prior to the commencement of the Japan Proceeding (as defined in the Recognition Order).

On December 5, 2011, the Board of Trustees for the University of Illinois (the "University") filed a patent infringement action against us in the U.S. District Court for the Central District of Illinois. The complaint alleges that unspecified semiconductor products of ours infringe three U.S. patents and seeks injunctive relief, damages, attorneys' fees, and costs. We have filed three petitions for *inter-partes* review by the Patent and Trademark Office, challenging the validity of each of the patents in suit. The Patent Trial and Appeal Board ("PTAB") held a hearing on December 9, 2013 in connection with the three petitions. On March 10, 2014, the PTAB issued written decisions finding that each and every claim in the three patents in suit is invalid, and cancelled all claims. The University appealed the PTAB rulings to the U.S. Court of Appeals for the Federal Circuit, and a hearing was held on March 4, 2015. On March 12, 2015, the appeals court issued orders that summarily affirm the PTAB ruling that all claims of each patent are invalid.

On April 27, 2012, Semcon Tech, LLC filed a patent infringement action against us in the U.S. District Court for the District of Delaware. The complaint alleges that our use of various chemical mechanical planarization systems purchased from Applied Materials, Inc. infringes a single U.S. patent and seeks injunctive relief, damages, attorneys' fees, and costs. Trial currently is scheduled for August 21, 2015.

On November 21, 2014, Elm 3DS Innovations, LLC filed a patent infringement action against Micron Technology, Inc., Micron Semiconductor Products, Inc., and Micron Consumer Products Group, Inc. in the U.S. District Court for the District of Delaware. The complaint alleges that unspecified semiconductor products of ours that incorporate multiple stacked die infringe ten U.S. patents and seeks damages, attorneys' fees, and costs.

On December 15, 2014, Innovative Memory Solutions, Inc. filed a patent infringement action against us in the U.S. District Court for the District of Delaware. The complaint alleges that a variety of our NAND Flash products infringe eight U.S. patents and seeks damages, attorneys' fees, and costs.

Among other things, the above lawsuits pertain to certain of our DDR, DDR2, DDR3, SDR SDRAM, PSRAM, RLDRAM, LPDRAM, NAND Flash, image sensor products, and certain other memory products we manufacture, which account for a significant portion of our net sales.

We are unable to predict the outcome of assertions of infringement made against us and therefore cannot estimate the range of possible loss. A determination that our products or manufacturing processes infringe the intellectual property rights of others or entering into a license agreement covering such intellectual property could result in significant liability and/or require us to make material changes to our products and/or manufacturing processes. Any of the foregoing could have a material adverse effect on our business, results of operations, or financial condition.

Antitrust Matters

At least sixty-eight purported class action price-fixing lawsuits have been filed against us and other DRAM suppliers in various federal and state courts in the United States and in Puerto Rico on behalf of indirect purchasers alleging a conspiracy to increase DRAM prices in violation of federal and state antitrust laws and state unfair competition law, and/or unjust enrichment relating to the sale and pricing of DRAM products during the period from April 1999 through at least June 2002. The complaints seek joint and several damages, trebled, in addition to restitution, costs, and attorneys' fees. A number of these cases were removed to federal court and transferred to the U.S. District Court for the Northern District of California for consolidated pre-trial proceedings. In July 2006, the Attorneys General for approximately forty U.S. states and territories filed suit in the U.S. District Court for the Northern District of California. The complaints allege, among other things, violations of the Sherman Act, Cartwright Act, and certain other states' consumer protection and antitrust laws and seek joint and several damages, trebled, as well as injunctive and other relief. On October 3, 2008, the California Attorney General filed a similar lawsuit in California Superior Court, purportedly on behalf of local California government entities, alleging, among other things, violations of the Cartwright Act and state unfair competition law. On June 23, 2010, we executed a settlement agreement resolving these purported class-action indirect purchaser cases and the pending cases of the Attorneys General relating to alleged DRAM price-fixing in the United States. Subject to certain conditions, including final court approval of the class settlements, we agreed to pay approximately $67 million in aggregate in three equal installments over a two-year period. We paid the full amount into an escrow account by the end of the first quarter of 2013 in accordance with the settlement agreement.

On June 21, 2010, the Brazil Secretariat of Economic Law of the Ministry of Justice ("SDE") announced that it had initiated an investigation relating to alleged anticompetitive activities within the DRAM industry. The SDE's Notice of Investigation names various DRAM manufacturers and certain executives, including us, and focuses on the period from July 1998 to June 2002.

We are unable to predict the outcome of these matters and therefore cannot estimate the range of possible loss, except as noted in the above discussion of the U.S. indirect purchaser cases. The final resolution of these alleged violations of antitrust laws could result in significant liability and could have a material adverse effect on our business, results of operations, or financial condition.

Securities Matters

On July 12, 2013, seven former shareholders of Elpida (now known as MMJ) filed a complaint against Messrs. Sakamoto, Adachi, Gomi, Shirai, Tsay-Jiu, Wataki, Kinoshita, and Takahasi in their capacity as members of the board of directors of MMJ as of February 2012. The complaint alleges that the defendants engaged in various acts and misrepresentations to hide the financial condition of MMJ and deceive shareholders prior to MMJ filing a petition for corporate reorganization on February 27, 2012. The plaintiffs seek joint and several damages equal to the market value of shares owned by each of the plaintiffs on February 23, 2012, along with attorneys' fees and interest. At a hearing on September 25, 2013, the plaintiffs withdrew the complaint against Mr. Tsay-Jiu.

We are unable to predict the outcome of this matter and therefore cannot estimate the range of possible loss. The final resolution of this matter could result in significant liability and could have a material adverse effect on our business, results of operations, or financial condition.

Qimonda

On January 20, 2011, Dr. Michael Jaffé, administrator for Qimonda insolvency proceedings, filed suit against MTI and Micron Semiconductor B.V., our Netherlands subsidiary ("Micron B.V."), in the District Court of Munich, Civil Chamber. The complaint seeks to void under Section 133 of the German Insolvency Act a share purchase agreement between Micron B.V. and Qimonda signed in fall 2008 pursuant to which Micron B.V. purchased substantially all of Qimonda's shares of Inotera Memories, Inc. (the "Inotera Shares"), representing approximately 55% of our total shares in Inotera as of March 5, 2015, and seeks an order requiring us to retransfer those shares to the Qimonda estate. The complaint also seeks, among other things, to recover damages for the alleged value of the joint venture relationship with Inotera and to terminate under Sections 103 or 133 of the German Insolvency Code a patent cross-license between us and Qimonda entered into at the same time as the share purchase agreement.

Following a series of hearings with pleadings, arguments and witnesses on behalf of the Qimonda estate, on March 13, 2014, the Court issued judgments: (1) ordering Micron B.V. to pay approximately $1 million in respect of certain Inotera shares sold in connection with the original share purchase; (2) ordering Micron B.V. to disclose certain information with respect to any Inotera Shares sold by it to third parties; (3) ordering Micron B.V. to disclose the benefits derived by it from ownership of the Inotera Shares, including in particular, any profits distributed on such shares and all other benefits; (4) denying Qimonda’s claims against MTI for any damages relating to the joint venture relationship with Inotera; and (5) determining that Qimonda's obligations under the patent cross-license agreement are cancelled. In addition, the Court issued interlocutory judgments ordering, among other things: (1) that Micron B.V. transfer to the Qimonda estate the Inotera Shares still owned by it and pay to the Qimonda estate compensation in an amount to be specified for any Inotera Shares sold to third parties; and (2) that Micron B.V. pay the Qimonda estate as compensation an amount to be specified for benefits derived by it from ownership of the Inotera Shares. The interlocutory judgments have no immediate, enforceable effect on us, and, accordingly, we expect to be able to continue to operate with full control of the Inotera Shares subject to further developments in the case. We have filed a notice of appeal, and the parties have submitted briefs to the appeals court. A hearing on the matter is scheduled for July 9, 2015.

We are unable to predict the outcome of the matter and therefore cannot estimate the range of possible loss. The final resolution of this lawsuit could result in the loss of the Inotera Shares or equivalent monetary damages, unspecified damages based on the benefits derived by Micron B.V. from the ownership of the Inotera Shares, and/or the termination of the patent cross-license, which could have a material adverse effect on our business, results of operation, or financial condition. As of March 5, 2015, the Inotera Shares had a carrying value in equity method investments for purposes of our financial reporting of $657 million and a market value of $1.70 billion.

Other

In the normal course of business, we are a party to a variety of agreements pursuant to which we may be obligated to indemnify the other party. It is not possible to predict the maximum potential amount of future payments under these types of agreements due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement. Historically, our payments under these types of agreements have not had a material adverse effect on our business, results of operations, or financial condition.

Redeemable Convertible Notes

Under the terms of the indentures of the 2033 Notes, upon conversion, we would be required to pay cash equal to the lesser amount of (1) the aggregate principal amount or (2) the conversion value of the notes being converted (we could pay cash, shares of common stock, or a combination thereof, at our option, for the remainder, if any, of our conversion obligation). Additionally, the 2033 Notes were convertible at the option of the holders as of March 5, 2015 and August 28, 2014. Therefore, the 2033 Notes were classified as current debt and the aggregate difference of $51 million and $57 million between the principal amount and the carrying value was classified as redeemable convertible notes in the mezzanine section of the accompanying consolidated balance sheet. (See "Debt" note.)

Equity

Changes in the components of equity were as follows:

	Six Months Ended March 5, 2015			Six Months Ended February 27, 2014		
	Attributable to Micron	Noncontrolling Interests	Total Equity	Attributable to Micron	Noncontrolling Interests	Total Equity
Beginning balance	$ 10,771	$ 802	$ 11,573	$ 9,142	$ 864	$ 10,006
Net income	1,937	—	1,937	1,089	33	1,122
Other comprehensive income (loss)	(74)	(1)	(75)	(4)	—	(4)
Comprehensive income (loss)	1,863	(1)	1,862	1,085	33	1,118
Contributions from noncontrolling interests	—	20	20	—	49	49
Distributions to noncontrolling interests	—	(6)	(6)	—	(19)	(19)
Acquisition of noncontrolling interests in MMT	—	—	—	31	(167)	(136)
Capital and other transactions attributable to Micron	(208)	—	(208)	(974)	—	(974)
Ending balance	$ 12,426	$ 815	$ 13,241	$ 9,284	$ 760	$ 10,044

Micron Shareholders' Equity

Common Stock Repurchases

Our Board of Directors has authorized the repurchase of up to $1.00 billion of our outstanding common stock. Any repurchases under the authorization may be made in open market purchases, block trades, privately negotiated transactions, and/or derivative transactions. Repurchases are subject to market conditions and our ongoing determination of the best use of available cash. During the second quarter of 2015, we repurchased 7 million shares for $192 million through open market transactions. As of March 5, 2015, the repurchased shares were held as treasury stock and $808 million of the authorization remained available for future stock repurchases.

Employees can elect to have shares withheld for taxes or exercise prices upon the release of restricted awards or exercise of stock options. We repurchased and retired 2 million and 4 million shares of our common stock in the first six months of 2015 and 2014, respectively, and paid $52 million and $73 million, respectively, for taxes and exercise prices.

Issued and Outstanding Capped Calls

We have capped calls (with strike prices that range from $9.50 to $10.93 and cap prices that range from $12.67 to $16.04), which are intended to reduce the effect of potential dilution from our convertible notes. These capped calls provide for the receipt of cash or shares, at our election, from counterparties if the trading price of our stock is above the specified initial strike prices on various dates ranging from July 2015 to February 2020, the expiration dates of the capped calls. The cash value received would be based on the trading price of our stock and would range from $0 (if the trading price of our stock is below the initial strike prices for all of the capped calls on each expiration date) to $864 million (if the trading price of our stock is at or above the cap prices for all of the capped calls on each expiration date).

Restrictions on Net Assets

As a result of the reorganization proceedings of the MMJ Companies initiated on March 23, 2012, and for so long as such proceedings are continuing, the MMJ Group is subject to certain restrictions on dividends, loans, and advances. In addition, our ability to access IMFT's cash and other assets through dividends, loans, or advances, including to finance our other operations, is subject to agreement by Intel. As a result, our total restricted net assets (net assets less intercompany balances and noncontrolling interests) as of March 5, 2015 were $3.11 billion for the MMJ Group, which included cash and equivalents of $1.32 billion, and $788 million for IMFT.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) by component for the first six months of 2015 were as follows:

	Cumulative Foreign Currency Translation Adjustments	Gains (Losses) on Derivative Instruments, Net	Gains (Losses) on Investments, Net	Pension Liability Adjustments	Total
Balance as of August 28, 2014	$ 42	$ 12	$ 1	$ 1	$ 56
Other comprehensive income before reclassifications	(74)	(14)	(1)	30	(59)
Amount reclassified out of accumulated other comprehensive income	—	(4)	—	(1)	(5)
Tax effects	—	1	—	(11)	(10)
Other comprehensive income (loss)	(74)	(17)	(1)	18	(74)
Balance as of March 5, 2015	$ (32)	$ (5)	$ —	$ 19	$ (18)

Noncontrolling Interests in Subsidiaries

	March 5, 2015		August 28, 2014	
	Noncontrolling Interest Balance	Noncontrolling Interest Percentage	Noncontrolling Interest Balance	Noncontrolling Interest Percentage
IMFT[1]	$ 707	49%	$ 693	49%
MP Mask[1]	93	50%	93	50%
Other	15	Various	16	Various
	$ 815		$ 802	

[1] *Entity is a variable interest entity.*

IMFT

Since its inception in 2006, we have owned 51% of IMFT, a venture between us and Intel to manufacture NAND Flash memory products and certain emerging memory technologies exclusively for the members. IMFT is governed by a Board of Managers, for which the number of managers appointed by each member varies based on the members' respective ownership interests. The IMFT joint venture agreement extends through 2024 and includes certain buy-sell rights. Commencing in January 2015, Intel can put to us, and commencing in January 2018, we can call from Intel, Intel's interest in IMFT for an amount equal to the noncontrolling interest balance for Intel. If Intel elects to sell to us, we can elect to set the closing date of the transaction to be any time within two years following such election by Intel and can elect to receive financing of the purchase price from Intel for one to two years from the closing date.

IMFT manufactures NAND Flash memory products using designs and technology we develop with Intel. We generally share with Intel the costs of product design, other NAND Flash R&D costs, and R&D costs of certain emerging memory technologies. Our R&D expenses were reduced by reimbursements from Intel of $46 million and $100 million for the second quarter and first six months of 2015, respectively, and $35 million and $64 million for the second quarter and first six months of 2014, respectively.

We sell a portion of our products to Intel through IMFT at long-term negotiated prices approximating cost. Sales of NAND Flash products to Intel under this arrangement were $100 million and $208 million for the second quarter and first six months of 2015, respectively, and $104 million and $205 million for the second quarter and first six months of 2014, respectively. Receivables from Intel as of March 5, 2015 and August 28, 2014, were $61 million and $66 million, respectively for these sales.

The following table presents the assets and liabilities of IMFT included in our consolidated balance sheets:

	March 5, 2015	August 28, 2014
Assets		
Cash and equivalents	$ 115	$ 84
Receivables	72	73
Inventories	51	48
Other current assets	5	5
Total current assets	243	210
Property, plant and equipment, net	1,506	1,545
Other noncurrent assets	42	47
Total assets	$ 1,791	$ 1,802
Liabilities		
Accounts payable and accrued expenses	$ 102	$ 106
Deferred income	8	8
Current debt	21	21
Total current liabilities	131	135
Long-term debt	60	71
Other noncurrent liabilities	105	110
Total liabilities	$ 296	$ 316

Amounts exclude intercompany balances that were eliminated in our consolidated balance sheets.

Creditors of IMFT have recourse only to its assets and do not have recourse to any other of our assets.

The following table presents IMFT's distributions to and contributions from its members:

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
IMFT distributions to Micron	$ —	$ 10	$ 6	$ 10
IMFT distributions to Intel	—	10	6	10
Micron contributions to IMFT	—	—	21	51
Intel contributions to IMFT	—	—	20	49

MP Mask

In 2006, we formed a joint venture with Photronics to produce photomasks for leading-edge and advanced next-generation semiconductors. In the third quarter of 2015, we notified Photronics of our election to terminate MP Mask effective in May 2016. Upon termination, we will acquire Photronics' interest in MP Mask for an amount equal to the noncontrolling interest balance. Since its inception, we have owned approximately 50% and Photronics has owned approximately 50% of MP Mask. We purchase a substantial majority of the photomasks produced by MP Mask pursuant to a supply arrangement.

The assets and liabilities of MP Mask included in our consolidated balance sheets were as follows:

	March 5, 2015	August 28, 2014
Current assets	$ 21	$ 24
Noncurrent assets (primarily property, plant and equipment)	194	203
Current liabilities	34	28
Noncurrent liabilities	—	14

Amounts exclude intercompany balances that were eliminated in our consolidated balance sheets.

Creditors of MP Mask have recourse only to its assets and do not have recourse to any other of our assets.

Fair Value Measurements

Accounting standards establish three levels of inputs that may be used to measure fair value: quoted prices in active markets for identical assets or liabilities (referred to as Level 1), inputs other than Level 1 that are observable for the asset or liability either directly or indirectly (referred to as Level 2), and unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities (referred to as Level 3).

All of our marketable debt and equity investments were classified as available-for-sale and carried at fair value. In addition to the fair value measurements disclosed in the cash and investments note, as of March 5, 2015 and August 28, 2014, we had certificates of deposit classified as restricted cash (included in other noncurrent assets) of $24 million and $27 million, respectively, valued using Level 2 fair value measurements.

In connection with our repurchases of debt in the first quarter of 2015, we determined the fair value of the debt components of our convertible notes as if they were stand-alone instruments, using interest rates for similar nonconvertible debt issued by entities with credit ratings comparable to ours (Level 2).

Amounts reported as cash and equivalents, receivables, and accounts payable and accrued expenses approximate fair value. The estimated fair value and carrying value of debt instruments (carrying value excludes the equity and mezzanine components of our convertible notes) were as follows:

	March 5, 2015		August 28, 2014	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Convertible notes	$ 4,761	$ 1,764	$ 5,886	$ 2,143
Notes and MMJ creditor installment payments	4,136	4,009	3,634	3,539

The fair values of our convertible notes were determined based on inputs that are observable in the market or that could be derived from, or corroborated with, observable market data, including the trading price of our convertible notes, when available, our stock price, and interest rates based on similar debt issued by parties with credit ratings similar to ours (Level 2). The fair value of our other debt instruments was estimated based on discounted cash flows using inputs that are observable in the market or that could be derived from, or corroborated with, observable market data, including interest rates based on similar debt issued by parties with credit ratings similar to ours (Level 2).

Derivative Instruments

We use derivative instruments to manage a portion of our exposure to changes in currency exchange rates from our monetary assets and liabilities denominated in currencies other than the U.S. dollar. We have also had convertible note settlement obligations which were accounted for as derivative instruments as a result of our elections to settle conversions in cash. We do not use derivative instruments for speculative purpose.

Derivative Instruments without Hedge Accounting Designation

Currency Derivatives: We use derivative instruments to manage a portion of our exposure to changes in currency exchange rates from our monetary assets and liabilities. Our primary objective for entering into currency derivatives is to reduce the volatility that changes in currency exchange rates have on our earnings.

To hedge our exposures to monetary assets and liabilities, we generally utilize a rolling hedge strategy with currency forward contracts that mature within 35 days. At the end of each reporting period, monetary assets and liabilities denominated in currencies other than the U.S. dollar are remeasured in U.S. dollars and the associated outstanding forward contracts are marked to market. Currency forward contracts are valued at fair values based on the middle of bid and ask prices of dealers or exchange quotations (Level 2 fair value measurements). To mitigate the risk of the yen strengthening against the U.S. dollar on the MMJ creditor installment payments due in December 2014 and December 2015, we entered into forward contracts to purchase 20 billion yen on November 28, 2014 and 10 billion yen on November 27, 2015. In the first quarter of 2015, we paid $33 million to settle the 20 billion yen forward contracts.

Realized and unrealized gains and losses on currency derivatives without hedge accounting designation as well as the change in the underlying monetary assets and liabilities due to changes in currency exchange rates are included in other non-operating income (expense), net.

Convertible Notes Settlement Obligations: In connection with our debt restructure activities in the fourth quarter of 2014 and the first six months of 2015, holders elected to convert the remaining outstanding 2031B Notes and a portion of the 2033E Notes. In the first six months of 2014, holders elected to convert substantially all of the outstanding 2014 Notes, 2027 Notes, and 2031A Notes. As a result of our elections to settle the amounts due upon conversion in cash, each of the settlement obligations became derivative debt liabilities subject to mark-to-market accounting treatment for a period of approximately 30 days, beginning on the dates we notified the holder of our intention to settle the obligation in cash through the settlement dates. The fair values of the underlying derivative settlement obligations were initially determined using the Black-Scholes option valuation model (Level 2 fair value measurements). The Black-Scholes model requires the input of assumptions, including the stock price, expected stock-price volatility, estimated option life, risk-free interest rate, and dividend rate. The subsequent measurements and final settlement amounts of our convertible notes settlement obligations were based on the volume-weighted average stock price (Level 1 fair value measurements). Changes in fair values of the derivative settlement obligations were included in other non-operating income (expense), net.

Total gross notional amounts and fair values for derivative instruments without hedge accounting designation were as follows:

	Notional Amount[1]	Fair Value of Current Liabilities[2]	Fair Value of Noncurrent Liabilities[3]
As of March 5, 2015			
Currency forward contracts:			
Singapore dollar	$ 295	$ (2)	$ —
Yen	106	(19)	—
New Taiwan dollar	84	—	—
Euro	78	(1)	—
Shekel	59	(1)	—
	$ 622	$ (23)	$ —
As of August 28, 2014			
Currency forward contracts:			
Singapore dollar	$ 330	$ —	$ —
Yen	554	(12)	(6)
Euro	245	(1)	—
Shekel	62	(1)	—
	$ 1,191		
Convertible notes settlement obligations	12	(389)	—
		$ (403)	$ (6)

[1] *Notional amounts of forward contracts in U.S. dollars and convertible notes settlement obligations in shares.*
[2] *Included in accounts payable and accrued expenses for forward contracts and in current debt for convertible notes settlement obligations.*
[3] *Included in other noncurrent liabilities.*

Net gains (losses) for derivative instruments without hedge accounting designation were included in other non-operating income (expense), net as follows:

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Foreign exchange contracts	$ (15)	$ (7)	$ (73)	$ (21)
Convertible notes settlement obligations	—	(15)	6	(52)

Derivative Instruments with Cash Flow Hedge Accounting Designation

Currency Derivatives: We utilize currency forward contracts that generally mature within 12 months to hedge our exposure to changes in cash flows from changes in currency exchange rates for certain capital expenditures. Currency forward contracts are measured at fair value based on market-based observable inputs including currency exchange spot and forward rates, interest rate, and credit risk spread (Level 2 fair value measurements).

For derivative instruments designated as cash flow hedges, the effective portion of the realized and unrealized gain or loss on the derivatives is included as a component of accumulated other comprehensive income (loss). Amounts in accumulated other comprehensive income (loss) are reclassified into earnings in the same line items of the consolidated statements of operation and in the same periods in which the underlying transactions affect earnings. The ineffective or excluded portion of the realized and unrealized gain or loss is included in other non-operating income (expense), net. Total gross notional amounts and fair values for derivative instruments with cash flow hedge accounting designation were as follows:

	Notional Amount (in U.S. Dollars)	Fair Value of Current Liabilities[1]
As of March 5, 2015		
Yen	$ 32	$ —
	$ 32	$ —
As of August 28, 2014		
Yen	$ 94	$ (2)
Euro	24	—
	$ 118	$ (2)

[1] *Included in accounts payable and accrued expenses.*

For the first six months of 2015, we recognized losses of $15 million in accumulated other comprehensive income (loss) from the effective portion of cash flow hedges. For the first six months of 2014, we recognized losses of $2 million in accumulated other comprehensive income (loss) from the effective portion of cash flow hedges. The ineffective and excluded portions of cash flow hedges are recognized in other non-operating income (expense) and were not significant for the second quarter and first six months of 2015 and 2014. For the second quarter and first six months of 2015, we reclassified gains of $2 million and $4 million, respectively, from accumulated other comprehensive income (loss) to earnings. As of March 5, 2015, $5 million of gains from cash flow hedges included in accumulated other comprehensive income (loss) is expected to be reclassified into earnings in the next 12 months.

Derivative Counterparty Credit Risk and Master Netting Arrangements

Our derivative instruments expose us to credit risk to the extent counterparties may be unable to meet the terms of the contracts. Our maximum exposure to loss due to credit risk if counterparties fail completely to perform according to the terms of the contracts would generally equal the fair value of assets for these contracts as listed in the tables above. We seek to mitigate such risk by limiting our counterparties to major financial institutions and by spreading risk across multiple financial institutions.

We also seek to enter into master netting arrangements with our counterparties to mitigate credit risk in derivative hedge transactions. These master netting arrangements allow us and our counterparties to net settle amounts owed to each other. Derivative assets and liabilities that can be net settled with each counterparty under these arrangements have been presented in our consolidated balance sheet on a net basis. As of March 5, 2015 and August 28, 2014, amounts netted were not significant.

Equity Plans

As of March 5, 2015, our equity plans permit us to issue an aggregate of up to 143 million shares of common stock, of which 81 million shares were available for future awards. Awards are subject to terms and conditions as determined by our Board of Directors.

Stock Options

Stock options granted and assumptions used in the Black-Scholes option valuation model were as follows:

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Stock options granted	7	9	8	11
Weighted-average grant-date fair value per share	$15.34	$9.58	$14.96	$9.17
Average expected life in years	5.6	4.8	5.6	4.8
Weighted-average expected volatility	44%	46%	45%	47%
Weighted-average risk-free interest rate	1.7%	1.6%	1.7%	1.6%

The expected volatilities utilized were based on implied volatilities from traded options on our stock and on our historical volatility. The expected lives of options granted were based, in part, on historical experience and on the terms and conditions of the options. The risk-free interest rates utilized were based on the U.S. Treasury yield in effect at each grant date. No dividends were assumed in estimated option values.

Restricted Stock and Restricted Stock Units ("Restricted Stock Awards")

As of March 5, 2015, there were 14 million shares of Restricted Stock Awards outstanding, of which 1 million were performance-based or market-based Restricted Stock Awards. For service-based Restricted Stock Awards, restrictions generally lapse in one-fourth increments during each year of employment after the grant date. Vesting for performance-based awards is contingent upon meeting a specified return on assets ("ROA"), as defined, over a three-year performance period and vesting for market-based Restricted Stock Awards is contingent upon achieving total shareholder return ("TSR") relative to the companies included in the S&P 500 over a three-year performance period. At the end of the performance period, the number of actual shares to be awarded varies between 0% and 200% of target amounts, depending upon the achievement level of the specified ROA or TSR. Restricted Stock Awards activity for the second quarters and first six months of 2015 and 2014 are summarized as follows:

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Restricted stock awards granted	4	4	6	6
Weighted-average grant-date fair values per share	$ 35.85	$ 23.24	$ 34.33	$ 21.22

Stock-based Compensation Expense

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Stock-based compensation expense by caption:				
Cost of goods sold	$ 19	$ 8	$ 31	$ 15
Selling, general and administrative	18	13	33	24
Research and development	12	6	20	10
	$ 49	$ 27	$ 84	$ 49
Stock-based compensation expense by type of award:				
Stock options	$ 23	$ 14	$ 41	$ 28
Restricted stock awards	26	13	43	21
	$ 49	$ 27	$ 84	$ 49

As of March 5, 2015, $468 million of total unrecognized compensation costs, net of estimated forfeitures, related to non-vested awards was expected to be recognized through the second quarter of 2019, resulting in a weighted-average period of 1.5 years. Stock-based compensation expense in the above presentation does not reflect any significant income tax benefits, which is consistent with our treatment of income or loss from our U.S. operations.

Other Operating (Income) Expense, Net

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
(Gain) loss on disposition of property, plant and equipment	$ (4)	$ 1	$ (10)	$ 9
Rambus settlement	—	—	—	233
Other	(12)	12	(22)	5
	$ (16)	$ 13	$ (32)	$ 247

In December 2013, we settled all pending litigation between us and Rambus, including all antitrust and patent matters. As a result, other operating expense for the first six months of 2014 included a $233 million charge to accrue a liability, which reflects the discounted value of amounts due under this arrangement.

Other Non-Operating Income (Expense), Net

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Loss on restructure of debt	$ —	$ (80)	$ (30)	$ (155)
Gain (loss) from changes in currency exchange rates	(6)	(14)	(27)	(20)
Adjustment to gain on MMJ Acquisition	—	(33)	—	(33)
Other	—	5	2	6
	$ (6)	$ (122)	$ (55)	$ (202)

Income Taxes

Income taxes included $33 million and $71 million for the second quarter and first six months of 2015, respectively, and $55 million and $128 million for the second quarter and first six months of 2014, respectively, related to the utilization of deferred tax assets by the MMJ Group. Remaining taxes for the second quarter and first six months of 2015 and 2014 primarily reflect taxes on our non-U.S. operations.

We have a full valuation allowance for our net deferred tax asset associated with our U.S. operations. The amount of the deferred tax asset considered realizable could be adjusted if significant positive evidence increases. Management continues to evaluate future projected financial performance to determine whether such performance is sufficient evidence to support a reduction in or reversal of the valuation allowances. Income taxes on U.S. operations for the second quarter and first six months of 2015 and 2014 were substantially offset by changes in the valuation allowance.

As of March 5, 2015, we estimate our unrecognized tax benefits may increase for 2015 by approximately $150 million, primarily due to transfer pricing matters, which we would expect to be substantially offset by a change in our valuation allowance. The resolution of tax audits or lapses of statute of limitations could also reduce our unrecognized tax benefits. Although the timing of final resolution is uncertain, the estimated potential reduction in our unrecognized tax benefits in the next 12 months ranges from $0 to $65 million, including interest and penalties.

We operate in a number of locations outside the U.S., including Singapore, where we have tax incentive agreements that are conditional upon meeting certain business operations and employment thresholds. The effect of tax incentive arrangements, which expire in whole or in part at various dates through 2026, reduced our tax provision for the second quarter and first six months of 2015 by $97 million (benefitting our diluted earnings per share by $0.08) and $237 million ($0.20 per diluted share), respectively. These arrangements reduced our tax provision for the second quarter and first six months of 2014 by $68 million ($0.06 per diluted share) and $144 million ($0.12 per diluted share), respectively.

Earnings Per Share

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Net income available to Micron shareholders – Basic	$ 934	$ 731	$ 1,937	$ 1,089
Dilutive effect related to equity method investment	(2)	—	(3)	—
Net income available to Micron shareholders – Diluted	$ 932	$ 731	$ 1,934	$ 1,089
Weighted-average common shares outstanding – Basic	1,074	1,060	1,072	1,053
Dilutive effect of equity plans and convertible notes	116	141	121	146
Weighted-average common shares outstanding – Diluted	1,190	1,201	1,193	1,199
Earnings per share:				
Basic	$ 0.87	$ 0.69	$ 1.81	$ 1.03
Diluted	0.78	0.61	1.62	0.91

Antidilutive potential common shares that could dilute basic earnings per share in the future were 18 million and 14 million for the second quarter and first six months of 2015, respectively, and 45 million and 41 million for the second quarter and first six months of 2014, respectively.

Segment Information

Segment information reported herein is consistent with how it is reviewed and evaluated by our chief operating decision makers. We have the following four business units, which are our reportable segments:

Compute and Networking Business Unit ("CNBU"): Includes DRAM and NOR Flash products sold to the compute, networking, graphics, and cloud server markets.

Storage Business Unit ("SBU"): Includes NAND Flash components and SSDs sold into enterprise and client storage, cloud, and removable storage markets. SBU also includes NAND Flash products sold to Intel through our IMFT joint venture.

Mobile Business Unit ("MBU"): Includes DRAM, NAND Flash, and NOR Flash products sold to the smartphone, feature phone, and tablet mobile-device markets.

Embedded Business Unit ("EBU"): Includes DRAM, NAND Flash, and NOR Flash products sold into automotive and industrial applications, as well as the connected home and consumer electronics markets.

Certain operating expenses directly associated with the activities of a specific segment are charged to that segment. Other indirect operating expenses (income) are generally allocated to segments based on their respective percentage of cost of goods sold or forecasted wafer production. The unallocated amount of operating expense for the first six months of 2014 related to the Rambus settlement.

We do not identify or report internally our assets or capital expenditures by segment, nor do we allocate gains and losses from equity method investments, interest, other non-operating income or expense items, or taxes to segments. There are no differences in the accounting policies for segment reporting and our consolidated results of operations.

	Quarter Ended		Six Months Ended	
	March 5, 2015	February 27, 2014	March 5, 2015	February 27, 2014
Net sales:				
CNBU	$ 1,822	$ 1,835	$ 3,910	$ 3,579
SBU	954	901	1,938	1,706
MBU	856	908	1,796	1,960
EBU	502	422	1,041	831
All Other	32	41	54	73
	$ 4,166	$ 4,107	$ 8,739	$ 8,149
Operating income (loss):				
CNBU	$ 493	$ 504	$ 1,116	$ 931
SBU	(36)	79	(10)	173
MBU	262	178	568	344
EBU	115	80	233	158
All Other	21	28	33	47
Unallocated	—	—	—	(233)
	$ 855	$ 869	$ 1,940	$ 1,420

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains trend information and other forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements such as those made in "Gross Margin" and "Operating Results by Product" regarding the cost of product purchased from Inotera under the 2016 Supply Agreement; in "Operating Expenses and Other" regarding SG&A and R&D expenses for the third quarter of 2015; and in "Liquidity and Capital Resources" regarding our pursuit of additional financing and debt restructuring, regarding the sufficiency of our cash and investments, cash flows from operations, and available financing to meet our requirements for at least the next 12 months, regarding capital spending in 2015 and future periods, regarding the expansion of our clean room space in Singapore, and regarding the timing of payments for certain contractual obligations. Our actual results could differ materially from our historical results and those discussed in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those identified in "Part II, Item 1A. Risk Factors." This discussion should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended August 28, 2014. All period references are to our fiscal periods unless otherwise indicated. Our fiscal year is the 52 or 53-week period ending on the Thursday closest to August 31. Our fiscal 2015 contains 53 weeks and the second quarter of fiscal 2015 contained 13 weeks as compared to 14 weeks for the first quarter of fiscal 2015. Our fiscal 2014 contained 52 weeks and all quarters contained 13 weeks. All production data includes the production of IMFT and Inotera. All tabular amounts are in millions except per share amounts.

Our Management's Discussion and Analysis ("MD&A") is provided in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. MD&A is organized as follows:

- ***Overview:*** Highlights of key transactions and events.
- ***Results of Operations:*** An analysis of our financial results consisting of the following:
  - Consolidated results;
  - Operating results by business segment;
  - Operating results by product; and
  - Operating expenses and other.
- ***Liquidity and Capital Resources:*** An analysis of changes in our balance sheet and cash flows and discussion of our financial condition and potential sources of liquidity.
- ***Recently Issued Accounting Standards***

Overview

We are a global leader in advanced semiconductor systems. Our broad portfolio of high-performance memory technologies, including DRAM, NAND Flash, and NOR Flash, is the basis for solid state drives, modules, multichip packages, and other system solutions. Our memory solutions enable the world's most innovative computing, consumer, enterprise storage, networking, mobile, embedded, and automotive applications. We market our products through our internal sales force, independent sales representatives, and distributors, primarily to Original Equipment Manufacturers ("OEMs") and retailers located around the world. Our success is largely dependent on the market acceptance of our diversified portfolio of semiconductor products, efficient utilization of our manufacturing infrastructure, successful ongoing development of advanced product and process technologies, and generating a return on R&D investments.

We obtain products for sale to our customers from our wholly-owned manufacturing facilities and our joint ventures. In recent years, we have increased our manufacturing scale and product diversity through strategic acquisitions and various partnering arrangements.

We make significant investments to develop the proprietary product and process technologies that are implemented in our worldwide manufacturing facilities and our joint ventures. These investments enable our production of semiconductor products with increasing functionality and performance at lower costs. We generally reduce the manufacturing cost of each generation of product through advancements in product and process technologies, such as our leading-edge line-width process technology. We continue to introduce new generations of products that offer improved performance characteristics, such as higher data transfer rates, reduced package size, lower power consumption, improved read/write reliability, and increased memory density. To leverage our significant investments in R&D, we have formed, and may continue to form, strategic joint ventures that allow us to share the costs of developing memory product and process technologies with joint venture partners. In addition, from time to time, we also sell and/or license technology to other parties. We continue to pursue additional opportunities to monetize our investment in intellectual property through partnering and other arrangements.

Business Segments

We have the following four business units, which are our reportable segments:

Compute and Networking Business Unit ("CNBU"): Includes DRAM and NOR Flash products sold to the compute, networking, graphics, and cloud server markets.

Storage Business Unit ("SBU"): Includes NAND Flash components and SSDs sold into enterprise and client storage, cloud, and removable storage markets. SBU also includes NAND Flash products sold to Intel through our IMFT joint venture.

Mobile Business Unit ("MBU"): Includes DRAM, NAND Flash, and NOR Flash products sold to the smartphone, feature phone, and tablet mobile-device markets.

Embedded Business Unit ("EBU"): Includes DRAM, NAND Flash, and NOR Flash products sold into automotive and industrial applications, as well as the connected home and consumer electronics markets.

Results of Operations

Consolidated Results

	Second Quarter				First Quarter		Six Months			
	2015	% of net sales	2014	% of net sales	2015	% of net sales	2015	% of net sales	2014	% of net sales
Net sales	$ 4,166	100 %	$ 4,107	100 %	$ 4,573	100 %	$ 8,739	100 %	$ 8,149	100 %
Cost of goods sold	2,761	66 %	2,704	66 %	2,935	64 %	5,696	65 %	5,465	67 %
Gross margin	1,405	34 %	1,403	34 %	1,638	36 %	3,043	35 %	2,684	33 %
SG&A	187	4 %	177	4 %	193	4 %	380	4 %	353	4 %
R&D	379	9 %	344	8 %	376	8 %	755	9 %	664	8 %
Other operating (income) expense, net	(16)	— %	13	— %	(16)	— %	(32)	— %	247	3 %
Operating income	855	21 %	869	21 %	1,085	24 %	1,940	22 %	1,420	17 %
Interest income (expense), net	(75)	(2)%	(77)	(2)%	(83)	(2)%	(158)	(2)%	(173)	(2)%
Other non-operating income (expense), net	(6)	— %	(122)	(3)%	(49)	(1)%	(55)	(1)%	(202)	(2)%
Income tax (provision) benefit	(47)	(1)%	(63)	(2)%	(75)	(2)%	(122)	(1)%	(143)	(2)%
Equity in net income of equity method investees	208	5 %	134	3 %	124	3 %	332	4 %	220	3 %
Net (income) loss attributable to noncontrolling interests	(1)	— %	(10)	— %	1	— %	—	— %	(33)	— %
Net income attributable to Micron	$ 934	22 %	$ 731	18 %	$ 1,003	22 %	$ 1,937	22 %	$ 1,089	13 %

Net Sales

	Second Quarter				First Quarter		Six Months			
	2015	% of total net sales[1]	2014	% of total net sales[1]	2015	% of total net sales[1]	2015	% of total net sales[1]	2014	% of total net sales[1]
CNBU	$ 1,822	44%	$ 1,835	45%	$ 2,088	46%	3,910	45%	$ 3,579	44%
SBU	954	23%	901	22%	984	22%	1,938	22%	1,706	21%
MBU	856	21%	908	22%	940	21%	1,796	21%	1,960	24%
EBU	502	12%	422	10%	539	12%	1,041	12%	831	10%
All Other	32	1%	41	1%	22	—%	54	1%	73	1%
	$ 4,166		$ 4,107		$ 4,573		$ 8,739		$ 8,149	

[1] Percentages reflect rounding and may not total 100%.

Total net sales for the second quarter of 2015 decreased 9% as compared to the first quarter of 2015 primarily due to declines in average selling prices and lower gigabit sales for DRAM as a result of decreased manufacturing output. The decrease in manufacturing output was primarily due to 13 weeks in our second quarter of 2015 as compared to 14 weeks in our first quarter of 2015.

Total net sales for the second quarter of 2015 increased 1% as compared to the second quarter of 2014 reflecting increases in EBU and SBU sales primarily due to higher levels of NAND Flash gigabit sales volumes partially offset by declines in average selling prices. Total net sales for the first six months of 2015 increased 7% as compared to the first six months of 2014 reflecting increases in EBU, SBU, and CNBU sales primarily due to higher levels of NAND Flash and DRAM gigabit sales volumes partially offset by declines in average selling prices. The increase in gigabit sales volumes for the second quarter and first six months of 2015 was primarily attributable to higher manufacturing output due to improvements in product and process technologies.

Gross Margin

Our overall gross margin percentage declined to 34% for the second quarter of 2015 from 36% for the first quarter of 2015 primarily due to declines in average selling prices partially offset by slight manufacturing cost reductions.

Since January 2013, we have purchased all of Inotera's DRAM output at a price reflecting a discount from market prices for our comparable components under a supply agreement (the "2013 Supply Agreement"). In the second quarter of 2015, we executed a supply agreement, to be effective beginning on January 1, 2016 (the "2016 Supply Agreement"), which will replace the 2013 Supply Agreement. Under the 2016 Supply Agreement, the price for DRAM products sold to us will be based on a formula that equally shares margin between Inotera and us. The 2016 Supply Agreement has an initial two-year term, followed by a three-year wind-down period, and contemplates negotiations in late 2016 with respect to a two-year extension, and annual negotiations thereafter with respect to successive one-year extensions. Upon termination of the initial two-year term of the 2016 Supply Agreement, or any extensions, we would purchase DRAM from Inotera for the wind-down period. Our share of Inotera's capacity would decline over the wind-down period. In the first six months of 2015 and in 2014, our cost of products purchased from Inotera was significantly higher than our cost of similar products manufactured in our wholly-owned facilities, due to the pricing formula of the 2013 Supply Agreement and strong market conditions. In the first six months of 2015 and in 2014, costs of product purchased from Inotera under the pricing formula of the 2016 Supply Agreement would be lower than the 2013 Supply Agreement. We purchased $628 million, $729 million, and $714 million of DRAM products from Inotera in the second quarter of 2015, first quarter of 2015, and second quarter of 2014, respectively. We purchased $1.36 billion and $1.30 billion of DRAM products from Inotera in the first six months of 2015 and 2014, respectively.

Our overall gross margin percentage of 34% for the second quarter of 2015 was unchanged from the second quarter of 2014 as improved margins for MBU offset slight declines in margins for other business units. Improvements in the gross margins for DRAM products in the second quarter of 2015 as compared to the second quarter of 2014 were offset by declines in gross margins for NAND Flash products. Our overall gross margin percentage improved to 35% for the first six months of 2015 from 33% for the first six months of 2014 due to improvements in the gross margin percentage for MBU and CNBU, as cost reductions for DRAM products outpaced declines in average selling prices.

Operating Results by Business Segment

CNBU

	Second Quarter		First Quarter	Six Months	
	2015	2014	2015	2015	2014
Net sales	$ 1,822	$ 1,835	$ 2,088	$ 3,910	$ 3,579
Operating income	493	504	623	1,116	931

CNBU sales and operating results are significantly impacted by average selling prices, gigabit sales volumes, and cost per gigabit of our DRAM products. (See "Operating Results by Product – DRAM" for further details.) CNBU sales for the second quarter of 2015 decreased 13% as compared to the first quarter of 2015 primarily due to declines in average selling prices and decreases in sales volumes resulting from lower output due to the additional week in our first quarter of 2015. CNBU operating income for the second quarter of 2015 declined from the first quarter of 2015 primarily due to the decrease in sales volumes and average selling prices.

CNBU sales for the second quarter of 2015 were relatively unchanged from the second quarter of 2014 as declines in average selling prices were offset by increases in gigabits sold. CNBU sales for the first six months of 2015 increased 9% from the first six months of 2014 primarily due to increases in gigabits sold resulting from higher output due to improvements in product and process technologies and the additional week in the first quarter of 2015. CNBU operating income for the second quarter of 2015 declined from the second quarter of 2014 as decreases in average selling prices outpaced manufacturing cost reductions. CNBU operating income for the first six months of 2015 improved from the first six months of 2014 primarily due to the increase in sales volumes and manufacturing cost reductions, partially offset by declines in average selling prices.

SBU

	Second Quarter		First Quarter	Six Months	
	2015	2014	2015	2015	2014
Net sales	$ 954	$ 901	$ 984	$ 1,938	$ 1,706
Operating income (loss)	(36)	79	26	(10)	173

SBU sales and operating results are significantly impacted by average selling prices, gigabit sales volumes, and cost per gigabit of our NAND Flash products. (See "Operating Results by Product – NAND Flash" for further details.) SBU sales for the second quarter of 2015 decreased 3% from the first quarter of 2015 primarily due to declines in average selling prices partially offset by increases in gigabits sold. SBU sells a portion of its products to Intel through our IMFT joint venture at long-term negotiated prices approximating cost. SBU sales of NAND Flash products to Intel under this arrangement were $100 million for the second quarter of 2015, $108 million for the first quarter of 2015, and $104 million for the second quarter of 2014. All other SBU products are sold to OEMs, resellers, retailers, and other customers (including Intel), which we collectively refer to as "trade customers."

SBU sales of NAND Flash products to trade customers for the second quarter of 2015 decreased 2% as compared to the first quarter of 2015 primarily due to declines in average selling prices partially offset by increases in gigabits sold despite the additional week in our first quarter of 2015. SBU operating income (loss) for the second quarter of 2015 declined from the first quarter of 2015 as declines in average selling prices outpaced manufacturing cost reductions.

SBU sales of NAND Flash products to trade customers for the second quarter and first six months of 2015 increased 7% and 16%, respectively, as compared to the corresponding periods of 2014 primarily due to increases in gigabits sold partially offset by declines in average selling prices. Increases in gigabits sold for the second quarter and first six months of 2015 compared to the corresponding periods of 2014 were primarily due to higher manufacturing output. SBU operating income (loss) for the second quarter and first six months of 2015 declined from the corresponding periods of 2014 as declines in average selling prices outpaced manufacturing cost reductions and due to increases in R&D costs associated with SSDs and controllers.

MBU

	Second Quarter		First Quarter	Six Months	
	2015	2014	2015	2015	2014
Net sales	$ 856	$ 908	$ 940	$ 1,796	$ 1,960
Operating income	262	178	306	568	344

In the second quarter of 2015, MBU sales were primarily composed of DRAM and NAND Flash, with mobile DRAM products accounting for a significant majority of the sales. MBU sales for the second quarter of 2015 decreased 9% as compared to the first quarter of 2015 primarily due to decreases in mobile DRAM gigabit sales volumes as a result of the additional week in the first quarter of 2015. MBU operating income for the second quarter of 2015 declined from the first quarter of 2015 primarily due to the decreases in DRAM sales volumes and declines in average selling prices.

MBU sales for the second quarter and first six months of 2015 decreased 6% and 8%, respectively, as compared to the corresponding periods of 2014 primarily due to decreases in mobile DRAM sales volumes and declines in average selling prices for all MBU products. MBU operating income for the second quarter and first six months of 2015 improved from the corresponding periods of 2014 as cost reductions outpaced declines in average selling prices.

EBU

	Second Quarter		First Quarter	Six Months	
	2015	2014	2015	2015	2014
Net sales	$ 502	$ 422	$ 539	$ 1,041	$ 831
Operating income	115	80	118	233	158

In the second quarter of 2015, EBU sales were composed of DRAM, NAND Flash, and NOR Flash in decreasing order of revenue. EBU sales for the second quarter of 2015 decreased 7% as compared to the first quarter of 2015 primarily due to lower sales of NOR Flash and NAND Flash products as a result of the additional week in the first quarter of 2015. EBU operating income for the second quarter of 2015 was substantially unchanged from the first quarter of 2015 as lower sale volumes were offset by a higher gross margin percentage due to changes in product mix.

EBU sales for the second quarter and first six months of 2015 increased 19% and 25%, respectively, as compared to the corresponding periods of 2014 primarily due to increased sales volumes of DRAM, NAND Flash, and NOR Flash products. EBU operating income for the second quarter and first six months of 2015 improved from the corresponding periods of 2014 primarily due to the higher sales volumes.

Operating Results by Product

Net Sales by Product

	Second Quarter				First Quarter		Six Months			
	2015	% of total net sales[(1)]	2014	% of total net sales[(1)]	2015	% of total net sales[(1)]	2015	% of total net sales[(1)]	2014	% of total net sales[(1)]
DRAM	$ 2,697	65%	$ 2,785	68%	$ 3,110	68%	$ 5,807	66%	$ 5,579	68%
NAND Flash	1,325	32%	1,154	28%	1,303	28%	2,628	30%	2,212	27%
Other	144	3%	168	4%	160	3%	304	3%	358	4%
	$ 4,166		$ 4,107		$ 4,573		$ 8,739		$ 8,149	

[(1)] Percentages are calculated based on amounts presented and therefore may produce results that do not total 100%.

DRAM

	Second Quarter 2015 Versus		First Six Months 2015 Versus
	First Quarter 2015	Second Quarter 2014	First Six Months 2014
	(percentage change from period indicated)		
Net sales	(13)%	(3)%	4 %
Average selling prices per gigabit	(6)%	(7)%	(4)%
Gigabits sold	(9)%	3 %	8 %
Cost per gigabit	(4)%	(10)%	(12)%

The decrease in gigabit sales of DRAM products for the second quarter of 2015 as compared to the first quarter of 2015 was primarily due to the additional week in our first quarter of 2015. The increase in gigabit sales of DRAM products for the second quarter and first six months of 2015 as compared to the corresponding periods of 2014 was primarily due to increases in gigabit production.

In the first six months of 2015 and in 2014, our cost of products purchased from Inotera was significantly higher than our cost of similar products manufactured in our wholly-owned facilities, due to the pricing formula of the 2013 Supply Agreement and strong market conditions. In the first six months of 2015 and in 2014, costs of product purchased from Inotera under the pricing formula of the 2016 Supply Agreement would be lower than the 2013 Supply Agreement. DRAM products acquired from Inotera accounted for 35% of our DRAM gigabit production for the second quarter of 2015 as compared to 38% for the first quarter of 2015 and 37% for the second quarter of 2014.

Our gross margin percentage on sales of DRAM products for the second quarter of 2015 was relatively unchanged from the first quarter of 2015 as manufacturing cost reductions were offset by declines in average selling prices. Our gross margin percentage on sales of DRAM products for the second quarter and first six months of 2015 improved from the corresponding periods of 2014 as manufacturing cost reductions outpaced declines in average selling prices.

NAND Flash

The following discussion regarding NAND Flash sales information to trade customers excludes NAND Flash products sold to Intel through IMFT at long-term negotiated prices approximating cost.

	Second Quarter 2015 Versus		First Six Months 2015 Versus
	First Quarter 2015	Second Quarter 2014	First Six Months 2014
Sales to trade customers:	(percentage change from period indicated)		
Net sales	3 %	17 %	21 %
Average selling prices per gigabit	(9)%	(19)%	(22)%
Gigabits sold	12 %	44 %	56 %
Cost per gigabit	(3)%	(10)%	(14)%

The increase in NAND Flash gigabits sold to trade customers for the second quarter of 2015 as compared to the first quarter of 2015 was primarily due to increases in production despite the additional week in our first quarter of 2015. Our gross margin percentage on sales of trade NAND Flash products for the second quarter of 2015 declined from the first quarter of 2015 as declines in average selling prices outpaced manufacturing cost reductions.

The increase in NAND Flash gigabits sold to trade customers for the second quarter and first six months of 2015 as compared to the corresponding periods of 2014 was primarily due to improved product and process technologies and the transition of our wafer fabrication facility in Singapore from DRAM to NAND Flash production. Our gross margin percentage on sales of trade NAND Flash products for the second quarter and first six months of 2015 declined from the corresponding periods of 2014 as the declines in average selling prices outpaced manufacturing cost reductions.

Operating Expenses and Other

Selling, General and Administrative

SG&A expenses for the second quarter of 2015 decreased 3% as compared to the first quarter of 2015 primarily due to the additional week in our first quarter of 2015 partially offset by higher payroll costs. We expect that SG&A expenses will approximate $180 million to $190 million for the third quarter of 2015.

SG&A expenses for the second quarter of 2015 increased 6% as compared to second quarter of 2014 primarily due to higher legal costs. SG&A expenses for the first six months of 2015 increased 8% as compared to the first six months of 2014 primarily due to higher legal costs and an additional week in our first quarter of 2015.

Research and Development

R&D expenses for the second quarter of 2015 increased 1% from the first quarter of 2015 primarily due to higher payroll costs and a higher volume of development wafers processed partially offset by the additional week in our first quarter of 2015. R&D expenses for the second quarter of 2015 increased 10% from the second quarter of 2014 primarily due to higher payroll costs, an increase in depreciation expense due to R&D capital expenditures and higher professional service costs. R&D expenses for the first six months of 2015 increased 14% from the first six month of 2014 primarily due to higher payroll costs, the additional week in our first quarter of 2015, an increase in depreciation expense due to R&D capital expenditures, and higher professional service costs. We expect that R&D expenses, net of amounts reimbursable from our R&D partners, will approximate $385 million to $395 million for the third quarter of 2015.

As a result of amounts reimbursable from Intel under a joint development program for NAND Flash and certain emerging memory technologies, R&D expenses were reduced by $46 million for the second quarter of 2015, $54 million for the first quarter of 2015, and $35 million for the second quarter of 2014.

Our process technology R&D efforts are focused primarily on development of successively smaller line-width process technologies which are designed to facilitate our transition to next generation memory products. Additional process technology R&D efforts focus on the enablement of advanced computing and mobile memory architectures, the investigation of new opportunities that leverage our core semiconductor expertise, and the development of new manufacturing materials. Product design and development efforts include our high density DDR3 and DDR4 DRAM, Mobile LPDRAM products, high density NAND Flash memory (including 3D NAND and multi-level cell and triple-level cell technologies), SSDs, Hybrid Memory Cubes, specialty memory, NOR Flash memory, and other memory technologies and systems.

Interest Income (Expense)

Net interest expense for the second quarter of 2015, first quarter of 2015, and second quarter of 2014, included amortization of debt discount and other costs of $33 million, $38 million, and $44 million, respectively.

Income Taxes

Our effective tax rates were 6.1%, 7.9%, and 9.4% for the second quarter of 2015, first quarter of 2015 and second quarter of 2014, respectively. Our effective tax rates were 7.1% and 13.7% for the first six months of 2015 and 2014, respectively. Our effective tax rate reflects the following:

- operations in tax jurisdictions where our earnings are indefinitely reinvested and the effective tax rates in these jurisdictions are significantly lower than the U.S. statutory rate;
- operations outside the U.S., including Singapore, where we have tax incentive arrangements that decrease our effective tax rates; and
- a valuation allowance against substantially all of our U.S. net deferred tax assets.

Income taxes for the second quarter of 2015, first quarter of 2015, and second quarter of 2014 included $33 million, $38 million, and $55 million, respectively, of expenses related to the utilization of deferred tax assets by the MMJ Group. The remaining tax provision for these periods primarily reflects taxes on our other non-U.S. operations. Income taxes on U.S. operations for 2015 and 2014 were substantially offset by changes in the valuation allowance.

The effect of tax incentive arrangements reduced our tax provision by $97 million (benefitting our diluted earnings per share by $0.08) for the second quarter of 2015, $140 million (benefitting our diluted earnings per share by $0.12) for the first quarter of 2015, and by $68 million (benefitting our diluted earnings per diluted shares by $0.06) for the second quarter of 2014.

Equity in Net Income of Equity Method Investees

We recognize our share of earnings or losses from equity method investments, generally on a two-month lag. Equity in net income of equity method investees, net of tax, included the following:

	Second Quarter		First Quarter	Six Months	
	2015	2014	2015	2015	2014
Inotera	$ 206	$ 131	$ 129	$ 335	$ 215
Tera Probe	1	4	(7)	(6)	6
Other	1	(1)	2	3	(1)
	$ 208	$ 134	$ 124	$ 332	$ 220

Included in our share of earnings for the second quarter of 2015 was $65 million related to Inotera's full release of its valuation allowance against net deferred tax assets related to its net operating loss carryforward. As a result of the release, Inotera's future net income is subject to tax provisions. Our equity in net income of Inotera also improved for the second quarter and first six months of 2015 as compared to the corresponding periods of 2014 due to Inotera's improved operating results as a result of higher selling prices and lower manufacturing costs.

Since January 2013, we have purchased all of Inotera's DRAM output at prices reflecting a discount from market prices for our comparable components under the 2013 Supply Agreement. In the second quarter of 2015, we executed the 2016 Supply Agreement, effective on January 1, 2016, which will replace the 2013 Supply Agreement. Under the 2016 Supply Agreement, the price for DRAM products sold to us will be based on a formula that equally shares margin between Inotera and us. In the first six months of 2015 and in 2014, our cost of products purchased from Inotera was significantly higher than our cost of similar products manufactured in our wholly-owned facilities, due to the pricing formula of the 2013 Supply Agreement and strong market conditions. In the first six months of 2015 and in 2014, costs of product purchased from Inotera under the pricing formula of the 2016 Supply Agreement would be lower than the 2013 Supply Agreement.

During the first quarter of 2015, we recorded an impairment charge of $10 million within equity in net income of equity method investees to write down the carrying value of our investment in Tera Probe to its fair value.

Other Operating and Non-Operating Activities

In the first quarter of 2014, we settled all pending litigation between us and Rambus, including all antitrust and patent matters, and entered into a patent cross-license agreement. As a result, other operating expense for the first six months of 2014 included a $233 million charge to accrue a liability, which reflects the discounted value of amounts due under this arrangement.

Other non-operating income and expense included the following items:

- losses from the restructure of debt of $30 million and $80 million for the first quarter of 2015 and second quarter of 2014, respectively;
- losses from changes in currency exchange rates of $6 million, $21 million, and $14 million for the second quarter of 2015, first quarter of 2015, and second quarter of 2014, respectively; and
- a loss of $33 million in the second quarter of 2014 in connection with an adjustment to the gain on MMJ Acquisition.

Further discussion of other operating and non-operating income and expenses can be found in the following notes contained in "Item 1. Financial Statements – Notes to Consolidated Financial Statements":

- Equity Plans
- Other Operating (Income) Expense, Net
- Other Non-Operating Income (Expense), Net

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operations and financing obtained from capital markets. We generated cash from operations of $2.84 billion in the first six months of 2015 and $5.70 billion in 2014. Cash generated from operations is highly dependent on selling prices for our products, which can vary significantly from period to period. We obtained $1.25 billion from debt and lease financing in the first six months of 2015 and $2.21 billion in 2014. As of March 5, 2015, we had credit facilities available that provide for up to $1.18 billion of additional financing, subject to outstanding balances of certain trade receivables and inventories as well as other conditions. We are continuously evaluating alternatives for efficiently funding capital expenditures, dilution-management activities (including repurchases of convertible notes and equity), and ongoing operations. We expect, from time to time in the future, to engage in a variety of transactions for such purposes, including the issuance or incurrence of secured and unsecured debt and the refinancing and restructuring of existing debt.

Our Board of Directors has authorized the discretionary repurchase of up to $1.00 billion of our outstanding common stock. Any repurchases under the authorization may be made in open market purchases, block trades, privately negotiated transactions, and/or derivative transactions. Repurchases are subject to market conditions and our ongoing determination of the best use of available cash. During the second quarter of 2015, we repurchased 7 million shares for $192 million in the open market. As of March 5, 2015, $808 million remained available for future stock repurchases.

We expect that our cash and marketable investments, cash flows from operations, and available financing will be sufficient to meet our requirements at least through the next 12 months.

As of	March 5, 2015	August 28, 2014
Cash and equivalents and short-term investments:		
Bank deposits	$ 2,162	$ 2,445
Money market funds	868	1,281
Commercial paper	462	107
Corporate bonds	433	154
Certificates of deposit	397	410
Government securities	155	136
Asset-backed securities	2	1
	$ 4,479	$ 4,534
Long-term marketable investments	$ 1,869	$ 819

As of March 5, 2015, $2.84 billion of our cash and equivalents and short-term investments was held by subsidiaries outside the U.S., of which $903 million was denominated in currencies other than the U.S. dollar. To mitigate credit risk, we invest through high-credit-quality financial institutions and, by policy, generally limit the concentration of credit exposure by restricting the amount of investments with any single obligor.

Limitations on the Use of Cash and Investments

MMJ Group: Cash and equivalents and investments in the table above included an aggregate of $1.32 billion held by the MMJ Group as of March 5, 2015. As a result of the corporate reorganization proceedings of the MMJ Companies entered into in March 2012, and for so long as such proceedings are continuing, the MMJ Companies and their subsidiaries are subject to certain restrictions on dividends, loans, and advances. The plans of reorganization of the MMJ Companies prohibit the MMJ Companies from paying dividends, including any cash dividends, to us and require that excess earnings be used in their businesses or to fund the MMJ Companies' installment payments. These prohibitions also effectively prevent the subsidiaries of the MMJ Companies from paying cash dividends. In addition, pursuant to an order of the Japan Court, the MMJ Companies cannot make loans or advances, other than certain ordinary course advances, to us without the consent of the Japan Court. Moreover, loans or advances by subsidiaries of the MMJ Companies may be considered outside of the ordinary course of business and subject to approval of the legal trustee and Japan Court. As a result, the assets of the MMJ Group are not available for use by us in our other operations. Moreover, certain uses of the assets of the MMJ Group, including investments in certain capital expenditures and in MMT, may require consent of MMJ's trustees and/or the Japan Court.

Indefinitely Reinvested: As of March 5, 2015, $2.76 billion of our cash and equivalents and short-term investments, including substantially all of the amounts held by the MMJ Group, were held by foreign subsidiaries whose earnings were considered to be indefinitely reinvested and repatriation of these funds to the U.S. would subject these funds to U.S. federal income taxes. Determination of the amount of unrecognized deferred tax liabilities related to investments in these foreign subsidiaries is not practicable.

IMFT: Cash and equivalents and short-term investments in the table above included $115 million held by IMFT as of March 5, 2015. Our ability to access funds held by IMFT to finance our other operations is subject to agreement by Intel and contractual limitations. Amounts held by IMFT are not anticipated to be available to finance our other operations.

Operating Activities

Net cash provided by operating activities was $2.84 billion for the first six months of 2015, due primarily to net income generated by our operations offset by changes in net working capital including a $488 million decrease in accounts payable and accrued expenses due to the timing of payments.

Investing Activities

Net cash used for investing activities was $3.20 billion for the first six months of 2015, which consisted primarily of $1.59 billion of net outflows for investments in available-for-sale securities and cash expenditures of $1.52 billion for property, plant and equipment.

To develop new product and process technologies, support future growth, achieve operating efficiencies, and maintain product quality, we must continue to invest in manufacturing technologies, facilities and capital equipment, and R&D. We estimate that capital spending for 2015 will be approximately $3.6 billion to $4.0 billion. The actual amounts for 2015 will vary depending on market conditions and the timing of equipment receipts. As of March 5, 2015, we had commitments of approximately $1.50 billion for the acquisition of property, plant and equipment, substantially all of which is expected to be paid within one year.

In December 2014, we announced plans to add approximately 255,000 square feet of clean room space to our fabrication facility in Singapore. This expansion would facilitate efficient implementation of 3D NAND Flash production at the Singapore facility and give us the flexibility to gradually add incremental capacity in response to market requirements. The additional space would enable production of storage class and other memory technologies. Construction of the additional space began in 2015 with initial manufacturing output likely in 2017. We currently anticipate spending approximately $50 million in 2015 for initial design and construction. At completion and subject to market conditions, we currently expect the total cost for this expansion to be approximately $4 billion incurred over a number of years.

Financing Activities

Net cash used for financing activities was $144 million for the first six months of 2015, which included outflows of $1.15 billion for repayments of debt (including $371 million for amounts in excess of principal of our converted and repurchased notes) and $192 million for the repurchase of 7 million shares of our common stock and inflows of $1.00 billion from the issuance of the 2023 Notes and $254 million from the proceeds of sale-leaseback transactions.

2015 Debt Activity

In the first six months of 2015, we reduced the dilutive effects of our convertible notes through conversions and repurchases. As a result, we eliminated convertible notes that were convertible into approximately 4 million shares of our common stock. The following table summarized our restructure activities in the first six months of 2015.

	Increase (Decrease) in Principal	Increase (Decrease) in Carrying Value	Increase (Decrease) in Cash	(Decrease) in Equity	Loss[1]
Conversions and settlements	$ (120)	$ (368)	$ (407)	$ (14)	$ 22
Repurchases	(36)	(30)	(125)	(92)	3
Issuance	1,000	1,000	988	—	—
Early repayment of note	(121)	(120)	(122)	—	5
	$ 723	$ 482	$ 334	$ (106)	$ 30

(1) *Included in other non-operating expense.*

(See "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Debt" note.)

Potential Settlement Obligations of Convertible Notes

Since the closing price of our common stock for at least 20 trading days in the 30 trading day periods ended on March 31, 2015 exceeded 130% of the conversion prices per share of our 2032 Notes and 2033 Notes, holders of those notes have the right to convert their notes at any time through June 30, 2015. For all of our convertible notes, we have: (1) the requirement to pay cash for the principal amount and the option to pay either cash, shares of our common stock, or any combination thereof for any remaining conversion obligation, or (2) the option to pay cash, issue shares of common stock, or any combination thereof for the aggregate amount due upon conversion.

The following table summarizes the potential settlements, as of March 5, 2015, that we could be required to make if all holders converted their 2032 Notes and 2033 Notes:

	Initial Conversion Price Per Share	Settlement Option for Principal Amount	Outstanding Principal	If Settled With Minimum Cash Required[1]		If Settled Entirely With Cash[2]
				Cash	Remainder in Shares	Cash
2032C Notes	$ 9.63	Cash and/or shares	$ 357	$ —	37	$ 1,087
2032D Notes	9.98	Cash and/or shares	313	—	31	917
2033E Notes	10.93	Cash	294	294	17	786
2033F Notes	10.93	Cash	300	300	17	804
			$ 1,264	$ 594	102	$ 3,594

(1) *We are required to settle the principal amount of the 2033 Notes in cash. The remaining conversion obligation paid in shares is based on our closing share price of $29.28 as of March 5, 2015.*

(2) *Based on our closing share price of $29.28 as of March 5, 2015. Assumes we elect cash settlement for the entire obligation.*

Contractual Obligations

		Payments Due by Period					
As of March 5, 2015	Total	Remainder of 2015	2016	2017	2018	2019	2020 and Thereafter
Notes payable[1][2]	$ 8,280	$ 174	$ 502	$ 472	$ 761	$ 850	$ 5,521
Capital lease obligations[2]	1,022	202	340	164	122	85	109
Operating leases[3][4]	569	11	179	238	87	13	41
Total	$ 9,871	$ 387	$ 1,021	$ 874	$ 970	$ 948	$ 5,671

[1] *Amounts include notes, convertible notes, and MMJ creditor installment payments. Any future redemptions, repurchases or conversions of convertible debt could impact the amount and timing of our cash payments.*

[2] *Amounts reflect principal and interest.*

[3] *Amounts do not include contingent lease payments.*

[4] *Amounts for fiscal years 2016, 2017, and 2018 include minimum obligations related to the Inotera 2016 Supply Agreement.*

Recently Issued Accounting Standards

See "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Recently Issued Accounting Standards" note.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to interest rate risk related to our indebtedness and our investment portfolio. Substantially all of our indebtedness is at fixed interest rates, and as a result, the fair value of our debt fluctuates based on changes in market interest rates. We estimate that, as of March 5, 2015 and August 28, 2014, a hypothetical decrease in market interest rates of 1% would increase the fair value of our convertible notes and other notes by approximately $297 million and $250 million, respectively. The increase in interest expense caused by a 1% increase in the interest rates of our variable-rate debt would not be significant.

As of March 5, 2015 and August 28, 2014, we held investments in debt securities of $3.34 billion and $1.65 billion, respectively, that were subject to interest rate risk. We estimate that a 0.5% increase in market interest rates would decrease the fair value of these instruments by approximately $10 million as of March 5, 2015 and $6 million as of August 28, 2014.

Foreign Currency Exchange Rate Risk

The information in this section should be read in conjunction with the information related to changes in the currency exchange rates in "Item 1A. Risk Factors." Changes in currency exchange rates could materially adversely affect our results of operations or financial condition.

The functional currency for all of our consolidated subsidiaries is the U.S. dollar. The substantial majority of our revenues are transacted in the U.S. dollar; however, significant amounts of our operating expenditures and capital purchases are incurred in or exposed to other currencies, primarily the euro, the Singapore dollar, the New Taiwan dollar, the yen, and the yuan. We have established currency risk management programs for our operating expenditures and capital purchases to hedge against fluctuations in the fair value and volatility of future cash flows caused by changes in currency exchange rates. We utilize currency forward and option contracts in these hedging programs, which reduce, but do not always entirely eliminate, the impact of currency exchange rate movements. We do not use derivative financial instruments for trading or speculative purposes.

To hedge our exposure to changes in currency exchange rates from our monetary assets and liabilities, we utilize a rolling hedge strategy with currency forward contracts that generally mature within 35 days. Based on our foreign currency exposures from monetary assets and liabilities, offset by balance sheet hedges, we estimate that a 10% adverse change in exchange rates versus the U.S. dollar would result in losses of approximately $5 million as of March 5, 2015 and $7 million as of August 28, 2014. To hedge the exposure of changes in cash flows from changes in currency exchange rates for certain capital expenditures, we utilize currency forward contracts that generally mature within 12 months.

As of March 5, 2015, under the terms and conditions of their plans of reorganization, the MMJ Companies are obligated to pay 122 billion yen (or the equivalent of $1.02 billion based on exchange rates as of March 5, 2015) to their external creditors. The installment payments are due at the end of each calendar year from 2015 through 2019. For the MMJ Creditor Installment payment due in 2016, we entered into a forward contract to purchase 10 billion yen on November 27, 2015. In addition, the MMJ Companies' yen-denominated cash and equivalents and other asset balances mitigate the foreign currency exchange risk associated with the remaining installment payments.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the principal executive officer and principal and accounting officer concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to our management, including the principal executive officer and principal financial and accounting officer, to allow timely decision regarding disclosure.

During the quarterly period covered by this report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reorganization Proceedings of the MMJ Companies

On July 31, 2013, we completed the acquisition of Elpida, now known as MMJ, a Japanese corporation, pursuant to the terms and conditions of an Agreement on Support for Reorganization Companies (as amended, the "Sponsor Agreement") that we entered into on July 2, 2012 with the trustees of the MMJ Companies' pending corporate reorganization proceedings under the Corporate Reorganization Act of Japan.

The MMJ Companies filed petitions for commencement of corporate reorganization proceedings with the Japan Court under the Corporate Reorganization Act of Japan on February 27, 2012, and the Japan Court issued an order to commence the reorganization proceedings (the "Japan Proceedings") on March 23, 2012. On July 2, 2012, we entered into the Sponsor Agreement with the legal trustees of the MMJ Companies and the Japan Court approved the Sponsor Agreement. Under the Sponsor Agreement, we agreed to provide certain support for the reorganization of the MMJ Companies and the trustees agreed to prepare and seek approval from the Japan Court and the MMJ Companies' creditors of plans of reorganization consistent with such support.

The trustees initially submitted the proposed plans of reorganization for the MMJ Companies to the Japan Court on August 21, 2012 and submitted final proposed plans on October 29, 2012. On October 31, 2012, the Japan Court approved submission of the trustees' proposed plans of reorganization to creditors for approval. On February 26, 2013, the MMJ Companies' creditors approved the reorganization plans and on February 28, 2013, the Japan Court issued an order approving the plans of reorganization. Appeals filed by certain creditors of MMJ in Japan challenging the plan approval order issued by the Japan Court were denied.

In a related action, MMJ filed a Verified Petition for Recognition and Chapter 15 Relief in the United States Bankruptcy Court for the District of Delaware (the "U.S. Court") on March 19, 2012 and, on April 24, 2012, the U.S. Court entered an order that, among other things, recognized MMJ's corporate reorganization proceeding as a foreign main proceeding pursuant to 11 U.S.C. § 1517(b). On June 25, 2013, the U.S. Court issued a recognition order, which recognized the order of the Japan Court approving MMJ's plan of reorganization. On November 19, 2013, the U.S. Court closed the U.S. Chapter 15 proceeding.

The plans of reorganization provide for payments by the MMJ Companies to their secured and unsecured creditors in an aggregate amount of 200 billion yen, less certain expenses of the reorganization proceedings and certain other items. The plans of reorganization also provided for the investment by us pursuant to the Sponsor Agreement of 60 billion yen ($615 million) paid at closing in cash into MMJ in exchange for 100% ownership of MMJ's equity and the use of such investment to fund the initial installment payment by the MMJ Companies to their creditors of 60 billion yen, subject to reduction for certain items specified in the Sponsor Agreement and plans of reorganization.

Under MMJ's plan of reorganization, secured creditors will recover 100% of the amount of their fixed claims and unsecured creditors will recover at least 17.4% of the amount of their fixed claims. The actual recovery of unsecured creditors will be higher, however, based, in part, on events and circumstances occurring following the plan approval. The remaining portion of the unsecured claims will be discharged, without payment, over the period that payments are made pursuant to the plans of reorganization. The secured creditors will be paid in full on or before the sixth installment payment date, while the unsecured creditors will be paid in seven installments. MAI's plan of reorganization provides that secured creditors will recover 100% of the amount of their claims, whereas unsecured creditors will recover 19% of the amount of their claims. The secured creditors of MAI were paid in full on the first installment payment date, while the unsecured creditors will be paid in seven installments.

Because the plans of reorganization of the MMJ Companies provide for ongoing payments to creditors following the closing of the MMJ acquisition, the Japan Proceedings are continuing and the MMJ Companies remain subject to the oversight of the Japan Court and of the trustees (including a trustee designated by us, who we refer to as the business trustee, and a trustee designated by the Japan Court, who we refer to as the legal trustee), pending completion of the reorganization proceedings. The business trustee makes decisions in relation to the operation of the businesses of the MMJ Companies, other than decisions in relation to acts that need to be carried out in connection with the Japan Proceedings, which are the responsibility of the legal trustee. The Japan Proceedings and oversight of the Japan Court will continue until the final creditor payment is made under the MMJ Companies' plans of reorganization, which is scheduled to occur in December 2019, but may occur on a later date to the extent any claims of creditors remain unfixed on the final scheduled installment payment date. The MMJ Companies may petition the Japan Court for an early termination of the Japan Proceedings once two-thirds of all payments under the plans of reorganization are made. Although such early terminations are customarily granted, there can be no assurance that the Japan Court will grant any such petition in these particular cases.

During the pendency of the Japan Proceedings, the MMJ Companies are obligated to provide periodic financial reports to the Japan Court and may be required to obtain the consent of the Japan Court prior to taking a number of significant actions relating to their businesses, including transferring or disposing of, or acquiring, certain material assets, incurring or guaranteeing material indebtedness, settling material disputes, or entering into certain material agreements. The consent of the legal trustee may also be required for matters that would likely have a material impact on the operations or assets of the MMJ Companies and their subsidiaries or for transfers of material assets, to the extent the matters or transfers would reasonably be expected to materially and adversely affect execution of the plans of reorganization of the MMJ Companies. Accordingly, during the pendency of the Japan Proceedings, our ability to effectively integrate the MMJ Companies as part of our global operations or to cause the MMJ Companies to take certain actions that we deem advisable for their businesses could be adversely affected if the Japan Court or the legal trustee is unwilling to consent to various actions that we may wish to take with respect to the MMJ Companies.

For a discussion of legal proceedings, see "Item 1. Financial Statements – Notes to Consolidated Financial Statements – Contingencies" and "Item 1A. Risk Factors."

ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this Form 10-Q, the following are important factors which could cause actual results or events to differ materially from those contained in any forward-looking statements made by or on behalf of us.

We have experienced dramatic declines in average selling prices for our semiconductor memory products which have adversely affected our business.

If average selling prices for our memory products decrease faster than we can decrease per gigabit costs, our business, results of operations, or financial condition could be materially adversely affected. For the first six months of 2015, average selling prices per gigabit for our DRAM and Trade NAND Flash products declined 4% and 22%, respectively, compared to the first six months of 2014. We have experienced significant decreases in our average selling prices per gigabit in previous years as noted in the table below and may continue to experience such decreases in the future. In some prior periods, average selling prices for our memory products have been below our manufacturing costs and we may experience such circumstances in the future.

	DRAM	Trade NAND Flash*
	(percentage change in average selling prices)	
2014 from 2013	6 %	(23)%
2013 from 2012	(11)%	(18)%
2012 from 2011	(45)%	(55)%
2011 from 2010	(39)%	(12)%

** Trade NAND Flash excludes sales to Intel from IMFT.*

We may be unable to maintain or improve gross margins.

Our gross margins are dependent upon continuing decreases in per gigabit manufacturing costs achieved through improvements in our manufacturing processes and product designs, including, but not limited to, process line-width, architecture, number of mask layers, number of fabrication steps, and yield. In future periods, we may be unable to reduce our per gigabit manufacturing costs at sufficient levels to maintain or improve gross margins. Factors that may limit our ability to reduce costs include, but are not limited to, strategic product diversification decisions affecting product mix, the increasing complexity of manufacturing processes, difficulty in transitioning to smaller line-width process technologies, technological barriers, and changes in process technologies or products that may require relatively larger die sizes. Per gigabit manufacturing costs may also be affected by the relatively smaller production quantities and shorter product lifecycles of certain specialty memory products.

The semiconductor memory industry is highly competitive.

We face intense competition in the semiconductor memory market from a number of companies, including Samsung Electronics Co., Ltd.; SanDisk Corporation; SK Hynix Inc. and Toshiba Corporation. Some of our competitors are large corporations or conglomerates that may have greater resources to invest in technology, capitalize on growth opportunities, and withstand downturns in the semiconductor markets in which we compete. Consolidation of industry competitors could put us at a competitive disadvantage. In addition, some governments, such as China, may be considering providing, or have provided, significant financial assistance to some of our competitors or to new entrants. Our competitors seek to increase silicon capacity, improve yields, reduce die size, and minimize mask levels in their product designs. Transitions to smaller line-width process technologies and product and process improvements have resulted in significant increases in the worldwide supply of semiconductor memory. Increases in worldwide supply of semiconductor memory also result from semiconductor memory fab capacity expansions, either by way of new facilities, increased capacity utilization, or reallocation of other semiconductor production to semiconductor memory production. Our competitors may increase capital expenditures resulting in future increases in worldwide supply. In recent periods, we and some of our competitors have announced plans to build new fabrication facilities. Increases in worldwide supply of semiconductor memory, if not accompanied by commensurate increases in demand, would lead to further declines in average selling prices for our products and would materially adversely affect our business, results of operations, or financial condition.

Debt obligations could adversely affect our financial condition.

In recent periods, our debt levels have increased due to the capital intensive nature of our business, business acquisitions, and restructuring of our capital structure. As of March 5, 2015, we had debt with a carrying value of $6.72 billion. In addition, the conversion value in excess of principal amount for our convertible notes outstanding as of March 5, 2015 was $2.33 billion. In the first quarter of 2015, we paid $389 million to settle conversion obligations initiated in the fourth quarter of 2014 for convertible notes with a principal amount of $114 million. In the first quarter of 2015, we also paid $125 million to repurchase convertible notes with a principal amount of $36 million. In 2014, we paid $2.30 billion to repurchase and settle conversion obligations for convertible notes with a principal amount of $1.09 billion. As of March 5, 2015, we had credit facilities available that provide for up to $1.18 billion of additional financing, subject to outstanding balances of trade receivables, inventories, and other conditions. Events and circumstances may occur which would cause us to not be able to satisfy the applicable drawdown conditions and utilize these facilities. We have in the past and expect in the future to continue to incur additional debt to finance our capital investments, including debt incurred in connection with asset-backed financing and capital market debt issuances.

Our debt obligations could adversely impact us. For example, these obligations could:

- require us to use a large portion of our cash flow to pay principal and interest on debt, which will reduce the amount of cash flow available to fund working capital, capital expenditures, acquisitions, R&D expenditures, and other business activities;
- continue to dilute our earnings per share as a result of the conversion provisions in our convertible notes;
- require us to continue to pay cash amounts substantially in excess of the principal amounts upon settlement of our convertible notes to minimize dilution of our earnings per share;
- limit our future ability to raise funds for capital expenditures, strategic acquisitions or business opportunities, R&D, and other general corporate requirements;
- adversely impact our credit rating, which could increase future borrowing costs; and
- increase our vulnerability to adverse economic and semiconductor memory industry conditions.

Our ability to meet our payment obligations under our debt instruments depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative, and regulatory factors as well as other factors that are beyond our control. There can be no assurance that our business will generate cash flow from operations, or that additional capital will be available to us, in an amount sufficient to enable us to meet our debt payment obligations and to fund other liquidity needs. If we are unable to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we were unable to implement one or more of these alternatives, we may be unable to meet our debt payment obligations, which could have a material adverse effect on our business, results of operations, or financial condition.

We may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund our operations, make scheduled debt payments, and make adequate capital investments.

Our cash flows from operations depend primarily on the volume of semiconductor memory sold, average selling prices, and manufacturing costs. To develop new product and process technologies, support future growth, achieve operating efficiencies, and maintain product quality, we must make significant capital investments in manufacturing technology, capital equipment, facilities, R&D, and product and process technology. We estimate that capital spending for 2015 will be approximately $3.6 billion to $4.0 billion. In addition, as a result of the MMJ acquisition and our announced plan for expansion in Singapore, we expect our future capital spending will be higher than our historical levels. As of March 5, 2015, we had cash and equivalents and marketable investments of $6.35 billion. Cash and marketable investments included $1.32 billion held by the MMJ Group and $115 million held by IMFT, none of which is generally available to finance our other operations.

As a result of the Japan Proceedings, for so long as such proceedings are continuing, the MMJ Companies and their subsidiaries are subject to certain restrictions on dividends, loans, and advances. The plans of reorganization of the MMJ Companies prohibit the MMJ Companies from paying dividends, including any cash dividends, to us and require that excess earnings be used in their businesses or to fund the MMJ Companies' installment payments. These prohibitions would also effectively prevent the subsidiaries of the MMJ Companies from paying cash dividends to us in respect of the shares of such subsidiaries owned by the MMJ Companies, as any such dividends would have to be first paid to the MMJ Companies which are prohibited from repaying those amounts to us as dividends under the plans of reorganization. In addition, pursuant to an order of the Japan Court, the MMJ Companies cannot make loans or advances, other than certain ordinary course advances, to us without the consent of the Japan Court. Moreover, loans or advances by subsidiaries of the MMJ Companies may be considered outside of the ordinary course of business and subject to approval of the legal trustees and Japan Court. As a result, the assets of the MMJ Companies and their subsidiaries, while available to satisfy the MMJ Companies' installment payments and the other obligations, capital expenditures, and other operating needs of the MMJ Companies and their subsidiaries, are not available for use by us in our other operations. Furthermore, certain uses of the assets of the MMJ Group, including investments in certain capital expenditures and in MMT, may require consent of MMJ's trustees and/or the Japan Court.

In the past we have utilized external sources of financing when needed. As a result of our debt levels, expected debt amortization and general economic conditions, it may be difficult for us to obtain financing on terms acceptable to us. There can be no assurance that we will be able to generate sufficient cash flows, use cash held by MMJ to fund its capital expenditures, access capital markets or find other sources of financing to fund our operations, make debt amortization payments, and make adequate capital investments to remain competitive in terms of technology development and cost efficiency. Our inability to do the foregoing could have a material adverse effect on our business, results of operations, or financial conditions.

The acquisition of our ownership interest in Inotera from Qimonda has been challenged by the administrator of the insolvency proceedings for Qimonda.

On January 20, 2011, Dr. Michael Jaffé, administrator for Qimonda insolvency proceedings, filed suit against MTI and Micron Semiconductor B.V., our Netherlands subsidiary ("Micron B.V."), in the District Court of Munich, Civil Chamber. The complaint seeks to void under Section 133 of the German Insolvency Act a share purchase agreement between Micron B.V. and Qimonda signed in fall 2008 pursuant to which Micron B.V. purchased substantially all of Qimonda's shares of Inotera Memories, Inc. (the "Inotera Shares"), representing approximately 55% of our total shares in Inotera as of March 5, 2015, and seeks an order requiring us to retransfer those shares to the Qimonda estate. The complaint also seeks, among other things, to recover damages for the alleged value of the joint venture relationship with Inotera and to terminate under Sections 103 or 133 of the German Insolvency Code a patent cross-license between us and Qimonda entered into at the same time as the share purchase agreement.

Following a series of hearings with pleadings, arguments and witnesses on behalf of the Qimonda estate, on March 13, 2014, the Court issued judgments: (1) ordering Micron B.V. to pay approximately $1 million in respect of certain Inotera shares sold in connection with the original share purchase; (2) ordering Micron B.V. to disclose certain information with respect to any Inotera Shares sold by it to third parties; (3) ordering Micron B.V. to disclose the benefits derived by it from ownership of the Inotera Shares, including in particular, any profits distributed on such shares and all other benefits; (4) denying Qimonda's claims against MTI for any damages relating to the joint venture relationship with Inotera; and (5) determining that Qimonda's obligations under the patent cross-license agreement are cancelled. In addition, the Court issued interlocutory judgments ordering, among other things: (1) that Micron B.V. transfer to the Qimonda estate the Inotera Shares still owned by it and pay to the Qimonda estate compensation in an amount to be specified for any Inotera Shares sold to third parties; and (2) that Micron B.V. pay the Qimonda estate as compensation an amount to be specified for benefits derived by it from ownership of the Inotera Shares. The interlocutory judgments have no immediate, enforceable effect on us, and, accordingly, we expect to be able to continue to operate with full control of the Inotera Shares subject to further developments in the case. We have filed a notice of appeal, and the parties have submitted briefs to the appeals court. A hearing on the matter is scheduled for July 9, 2015.

We are unable to predict the outcome of the matter and therefore cannot estimate the range of possible loss. The final resolution of this lawsuit could result in the loss of the Inotera shares or equivalent monetary damages, unspecified damages based on the benefits derived by Micron B.V. from the ownership of the Inotera Shares, and/or the termination of the patent cross-license, which could have a material adverse effect on our business, results of operation or financial condition. As of March 5, 2015, the Inotera Shares had a carrying value for purposes of our financial reporting of $657 million and a market value of $1.70 billion.

Our future success depends on our ability to develop and produce competitive new memory technologies.

Our key semiconductor memory technologies of DRAM, NAND Flash, and NOR Flash face technological barriers to continue to meet long-term customer needs. These barriers include potential limitations on the ability to shrink products in order to reduce costs, meet higher density requirements, and improve power consumption and reliability. To meet these requirements, we expect that new memory technologies will be developed by the semiconductor memory industry. Our competitors are working to develop new memory technologies that may offer performance and/or cost advantages to our existing memory technologies and render existing technologies obsolete. Accordingly, our future success may depend on our ability to develop and produce viable and competitive new memory technologies. There can be no assurance of the following:

- that we will be successful in developing competitive new semiconductor memory technologies;
- that we will be able to cost-effectively manufacture new products;
- that we will be able to successfully market these technologies; and
- that margins generated from sales of these products will allow us to recover costs of development efforts.

If our efforts to develop new semiconductor memory technologies are unsuccessful, our business, results of operations, or financial condition may be materially adversely affected.

New product development may be unsuccessful.

We are developing new products, including system-level memory products, that complement our traditional memory products or leverage their underlying design or process technology. We have made significant investments in product and process technologies and anticipate expending significant resources for new semiconductor product development over the next several years. The process to develop DRAM, NAND Flash, NOR Flash, and certain specialty memory products requires us to demonstrate advanced functionality and performance, many times well in advance of a planned ramp of production, in order to secure design wins with our customers. There can be no assurance that our product development efforts will be successful, that we will be able to cost-effectively manufacture new products, that we will be able to successfully market these products, or that margins generated from sales of these products will allow us to recover costs of development efforts.

Products that fail to meet specifications, are defective, or that are otherwise incompatible with end uses could impose significant costs on us.

Products that do not meet specifications or that contain, or are perceived by our customers to contain, defects or that are otherwise incompatible with end uses could impose significant costs on us or otherwise materially adversely affect our business, results of operations, or financial condition. From time to time we experience problems with nonconforming, defective or incompatible products after we have shipped such products. In recent periods we have further diversified and expanded our product offerings which could potentially increase the chance that one or more of our products could fail to meet specifications in a particular application. As a result of these problems we could be adversely affected in several ways, including the following:

- we may be required to compensate customers for costs incurred or damages caused by defective or incompatible product or replace products;
- we could incur a decrease in revenue or adjustment to pricing commensurate with the reimbursement of such costs or alleged damages; and
- we may encounter adverse publicity, which could cause a decrease in sales of our products.

A determination that our products or manufacturing processes infringe the intellectual property rights of others or entering into a license agreement covering such intellectual property could materially adversely affect our business, results of operations, or financial condition.

As is typical in the semiconductor and other high technology industries, from time to time others have asserted, and may in the future assert, that our products or manufacturing processes infringe their intellectual property rights. We are unable to predict the outcome of assertions of infringement made against us. A determination that our products or manufacturing processes infringe the intellectual property rights of others, or entering a license agreement covering such intellectual property, could result in significant liability and/or require us to make material changes to our products and/or manufacturing processes. Any of the foregoing results could have a material adverse effect on our business, results of operations, or financial condition. (See "Part 1. Financial Information – Item 1. Financial Statements – Notes to Consolidated Financial Statements – Contingencies.")

We have a number of intellectual property license agreements. Some of these license agreements require us to make one time or periodic payments. We may need to obtain additional patent licenses or renew existing license agreements in the future. We are unable to predict whether these license agreements can be obtained or renewed on acceptable terms.

Our joint ventures and strategic relationships involve numerous risks.

We have entered into strategic relationships to manufacture products and develop new manufacturing process technologies and products. These relationships include our IMFT NAND Flash joint venture with Intel, our Inotera DRAM joint venture with Nanya, and our MP Mask joint venture with Photronics. These joint ventures and strategic relationships are subject to various risks that could adversely affect the value of our investments and our results of operations. These risks include the following:

- our interests could diverge from our partners or we may not be able to agree with partners on ongoing manufacturing and operational activities, or on the amount, timing, or nature of further investments in our joint venture;
- we may experience difficulties in transferring technology to joint ventures;
- we may experience difficulties and delays in ramping production at joint ventures;
- our control over the operations of our joint ventures is limited;
- we may recognize losses from our equity method investments;
- due to financial constraints, our joint venture partners may be unable to meet their commitments to us or our joint ventures and may pose credit risks for our transactions with them;
- due to differing business models or long-term business goals, our partners may decide not to join us in funding capital investment in our joint ventures, which may result in higher levels of cash expenditures by us;
- cash flows may be inadequate to fund increased capital requirements;
- we may experience difficulties or delays in collecting amounts due to us from our joint ventures and partners;
- the terms of our partnering arrangements may turn out to be unfavorable; and
- changes in tax, legal, or regulatory requirements may necessitate changes in the agreements with our partners.

If our joint ventures and strategic relationships are unsuccessful, our business, results of operations, or financial condition may be materially adversely affected.

The operations of the MMJ Companies will be subject to continued oversight by the Japan Court during the pendency of the corporate reorganization proceedings.

Because the plans of reorganization of the MMJ Companies provide for ongoing payments to creditors following the closing of our acquisition of MMJ, the Japan Proceedings are continuing, and the MMJ Companies remain subject to the oversight of the Japan Court and of the trustees (including a trustee designated by us, who we refer to as the business trustee, and a trustee designated by the Japan Court, who we refer to as the legal trustee), pending completion of the Japan Proceedings. The Japan Proceedings and oversight of the Japan Court are expected to continue until the final creditor payment is made under the MMJ Companies' plans of reorganization, which is scheduled to occur in December 2019, but may occur on a later date to the extent any claims of creditors remain unfixed on the final scheduled installment payment date. Although we may be able to petition the court to terminate the Japan Proceedings once two-thirds of all payments under the plans of reorganization are made, there can be no assurance that the Japan Court will grant any such petition.

During the pendency of the Japan Proceedings, the MMJ Companies are obligated to provide periodic financial reports to the Japan Court and may be required to obtain the consent of the Japan Court prior to taking a number of significant actions relating to their businesses, including transferring or disposing of, or acquiring, certain material assets, incurring or guaranteeing material indebtedness, settling disputes, or entering into certain material agreements. The consent of the legal trustee may also be required for matters that would likely have a material impact on the operations or assets of the MMJ Companies and their subsidiaries or for transfers of material assets, to the extent the matters or transfers would reasonably be expected to materially and adversely affect execution of the plans of reorganization of the MMJ Companies. Accordingly, during the pendency of the Japan Proceedings, our ability to effectively integrate the MMJ Companies as part of our global operations or to cause the MMJ Companies to take certain actions that we deem advisable for their businesses could be adversely affected if the Japan Court or the legal trustee is unwilling to consent to various actions that we may wish to take with respect to the MMJ Companies.

Our Inotera Supply Agreement involves numerous risks.

Since January 2013, we have purchased all of Inotera's DRAM output at a price reflecting a discount from market prices for our comparable components under a supply agreement (the "2013 Supply Agreement"). In the second quarter of 2015, we executed a supply agreement, to be effective beginning on January 1, 2016 (the "2016 Supply Agreement"), which will replace the 2013 Supply Agreement. Under the 2016 Supply Agreement, the price for DRAM products sold to us will be based on a formula that equally shares margin between Inotera and us. The 2016 Supply Agreement has an initial two-year term, followed by a three-year wind-down period, and contemplates negotiations in late 2016 with respect to a two-year extension, and annual negotiations thereafter with respect to successive one-year extensions. Upon termination of the initial two-year term of the 2016 Supply Agreement, or any extensions, we would purchase DRAM from Inotera for the wind-down period. Our share of Inotera's capacity would decline over the wind-down period. Our Inotera supply agreements involve numerous risks including the following:

- higher costs for supply obtained under the Inotera supply agreements as compared to our wholly-owned facilities;
- difficulties and delays in ramping production at Inotera;
- difficulties in transferring technology to Inotera; and
- difficulties in coming to an agreement with Nanya regarding major corporate decisions, such as capital expenditures or capital structure.

In the first six months of 2015 and in 2014, our cost of products purchased from Inotera was significantly higher than our cost of similar products manufactured in our wholly-owned facilities, due to the pricing formula of the 2013 Supply Agreement and strong market conditions. For the second quarter of 2015, we purchased $628 million of DRAM products from Inotera and our supply from Inotera accounted for 35% of our aggregate DRAM gigabit production. If our supply of DRAM from Inotera is impacted, our business, results of operations, or financial condition could be materially adversely affected.

If our manufacturing process is disrupted, our business, results of operations, or financial condition could be materially adversely affected.

We manufacture products using highly complex processes that require technologically advanced equipment and continuous modification to improve yields and performance. Difficulties in the manufacturing process or the effects from a shift in product mix can reduce yields or disrupt production and may increase our per gigabit manufacturing costs. We maintain operations and continuously implement new product and process technology at our manufacturing operations which are widely dispersed in multiple locations in several countries including the U.S., Singapore, Taiwan, Japan, and China. Additionally, our control over operations at IMFT, Inotera, MP Mask, and Tera Probe is limited by our agreements with our partners. From time to time, we have experienced disruptions in our manufacturing process as a result of power outages, improperly functioning equipment, equipment failures, earthquakes, or other environmental acts. If production at a fabrication facility is disrupted for any reason, manufacturing yields may be adversely affected or we may be unable to meet our customers' requirements and they may purchase products from other suppliers. This could result in a significant increase in manufacturing costs or loss of revenues or damage to customer relationships, any of which could materially adversely affect our business, results of operations, or financial condition.

Changes in foreign currency exchange rates could materially adversely affect our business, results of operations, or financial condition.

Across our global operations, there are transactions and balances denominated in currencies other than the U.S. dollar (our reporting currency), primarily the euro, the Singapore dollar, the New Taiwan dollar, the yen, and the yuan. We recorded net losses from changes in currency exchange rates of $27 million for the first six months of 2015, $28 million for 2014, and $229 million for 2013. Based on our foreign currency exposures from monetary assets and liabilities, offset by balance sheet hedges, we estimate that a 10% adverse change in exchange rates versus the U.S. dollar would result in losses of approximately $5 million as of March 5, 2015. In addition, a significant portion of our manufacturing costs are denominated in foreign currencies. Exchange rates for some of these currencies against the U.S. dollar, particularly the yen, have been volatile in recent periods. If these currencies strengthen against the U.S. dollar, our manufacturing costs could significantly increase. In the event that the exchange rates for U.S. dollar adversely change against our foreign currency exposures in the euro, Singapore dollar, New Taiwan dollar, the yen, or the yuan, our results of operations or financial condition may be adversely affected.

We may make future acquisitions and/or alliances, which involve numerous risks.

Acquisitions and the formation or operation of alliances, such as joint ventures and other partnering arrangements, involve numerous risks including the following:

- integrating the operations, technologies, and products of acquired or newly formed entities into our operations;
- increasing capital expenditures to upgrade and maintain facilities;
- increased debt levels;
- the assumption of unknown or underestimated liabilities;
- the use of cash to finance a transaction, which may reduce the availability of cash to fund working capital, capital expenditures, research and development expenditures, and other business activities;
- diverting management's attention from normal daily operations;
- managing larger or more complex operations and facilities and employees in separate and diverse geographic areas;
- hiring and retaining key employees;
- requirements imposed by governmental authorities in connection with the regulatory review of a transaction, which may include, among other things, divestitures or restrictions on the conduct of our business or the acquired business;
- inability to realize synergies or other expected benefits;
- failure to maintain customer, vendor, and other relationships;
- inadequacy or ineffectiveness of an acquired company's internal financial controls, disclosure controls and procedures, and/or environmental, health and safety, anti-corruption, human resource, or other policies or practices; and
- impairment of acquired intangible assets and goodwill as a result of changing business conditions, technological advancements, or worse-than-expected performance of the acquired business.

In previous years, supply of memory products has significantly exceeded customer demand resulting in significant declines in average selling prices for DRAM, NAND Flash, and NOR Flash products. Resulting operating losses have led to the deterioration in the financial condition of a number of industry participants, including the liquidation of Qimonda and the 2012 bankruptcy filing by Elpida (now known as MMJ). These types of proceedings often lead to court-directed processes involving the sale of related businesses or assets. We believe the global memory industry is experiencing a period of consolidation as a result of these market conditions and other factors, and we may engage in discussions regarding potential acquisitions and similar opportunities arising out of these industry conditions. To the extent we are successful in completing any such transactions, we could be subject to some or all of the risks described above, including the risks pertaining to funding, assumption of liabilities, integration challenges, and increases in debt that may accompany such transactions. Acquisitions of, or alliances with, high-technology companies are inherently risky and may not be successful and may materially adversely affect our business, results of operations, or financial condition.

Breaches of our network security could expose us to losses.

We manage and store on our network systems various proprietary information and sensitive or confidential data relating to our operations. We also process, store, and transmit large amounts of data relating to our customers and employees, including sensitive personal information. Unauthorized users may be able to gain access to our network system and steal proprietary information, compromise confidential information, create system disruptions, or cause shutdowns. These parties may also be able to develop and deploy viruses, worms, and other malicious software programs that disrupt our operations and create security vulnerabilities. Attacks on our network systems could result in significant losses and damage our reputation with customers, and could expose us to litigation if the confidential information of our customers, suppliers, or employees is compromised.

Compliance with new regulations regarding the use of conflict minerals could limit the supply and increase the cost of certain metals used in manufacturing our products.

Increased focus on environmental protection and social responsibility initiatives led to the passage of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and its implementing Securities and Exchange Commission regulations. The Dodd-Frank Act imposes new supply chain diligence and disclosure requirements for certain manufacturers of products containing specific minerals that may originate in or near the Democratic Republic of the Congo (the "DRC") and finance or benefit local armed groups. These "conflict minerals" are commonly found in materials used in the manufacture of semiconductors. The implementation of these new regulations may limit the sourcing and availability of some of these materials. This in turn may affect our ability to obtain materials necessary for the manufacture of our products in sufficient quantities and may affect related material pricing. Some of our customers may elect to disqualify us as a supplier or reduce purchases from us if we are unable to verify that our products are DRC conflict free.

We may incur additional tax expense or become subject to additional tax exposure.

We operate in a number of locations outside the U.S., including in Singapore, where we have tax incentive agreements that are conditional upon meeting certain business operations and employment thresholds. Our domestic and international taxes are dependent upon the distribution of our earnings among these different jurisdictions. Our provision for income taxes and cash tax liabilities in the future could be adversely affected by numerous factors, including challenges by tax authorities to our tax structure, income before taxes being lower than anticipated in countries with lower statutory tax rates and higher than anticipated in countries with higher statutory tax rates, changes in the valuation of deferred tax assets and liabilities, failure to meet performance obligations with respect to tax incentive agreements, and changes in tax laws and regulations. We file income tax returns with the U.S. federal government, various U.S. states, and various other jurisdictions throughout the world. Our U.S. federal and state tax returns remain open to examination for 2010 through 2014. In addition, tax returns open to examination in multiple other taxing jurisdictions range from the years 2007 to 2014. The results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures may have an adverse effect on our provision for income taxes and cash tax liability.

We may not utilize all of our net deferred tax assets.

We have substantial deferred tax assets, which include, among others, net operating loss and credit carryforwards. As of August 28, 2014, our U.S. federal and state net operating loss carryforwards, including uncertain tax benefits, were $3.89 billion and $1.71 billion, respectively, which, if not utilized, will expire at various dates from 2015 through 2033. As of August 28, 2014, our foreign net operating loss carryforwards were $5.37 billion, including $3.95 billion pertaining to Japan, which, if not utilized, substantially all will expire at various dates from 2018 through 2023. As of August 28, 2014, we had valuation allowances of $1.29 billion and $979 million against our net deferred tax assets in the U.S. and Japan, respectively.

The limited availability of raw materials, supplies, or capital equipment could materially adversely affect our business, results of operations, or financial condition.

Our operations require raw materials, and in certain cases, third party services, that meet exacting standards. We generally have multiple sources of supply for our raw materials and services. However, only a limited number of suppliers are capable of delivering certain raw materials and services that meet our standards. In some cases, materials, components, or services are provided by a single supplier. Various factors could reduce the availability of raw materials or components such as silicon wafers, controllers, photomasks, chemicals, gases, photoresist, lead frames, and molding compound. Shortages may occur from time to time in the future. We and/or our suppliers could be affected by laws and regulations enacted in response to concerns regarding climate change, which could increase the cost and limit the supply of our raw materials. In addition, disruptions in transportation lines could delay our receipt of raw materials. Lead times for the supply of raw materials have been extended in the past. If our supply of raw materials or services is disrupted or our lead times extended, our business, results of operations, or financial condition could be materially adversely affected.

Our operations are dependent on our ability to procure advanced semiconductor manufacturing equipment that enables the transition to lower cost manufacturing processes. For certain key types of equipment, including photolithography tools, we are sometimes dependent on a single supplier. From time to time we have experienced difficulties in obtaining some equipment on a timely basis due to the supplier's limited capacity. Our inability to obtain this equipment timely could adversely affect our ability to transition to next generation manufacturing processes and reduce costs. Delays in obtaining equipment could also impede our ability to ramp production at new facilities and increase our overall costs of the ramp. If we are unable to obtain advanced semiconductor manufacturing equipment in a timely manner, our business, results of operations, or financial condition could be materially adversely affected.

A downturn in the worldwide economy may harm our business.

Downturns in the worldwide economy have harmed our business in the past and future downturns could also adversely affect our business. Adverse economic conditions affect demand for devices that incorporate our products, such as personal computers, mobile devices, solid-state drives, and servers. Reduced demand for these products could result in significant decreases in our average selling prices and product sales. A deterioration of current conditions in worldwide credit markets could limit our ability to obtain external financing to fund our operations and capital expenditures. In addition, we may experience losses on our holdings of cash and investments due to failures of financial institutions and other parties. Difficult economic conditions may also result in a higher rate of loss on our accounts receivables due to credit defaults. As a result, our business, results of operations, or financial condition could be materially adversely affected.

Our results of operations could be affected by natural disasters and other events in the locations in which we or our customers or suppliers operate.

We have manufacturing and other operations in locations subject to natural occurrences such as severe weather and geological events including earthquakes or tsunamis that could disrupt operations. In addition, our suppliers and customers also have operations in such locations. A natural disaster, fire, explosion, or other event that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, may materially adversely affect our business, results of operations, or financial condition.

We face risks associated with our international sales and operations that could materially adversely affect our business, results of operations or financial condition.

Sales to customers outside the United States approximated 85% of our consolidated net sales for the second quarter of 2015. In addition, a substantial portion of our manufacturing operations are located outside the United States. In particular, a significant portion of our manufacturing operations are concentrated in Taiwan, Singapore, and Japan. Our international sales and operations are subject to a variety of risks, including:

- export and import duties, changes to import and export regulations, customs regulations and processes, and restrictions on the transfer of funds;
- compliance with U.S. and international laws involving international operations, including the Foreign Corrupt Practices Act, export control laws, and similar rules and regulations;
- political and economic instability;
- problems with the transportation or delivery of our products;

- issues arising from cultural or language differences and labor unrest;
- longer payment cycles and greater difficulty in collecting accounts receivable;
- compliance with trade, technical standards, and other laws in a variety of jurisdictions;
- contractual and regulatory limitations on our ability to maintain flexibility with our staffing levels;
- disruptions to our manufacturing operations as a result of actions imposed by foreign governments;
- changes in economic policies of foreign governments; and
- difficulties in staffing and managing international operations.

These factors may materially adversely affect our business, results of operations, or financial condition.

We are subject to counterparty default risks.

We have numerous arrangements with financial institutions that subject us to counterparty default risks, including cash deposits, investments, capped-call contracts on our stock, and derivative instruments. As a result, we are subject to the risk that the counterparty to one or more of these arrangements will default on its performance obligations. A counterparty may not comply with their contractual commitments which could then lead to their defaulting on their obligations with little or no notice to us, which could limit our ability to take action to mitigate our exposure. Additionally, our ability to mitigate our exposures may be constrained by the terms of our contractual arrangements or because market conditions prevent us from taking effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable laws governing the bankruptcy proceeding. In the event of such default, we could incur significant losses, which could adversely impact our business, results of operations, or financial condition.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

In the first quarter of 2015, our Board of Directors authorized the repurchase of up to $1.00 billion of our common stock. Any repurchases under the authorization may be made in open market purchases, block trades, privately negotiated transactions, and/or derivative transactions, subject to market conditions and our ongoing determination that it is the best use of available cash. During the second quarter of 2015, we purchased 6,521,986 shares of our common stock through open market transactions.

Period	Total number of shares purchased	Average price paid per share[(1)]	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares (or units) that may yet be purchased under the plans or programs
December 5, 2014 – January 8, 2015				$ 1,000,000,000
January 9, 2015 – February 5, 2015	4,009,032	$ 29.69	4,009,032	880,957,780
February 6, 2015 – March 5, 2015	2,512,954	29.11	2,512,954	807,818,140
	6,521,986	29.47	6,521,986	

(1) Excludes commissions.

In our consolidated financial statements, we also treat shares of common stocks withheld as payment of withholding taxes or exercise prices in connection with the vesting or exercise of equity awards as common stock repurchases. Those withheld shares of common stock are not considered common stock repurchases under our authorized common stock repurchase plan and accordingly are not included in above table.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

Exhibit Number	Description of Exhibit
3.1	Restated Certificate of Incorporation of the Registrant (1)
3.2	Bylaws of the Registrant, Amended and Restated (1)
10.88	Facility Agreement, dated February 12, 2015, among Micron Semiconductor Asia Pte. Ltd., as borrower, certain financial institutions party thereto, and The Hongkong and Shanghai Banking Corporation Limited, as facility agent, security agent and account bank.
10.89*	2013 Supply Agreement, dated January 17, 2013, by and among Micron Technology, Inc., Micron Semiconductor Asia Pte. Ltd. and Inotera Memories, Inc.
10.90*	2015 Supply Agreement, dated February 10, 2015, by and among Micron Technology, Inc., Micron Semiconductor Asia Pte. Ltd. and Inotera Memories, Inc.
10.91*	2016 Supply Agreement, dated February 10, 2015, by and among Micron Technology, Inc., Micron Semiconductor Asia Pte. Ltd. and Inotera Memories, Inc.
10.92	Amended and Restated 2007 Equity Incentive Plan
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Principal Financial and Accounting Officer
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350
32.2	Certification of Principal Financial and Accounting Officer Pursuant to 18 U.S.C. 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Incorporated by reference to Current Report on Form 8-K dated January 26, 2015.

* Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Micron Technology, Inc.
(Registrant)

Date: April 10, 2015

/s/ Mark W. Adams
Mark W. Adams
President

Date: April 10, 2015

/s/ Mark J. Heil
Mark J. Heil
Principal Financial and Accounting Officer

EXHIBIT 10.88
EXECUTION COPY

DATED THIS 12TH DAY OF FEBRUARY 2015

Between

MICRON SEMICONDUCTOR ASIA PTE. LTD.
as Borrower

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
DBS BANK LTD.
ING BANK N.V., SINGAPORE BRANCH
STANDARD CHARTERED BANK
as Mandated Lead Arrangers

Oversea-Chinese Banking Corporation Limited
as Arranger

the financial institutions listed in schedule 1
as Original Lenders

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
as Facility Agent

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
as Security Agent

and

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
as Account Bank

US$750,000,000 FACILITY AGREEMENT

WONGPARTNERSHIP LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6416 8000
Fax: +65 6532 5711 /+ 65 6532 5722
Email: contactus@wongpartnership.com
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TABLE OF CONTENTS

CLAUSE	HEADING	PAGE
1.	DEFINITIONS AND INTERPRETATION	1
2.	THE FACILITY	12
3.	PURPOSE	13
4.	CONDITIONS OF UTILISATION	14
5.	UTILISATION	14
6.	REPAYMENT	15
7.	PREPAYMENT AND CANCELLATION	16
8.	EARLY AMORTISATION EVENTS	18
9.	INTEREST	19
10.	INTEREST PERIODS	19
11.	CHANGES TO THE CALCULATION OF INTEREST	20
12.	FEES	21
13.	TAX GROSS-UP AND INDEMNITIES	22
14.	INCREASED COSTS	25
15.	OTHER INDEMNITIES	26
16.	MITIGATION BY THE LENDERS	27
17.	COSTS AND EXPENSES	27
18.	REPRESENTATIONS AND WARRANTIES	28
19.	INFORMATION UNDERTAKINGS	32
20.	PORTFOLIO TESTS	36
21.	GENERAL UNDERTAKINGS	36
22.	COLLECTION ACCOUNT	39
23.	EVENTS OF DEFAULT	42
24.	CHANGES TO THE LENDERS	44
25.	CHANGES TO THE BORROWER AND THE GUARANTOR	49
26.	ROLE OF THE FACILITY AGENT AND THE ARRANGERS	50
27.	CONDUCT OF BUSINESS BY THE FINANCE PARTIES	58
28.	SHARING AMONG THE FINANCE PARTIES	58
29.	PAYMENT MECHANICS	60
30.	SET-OFF	62
31.	NOTICES	62
32.	CALCULATIONS AND CERTIFICATES	64
33.	PARTIAL INVALIDITY	64
34.	REMEDIES AND WAIVERS	64
35.	AMENDMENTS AND WAIVERS	64

36.	COUNTERPARTS	65
37.	GOVERNING LAW	65
38.	ENFORCEMENT	66
SCHEDULE 1	THE ORIGINAL LENDERS	67
SCHEDULE 2	FORM OF LENDER ACCESSION AGREEMENT	68
SCHEDULE 3	CONDITIONS PRECEDENT	69
SCHEDULE 4	UTILISATION REQUEST	72
SCHEDULE 5	FORM OF TRANSFER CERTIFICATE	73
SCHEDULE 6	TIMETABLES	75
SCHEDULE 7	ALLOCATION OF CASHFLOWS FOLLOWING AN EARLY AMORTISATION EVENT	76
SCHEDULE 8	MONTHLY REPORT	77

THIS FACILITY AGREEMENT is made on 12 February 2015 (the "**Agreement**")

BETWEEN:

(1) **MICRON SEMICONDUCTOR ASIA PTE. LTD.**, Reg. No.: 199802941W (the "**Borrower**") a company incorporated under the laws of Singapore, with its registered address at 1 North Coast Drive, Singapore 757432, as borrower;

(2) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH**, **DBS BANK LTD.**, **ING Bank N.v., SINGAPORE BRANCH**, and **standard chartered bank** as mandated lead arrangers and bookrunners (the "**Mandated Lead Arrangers**");

(3) **Oversea-Chinese Banking Corporation Limited** as arranger (the "**Arranger**")

(4) **The Financial Institutions** listed in Schedule 1 as original lenders (the "**Original Lenders**");

(5) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH** as facility agent of the other Finance Parties (the "**Facility Agent**");

(6) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH** as security agent of the other Finance Parties (the "**Security Agent**"); and

(7) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH** as account bank (the "**Account Bank**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Aging Report**" has the meaning ascribed to it in Clause 19.5 (*Due diligence and audit*).

"**Approved Fund**" means any person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by:

(a) a Lender;

(b) an Affiliate of a Lender; or

(c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Assignment of Receivables**" means an assignment of the Receivables by the Borrower in favour of the Security Agent.

"**Authorisation**" means:

(a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or

(b) in relation to anything which will be fully or partly prohibited or restricted by law or regulation if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"**Availability Period**" means the period from and including the date of this Agreement to and including the date falling one Month before the Final Maturity Date.

"**Available Commitment**" means a Lender's Commitment under the Facility minus:

(a) the amount of its participation in any outstanding Loans under the Facility; and

(b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"**Available Facility**" means the aggregate for the time being of each Lender's Available Commitment.

"**Basel III**" means:

(a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement - Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"**Break Costs**" means the amount (if any), as determined by a Lender, by which:

(a) the interest which that Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or an Unpaid Sum to the last day of the current Interest Period in respect of a Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period,

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the London

interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means:

(a) in relation to any payments under the Finance Documents, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and the relevant financial markets are open for general business in Singapore, Hong Kong and New York;

(b) for the purposes of the definition of Quotation Day, a day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for general business in London; and

(c) in any other case, a day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for general business in Singapore and Hong Kong.

"**Charged Assets**" means the assets from time to time subject, or expressed to be subject, to all or any of the Security created or expressed to be created pursuant to any Security Document.

"**Collection Account**" means the account no. 260-787163-178 denominated in US Dollars in the name of the Borrower maintained with the Account Bank.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means:

(a) in relation to an Original Lender, the amount in US Dollars set opposite its name under the heading "**Commitment**" in Schedule 1 (*The Original Lenders*) and the amount of any other Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in US Dollars of any Commitment transferred to it under this Agreement,

(in each case) including any Increased Commitment, to the extent not cancelled, reduced or transferred by it under this Agreement.

"**CRD IV**" means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC.

"**CRR**" means Regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012.

"**Debtor**" means a party from whom any Receivable is owing.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Early Amortisation Event**" means any of the events or circumstances set out below:

(a) any representation or statement made or deemed to be made by the Borrower or the Guarantor in the Finance Documents or any other document delivered by or on behalf of the Borrower or the Guarantor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, save that no Early Amortisation Event will occur if that misrepresentation or misstatement, or the circumstance giving rise to it, is/are capable of remedy and is/are remedied within 30 Business Days of the date on which the Facility Agent (acting on the instructions of the Majority Lenders) notifies the Borrower of the occurrence of that Early Amortisation Event;

(b) more than 50 per cent. of the shares in the Borrower are not, or ceases to be, directly or indirectly, owned by the Guarantor and/or any of its Affiliates without the prior written consent of all the Lenders;

(c) any Security Document or any guarantee or indemnity in any Finance Document is not in full force and effect or any Security Document does not create in favour of the Security Agent the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have;

(d) any requirement of Clauses 22.3(a) or 22.8 (*Access to Collection Account*) is not satisfied and (in the case of Clause 22.4 (*Payments to the Collection Account*)) within the grace period provided therein, save that no Early Amortisation Event will occur under Clause 22.4(a) if:

(i) (A) the failure to pay the Receivables into the Collection Account is caused by administrative or technical error(s) and (B) such failure to pay the affected Receivables into the Collection Account is remedied within seven (7) Business Days thereof; or

(ii) the Facility Agent (acting on the instructions of the Majority Lenders) is satisfied (acting reasonably) that such failure to pay the Receivables into the Collection Account is due to an occasional error and the Borrower has in place a proper system and policy for the remittance of proceeds from such Receivables to the Collection Account.

(e) any provision of the Finance Documents (other than those referred to in Clause 23.1 (*Non-payment*) and 23.2 (*Other obligations*)) is not complied with, save that no Early Amortisation Event will occur if such failure to comply is capable of remedy and is remedied within 30 Business Days of the date on which the Facility Agent notifies the Borrower of such failure to comply.

"**Eligible Receivable**" has the meaning ascribed to it in the Assignment of Receivables.

"**Event of Default**" means any event or circumstance specified as such in Clause 23 (*Events of Default*).

"**Facility**" means the revolving credit facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations, instructions or other official guidance, as amended from time to time;

(b) any treaty, law, regulation, instruction or other official guidance enacted or amended in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation, instruction or other official guidance referred to in paragraph (a) above;

(c) any agreement pursuant to the implementation of any treaty, law, regulation, instruction or other official guidance referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction; or

(d) any treaty, law, regulation, instruction or other official guidance analogous to paragraphs (a) or (b) enacted or amended in any other jurisdiction from time to time, and any agreement pursuant to the implementation of any such treaty, law, regulation, instruction or other official guidance with any governmental or taxation authority in any jurisdiction.

"**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or

(c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means any letter or letters between a Finance Party and the Borrower setting out, *inter alia*, any of the fees referred to in Clause 12 (*Fees*).

"**Final Maturity Date**" means 12 February 2020.

"**Finance Document**" means this Agreement, any Lender Accession Agreement, any Security Document, any Fee Letter and any other document designated as such by the Facility Agent and the Borrower.

"**Finance Party**" means the Facility Agent, the Security Agent, a Mandated Lead Arranger, the Arranger or a Lender.

"**Financial Indebtedness**" means, with respect to any person, without double counting, any obligation (other than non-recourse obligations) of that person for borrowed moneys and any obligation evidenced by bonds, debentures, notes or other similar instruments.

"**GAAP**" means generally accepted accounting principles, standards and practices in the jurisdiction of incorporation of the Borrower or (as the case may be) the Guarantor.

"**Governmental Agency**" means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under any law or regulation).

"**Guarantor**" means Micron Technology, Inc., a corporation incorporated under the laws of the State of Delaware, with its registered address at 100 West Tenth Street, City of Wilmington, County of New Castle, State of Delaware, United States of America.

"**Guaranty**" means the guaranty executed or to be executed by the Guarantor in favour of the Security Agent guaranteeing the Borrower's obligations under the Finance Documents.

"**Holding Company**" means, in relation to an entity, any other entity in respect of which it is a Subsidiary.

"**Increased Commitments**" has the meaning ascribed to it in under Clause 2.2(a) (*Option to increase*).

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (*Default interest*).

"**Interpolated Rate**" means, in relation to LIBOR for any Loan, the rate which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust fund or other entity which has become a Party in accordance with Clause 24 (*Changes to the Lenders*),

which in each case, has not ceased to be a Party in accordance with the terms of this Agreement.

"**Lender Accession Agreement**" means the document substantially in the form set out in Schedule 2 (*Form of Lender Accession Agreement*).

"**Liabilities**" means all present and future moneys, debts and liabilities due, owing or incurred by the Borrower and the Guarantor to the Finance Parties under or in connection with the Finance Documents (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

"**LIBOR**" means, in relation to the Loan or any Unpaid Sum:

(a) the applicable Screen Rate as of the Specified Time on the Quotation Day for the offering of deposits in US Dollars and for a period comparable to the Interest Period for the Loan or (as the case may be) such Unpaid Sum; or

(b) (if a Screen Rate is available for US Dollars but is not available for the Interest Period of the Loan or (as the case may be) such Unpaid Sum (provided that a Screen Rate is available for both a period longer and a period shorter than the Interest Period for the Loan or (as the case may be) such Unpaid Sum)) the Interpolated Rate; or

(if no Screen Rate is available for US Dollars or if no Screen Rate is available for both a period longer and a period shorter than the Interest Period for the Loan or (as the case may be) such Unpaid Sum) the arithmetic mean of the rates (rounded upwards to four decimal places) quoted by the Reference Banks to leading banks in the London interbank market (as supplied to the Facility Agent at its request).

"**Loan**" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**Majority Lenders**" means:

(a) if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than 50 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 50 per cent. of the Total Commitments immediately prior to the reduction); or

(b) at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than 50 per cent. of the Loans then outstanding.

"**Margin**" means:

(a) (if the amount of the Available Facility is less than 33.33 per cent. of the amount of the Total Commitments) 2.25 per cent. per annum.;

(b) (if the amount of the Available Facility is more than or equal to 33.33 per cent. of the amount of the Total Commitments, but less than 66.66 per cent. of the amount of the Total Commitments) 2.00 per cent. per annum; or

(c) (if the amount of the Available Facility is at least 66.66 per cent. of the amount of the Total Commitments) 1.75per cent. per annum.

"**Material Adverse Effect**" means a material adverse effect on the operations, assets, prospects, business or condition (financial or otherwise) of the Borrower.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

"**Monthly Report**" has the meaning ascribed to it in Clause 19.6 (*Monthly Reports*).

"**Obligor**" has the meaning ascribed to it in Clause 26.25 (*Data Protection*).

"**Original Financial Statements**" means the audited consolidated financial statements of the Guarantor and the audited financial statements of the Borrower, in each case for the financial year ended 2013.

"**Party**" means a party to this Agreement.

"**Personal Data**" means data, whether true or not, about an individual who can be identified from that data or from that data and other information to which the Finance Parties, their respective agents and/or authorised service providers, and/or (as the case may be) the relevant third parties have or are likely to have access.

"Portfolio Tests" means the tests described in Clause 20 (*Portfolio Tests*).

"**Purchase Contracts**" means all contracts from time to time entered into by the Borrower with any Debtor for the sale or other disposal of goods by the Borrower.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

"**Receivables**" means all receivables from time to time arising from or in connection with the sale of goods by the Borrower (whether owing to the Borrower under or pursuant to the Purchase Contracts or otherwise).

"**Reference Banks**" means the principal London offices of BNP Paribas SA, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Standard Chartered Bank (in each case, for so long as they remain Lenders) or such other banks as may be appointed by the Facility Agent in consultation with the Borrower.

"**Repeating Representations**" means each of the representations set out in Clauses 18.1 (*Status*), 18.2 (*Binding obligations*), 18.3 (*Non-conflict with other obligations*), 18.4 (*Power and authority*), 18.5 (*Validity and admissibility in evidence*), 18.6 (*Governing law and enforcement*), 18.7(a), 18.8(a), 18.8(d) (*No misleading information*), 18.10 (*Pari passu ranking*), 18.16 (*Public Records*), 18.17 (*Sanctions*), 18.18 (*Anti-Money Laundering*), and 18.19 (*Anti-Corruption / Anti-Bribery*).

"**Rollover Loan**" means one or more Loans:

(a) made or to be made on the same day that one or more maturing Loans made is or are due to be repaid;

(a) the aggregate amount of which is equal to or less than the maturing Loan(s); and

(b) made or to be made to the Borrower for the purpose of refinancing the maturing Loan(s).

"**S$**" means Singapore dollars.

"**Screen Rate**" means the rate per annum for the relevant period displayed on the page "LIBOR01" of the Reuters Service Screen. If the agreed page is replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and all the Lenders.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agency Deed**" means the security agency deed between the Borrower, the Guarantor and the Finance Parties.

"**Security Documents**" means the Assignment of Receivables, the Guaranty, the Security Agency Deed and any other security or other document that may at any time be given as security, guarantee or assurance for any of the Liabilities pursuant to or in connection with any Finance Document.

"**Specified Time**" means a time determined in accordance with Schedule 6 (*Timetables*).

"**Subsidiary**" means:

(a) a subsidiary within the meaning of section 5 of the Companies Act (Chapter 50 of Singapore); or

(b) in relation to any company, corporation, trust, fund, or other entity (whether or not a body corporate), a company, corporation, trust, fund, or other entity (whether or not a body corporate):

(i) which is controlled, directly or indirectly, by the first-mentioned company, corporation, trust, fund, or other entity (whether or not a body corporate);

(ii) more than half the issued share capital (if it has an issued share capital) of which is beneficially owned, directly or indirectly by the first mentioned company, corporation, trust, fund, or other entity (whether or not a body corporate); or

(iii) which is a Subsidiary of another Subsidiary of the first-mentioned company, corporation, trust, fund, or other entity (whether or not a body corporate), and for this purpose, a company, corporation, trust, fund, or other entity (whether or not a body corporate) shall be treated as being controlled by another if that other company, corporation, trust, fund, or other entity (whether or not a body corporate) is able (whether through ownership of shares or otherwise) to direct its affairs and/or to control the composition of its board of directors or equivalent body (whether or not it actually exercises such control).

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Total Adjusted Net Eligible Receivables**" has the meaning ascribed to it in Schedule 8 (*Monthly Report*).

"**Total Net Eligible Receivables**" has the meaning ascribed to it in Schedule 8 (*Monthly Report*).

"**Total Commitments**" means the aggregate of the Commitments, being US$750,000,000 at the date of this Agreement, and the Increased Commitments (if any).

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Security Documents.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrower.

"**Transfer Date**" means, in relation to a transfer, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and

(b) the date on which the Facility Agent executes the Transfer Certificate.

"**Unpaid Sum**" means any sum due and payable but unpaid by the Borrower or (as the case may be) the Guarantor under the Finance Documents.

"**US**" means the United States of America.

"**US Dollars**" or "**US$**" means United States dollars.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 4 (*Utilisation Request*).

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) any "**Mandated Lead Arranger**", the "**Arranger**", the "**Borrower**", the "**Facility Agent**", any "**Finance Party**", the "**Guarantor**", any "**Lender**", any "**Party**" or the "**Security Agent**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) "**assets**" includes present and future businesses, properties, assets, revenues and rights of every description;

(iii) "**consent**" also includes an approval, authorisation, exemption, filing, licence, order, permission, recording or registration (and references to obtaining consents shall be construed accordingly);

(iv) "**disposal**" includes any sale, assignment, exchange, transfer, concession, loan, lease, surrender of lease, licence, reservation, waiver, compromise, release of security, dealing with or the granting of any option or right or interest whatsoever

or any agreement for any of the same and "**dispose**" means to make a disposal, and "**acquisition**" and "**acquire**" shall be construed *mutatis mutandis*;

(v) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other agreement or instrument;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatsoever (and "**lawful**" and "**unlawful**" shall be construed accordingly);

(viii) any "**obligation**" of any person under any Finance Document or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under such Finance Document or, as the case may be, that other agreement or document (and "**due**", "**owing**", "**payable**" and "**receivable**" shall be similarly construed);

(ix) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;

(x) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(xi) "**shares**" or "**share capital**" includes equivalent ownership interests (and "**shareholder**" and similar expressions shall be construed accordingly);

(xii) the "**winding-up**" of a person also includes the amalgamation, reconstruction, reorganisation, administration, judicial management, dissolution or liquidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets;

(xiii) a provision of law is a reference to that provision as amended or re-enacted; and

(xiv) a time of day is a reference to Singapore time unless otherwise stated.

(b) Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (including an Event of Default) and an Early Amortisation Event is "**continuing**" if they have not been remedied or waived.

1.3 Third Party Rights

(a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any terms of this Agreement the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of this Agreement.

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement the Lenders agree to make available to the Borrower a revolving credit facility in US Dollars in an aggregate amount equal to the lower of (i) the Total Commitments and (ii) the amount equivalent to the Total Adjusted Net Eligible Receivables as determined from time to time pursuant to Clause 20.1 (*Maximum Advance Ratio*).

2.2 Option to increase

(a) Subject to Clause 2.2(d) below, the Borrower may, by giving prior notice to the Facility Agent (which notice shall be given on the earlier of (i) the date falling 30 days before such proposed increase and (ii) the date falling 60 days before the last day of the Availability Period), request that the Total Commitments be increased in an amount requested by the Borrower (the "**Increased Commitments**") and further, to provide the opportunity to each existing Lender to take up a rateable share of the Increased Commitments.

(b) Notwithstanding any other provision of this Clause 2.2, the Lenders shall have the sole and absolute discretion whether or not to agree to such increase in the Total Commitments.

(c) (If so agreed by the Lender(s)) the Increased Commitments will be assumed by one or more of such Lender(s) which has confirmed its willingness to assume its part of the Increased Commitments which it is to assume. Notwithstanding any other provision of this Clause 2.2, none of the Lenders shall have any obligation to agree to assume any part of the Increased Commitments.

(d) If any of the existing Lenders does not agree to assume any of its share of the Increased Commitments, the Borrower shall then be entitled to invite other banks and financial institutions to assume such part of the Increased Commitments not assumed by the existing Lender(s), Provided That (i) each such bank and financial institution shall become a Lender on the Accession Date which shall be on the last day of an Interest Period (as stated in its Lender Accession Agreement) if it delivers to the Facility Agent a Lender Accession Agreement and the Finance Party Accession Deed (as defined in the Security Agency Deed) and, on the Accession Date, pay to the Facility Agent (for its own account) an administrative

fee of US$5,000 and (ii) such accession shall be subject to the compliance of such "know your customer" or other similar procedures as may be necessary to be undertaken by the Facility Agent on such new Lender(s).

(e) The Total Commitments may be increased subject to the following conditions:

(i) no Default or Early Amortisation Event has occurred on the date of the notice referred to in paragraph (a) above or on the date the increase is proposed to take effect; and

(ii) the Lenders are satisfied that the Borrower is in compliance with the Maximum Advance Ratio after taking into account such increase.

(f) Any increase in the Total Commitments pursuant to the Increased Commitments shall be made on the same terms and conditions as the existing Commitments.

The provisions of Clause 4.2 (*Further conditions precedent*) will not apply in respect of any Utilisation Request issued by the Borrower pursuant to Clause 6.1(b) for the purposes of requesting a Loan on the Accession Date solely as a result of any Increased Commitments effected pursuant to Clause 2.2(d) where the amount of the proposed Loan is not more than the amount of the maturing Loan.

2.3 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Borrower or the Guarantor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility towards the general corporate purposes of the Borrower.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

Each of the Lenders authorises (but does not require) the Facility Agent to give conditions precedent notifications. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving such notifications. The Borrower may not deliver a Utilisation Request unless the Facility Agent has received all of the documents listed in and appearing to comply with the requirements of Schedule 3 (*Conditions Precedent*). The Facility Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if the Lenders are satisfied (acting reasonably) that:

(a) on the date of the Utilisation Request and on the proposed Utilisation Date, no Default under Clause 23 (*Events of Default*) or Early Amortisation Event has occurred or would result from the proposed Loan;

(b) on the date of the Utilisation Request and on the proposed Utilisation Date, the Repeating Representations are true and correct in all respects;

(c) since the date of this Agreement, in the opinion of the Facility Agent (acting on the instructions of the Majority Lenders), no event or circumstance has occurred which has a Material Adverse Effect; and

(d) the date of the Utilisation Request (apart from the first Utilisation Request made under this Agreement) shall not be later than 49 days from the most recent Monthly Report delivered pursuant to Clause 19.6 (*Monthly Reports*).

4.3 Maximum number of Loans

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation more than five (5) Loans will be outstanding.

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

(a) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period;

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*);

(iii) the proposed Interest Period complies with Clause 10 (*Interest Periods*); and

(iv) it specifies the account and bank (which must be in Singapore) to which the proceeds of the Utilisation (in the case of the first Loan, excluding the amount equal to the interest payable in respect of that Loan) are to be credited.

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in the Utilisation Request must be US Dollars.

(b) Subject always to Clause 6.2 (*Reborrowing*), the amount of each proposed Loan (including each Rollover Loan):

(i) must not exceed the Available Facility; and

(ii) when aggregated with all other Loans then outstanding and the amount of all other Loans that are due to be made on or before the proposed Utilisation Date, must not exceed the lower of (i) the Total Commitments and (ii) the Total Adjusted Net Eligible Receivables indicated in the most recent Monthly Report received by the Facility Agent (the "**Threshold Amount**").

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the relevant Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making that Loan.

(c) The Facility Agent shall notify each Lender of the amount of each Loan and the amount of its participation in that Loan by the Specified Time.

6. REPAYMENT

6.1 Repayment of Loans

(a) Subject to Clause 6.1(b), the Borrower shall repay each Loan on the last day of its Interest Period.

(b) If a Loan is not repaid on the last day of its Interest Period, and the Facility Agent has not prior to the date falling three (3) Business Days before the last day of such Interest Period received a Utilisation Request for a Loan to be made on the last day of such Interest Period, the Facility Agent shall deem itself to have received such a Utilisation Request for a Rollover Loan on the same terms, *mutatis mutandis*, as the Utilisation Request for the maturing Loan (but so that the amount of such Rollover Loan shall be subject to Clause 5.3(b)), and all Parties agree and acknowledge that the Facility Agent may proceed on the basis that such Rollover Loan is to be made available to the Borrower. For the avoidance of doubt, other than the provisions of Clause 5.3 (*Currency and amount*), satisfaction of the conditions set out in Clause 4 (*Conditions of Utilisation*) (including Clause 4.2(b)) is not required for the making of the Rollover Loans.

If, the amount of such proposed Rollover Loan exceeds the Threshold Amount, the Borrower shall be required to pay an amount in cash equal to such amount which is in excess of the Threshold Amount, and the balance amount shall be the amount of the Rollover Loan.

In the event that there are Increased Commitments effected pursuant to Clause 2.2 (*Option to increase*), the Borrower shall be required to issue a new Utilisation Request for the purposes of making a Loan on the Accession Date (and no Rollover Loan shall be deemed to have been made).

(c) The Borrower shall repay the Loans and all amounts outstanding under the Finance Documents in full on the Final Maturity Date.

6.2 Reborrowing

Without prejudice to the Borrower's obligation under Clause 6.1 above, if one or more Rollover Loans are to be made available to the Borrower, on the same day that a maturing Loan is due to be repaid by the Borrower and, in whole or in part for the purpose of refinancing the maturing Loan, the aggregate amount of the Rollover Loans shall be treated as if applied in or towards repayment of the maturing Loan so that:

(a) if the amount of the maturing Loan exceeds the aggregate amount of the Rollover Loans:

(i) the Borrower will only be required to pay an amount in cash equal to that excess; and

(ii) each Lender's participation (if any) in the Rollover Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation (if any) in the maturing Loan and that Lender will not be required to make its participation in the Rollover Loans available in cash; or

(b) if the amount of the maturing Loan is equal to or less than the aggregate amount of the Rollover Loans:

(i) the Borrower will not be required to make any payment in cash; and

(ii) each Lender will be required to make its participation in the Rollover Loans available in cash only to the extent that its participation (if any) in the Rollover Loans exceeds that Lender's participation (if any) in the maturing Loan and the remainder of that Lender's participation in the Rollover Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement and/or to make, fund or allow to remain outstanding its participation in any Loan:

(a) that Lender shall notify the Facility Agent upon becoming aware of that event;

(b) upon the Facility Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and

(c) the Security Agent shall by notice to the Borrower apply such amount of proceeds of the Receivables represented by the amount "Y" calculated by the Facility Agent in accordance with Schedule 7 (*Allocation of cashflows following an Early Amortisation Event*) towards the amortisation of that Lender's participation in the Loans in full on the last day of the Interest Period for each Loan occurring after the Facility Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and (if such proceeds are insufficient to prepay that Lender's participation in the Loans in full) the Borrower shall prepay the balance of that Lender's participation in the Loans on the last day of any applicable grace period permitted by law.

7.2 Voluntary cancellation

The Borrower may at any time before the last day of the Availability Period, if it gives the Facility Agent not less than seven (7) days' prior notice of the date and amount of the cancellation, cancel the whole or any part (but if in part, being a minimum aggregate amount of US$5,000,000 and higher integral multiples of US$5,000,000 in excess thereof) of the Available Facility.

7.3 Automatic cancellation

Any part of the Facility which remains undrawn by the Borrower at the close of business in Singapore on the last day of the Availability Period shall be automatically cancelled.

7.4 Voluntary prepayment of Loans

The Borrower may, if it gives the Facility Agent not less than three (3) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Loan (but, if in part, being an amount that reduces that Loan by a minimum amount of US$5,000,000 and higher integral multiples of US$1,000,000 in excess thereof).

7.5 Right of repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by the Borrower or the Guarantor is required to be increased under paragraph (a) of Clause 13.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Borrower under Clause 13.3 (*Tax indemnity*) or Clause 14.1 (*Increased costs*); or

(iii) any Lender does not waive an Early Amortisation Event or an Event of Default,

the Borrower may, whilst the circumstance giving rise to the requirement or indemnification or whilst that Early Amortisation Event or Event of Default continues, give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans.

(b) On receipt of a notice referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loans.

7.6 Restrictions

(a) Any notice of cancellation or prepayment given by either Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement (i) shall be made together with accrued interest on the amount prepaid, any Break Costs under Clause 11.4 (*Break Costs*) and all other sums payable under this Agreement in connection with the amount so prepaid and (ii) shall be applied towards prepayment of the Loans on a pro-rata basis.

(c) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Total Commitments except at the times and in the manner expressly provided for in this Agreement.

(d) No amount of the Total Commitments cancelled or reduced under this Agreement may be subsequently reinstated.

(e) If the Facility Agent receives a notice under this Clause 7, it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.

8. EARLY AMORTISATION EVENTS

On and at any time after the occurrence of an Early Amortisation Event, the Facility Agent and the Security Agent shall, if so directed by the Majority Lenders, by notice to the Borrower:

(a) apply such amount of proceeds of the Receivables represented by the amount "Y" calculated by the Facility Agent in accordance with Schedule 7 (*Allocation of cashflows following an Early Amortisation Event*) towards full amortisation of the Facility; and

(b) cancel the portion of the Total Commitments which has been amortised pursuant to Clause 8(a) above whereupon it shall immediately be cancelled.

For the avoidance of doubt, other than the application of the proceeds of the Receivables referred to in Clause 8(a) above, no repayment or prepayment of the Loans is required to be made by the Borrower following the occurrence of an Early Amortisation Event, unless an Event of Default under Clause 23.2 (*Other obligations*) has occurred.

9. **INTEREST**

9.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the:

(a) Margin; and

(b) LIBOR.

9.2 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period (and, if an Interest Period is longer than three Months, on the dates falling at three Monthly intervals after the first day of that Interest Period).

9.3 Default interest

(a) If the Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to Clause 9.3(b) below, is the sum of two (2) per cent. per annum and the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan for successive Interest Periods, each of a duration selected by the Facility Agent (acting reasonably). Any interest accruing under this Clause 9.3 (*Default interest*) shall be immediately payable by the Borrower on demand by the Facility Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be the sum of two (2) per cent. and the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.4 Notification of rates of interest

The Facility Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

10. **INTEREST PERIODS**

10.1 Selection of Interest Periods

(a) The Borrower may select an Interest Period for the Loan in the Utilisation Request.

(b) Subject to this Clause 10 (*Interest Periods*), the Borrower may select an Interest Period of one, three or six Month(s) or any other period agreed between the Borrower and the Lenders.

(c) An Interest Period for the Loan shall not extend beyond the Final Maturity Date.

(d) Each Interest Period for the Loan shall start on the Utilisation Date.

10.2 Non-Business Days

Subject to Clause 10.1(c) , if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11. **CHANGES TO THE CALCULATION OF INTEREST**

11.1 Absence of quotations

Subject to Clause 11.2 (*Market disruption*), if the LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

11.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Facility Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) In this Agreement "**Market Disruption Event**" means (A) at or about 11:00 a.m. (London Time) on the Quotation Day for the relevant Interest Period, or if the Screen Rate is not available or is zero or negative, (B) none or only one of the Reference Banks supplies a rate to the Facility Agent by close of business on the Business Day following the Quotation Day to determine the LIBOR for the relevant Interest Period or (C) the arithmetic mean of the rates quoted by the Reference Banks by close of business on the Business Day following the Quotation Day for the purpose of the LIBOR is zero or negative.

11.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Facility Agent (acting on the instructions of all the Lenders) or the Borrower so requires, the Facility Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, take effect in accordance with the agreed terms and be binding on all Parties.

(c) For the avoidance of doubt, in the event that no substitute basis is agreed at the end of the 30-day period, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

11.4 Break Costs

(a) The Borrower shall on demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or an Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or that Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

12. **FEES**

12.1 Commitment fee

(a) The Borrower shall pay to the Facility Agent (for the account of each Lender) a fee (the "**Commitment Fee**") in US Dollars computed on a day to day basis at the rate of:

(i) (if the total amount of the Loans then outstanding is less than 50 per cent. of the amount of the Total Commitments) 0.375 per cent. per annum; or

(ii) (if the total amount of the Loans then outstanding is at least 50 per cent. of the amount of the Total Commitments) 0.25 per cent. per annum,

on that Lender's Available Commitment for the period commencing on and from the date on which the Facility Agent notifies the Borrower pursuant to Clause 4.1 (*Initial conditions precedent*) that it has received all of the documents and other evidence listed in Schedule 3 (*Conditions Precedent*) in form and substance satisfactory to it to (and including) the last day of the Availability Period.

(b) Such Commitment Fee shall be payable on (i) the last day of each successive period of one (1) Month which ends during the Availability Period and (ii) the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) For the avoidance of doubt, no Commitment Fee shall be payable on any cancelled portion of the Total Commitments.

12.2 Upfront fee

The Borrower shall pay to the Facility Agent (for the account of the Original Lenders) an upfront fee in the amount and at the times agreed in a Fee Letter(s).

12.3 Facility Agency fee

The Borrower shall pay to the Facility Agent (for its own account) a facility agency fee in the amount and at the times agreed in a Fee Letter.

12.4 Security Agency fee

The Borrower shall pay to the Security Agent (for its own account) a security agency fee in the amount and at the times agreed in a Fee Letter.

12.5 Mandated Lead Arranger fee

The Borrower shall pay to the Mandated Lead Arrangers (for their own account) an arranger fee in the amount and at the times agreed in a Fee Letter(s).

12.6 Due diligence survey/ audit fee

The Borrower shall pay to the Facility Agent (for the account of the Mandated Lead Arrangers) a due diligence survey/ audit fee of S$10,000 in respect of each due diligence survey or audit carried out by the Mandated Lead Arrangers under Clause 19.5 (*Due diligence and audit*) in the event that the audit is carried out by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in its capacity as a Mandated Lead Arranger).

12.7 Non-refundable

No fee paid hereunder shall be refundable notwithstanding the invalidity or unenforceability of any of the Finance Documents, the termination of the Facility, the failure of the Borrower to utilise any part of the Facility, the prepayment or cancellation of the Facility or for any reason whatsoever.

13. TAX GROSS-UP AND INDEMNITIES

13.1 Definitions

(a) In this Clause 13 (*Tax Gross-up and Indemnities*):

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means an increased payment made by the Borrower or the Guarantor to a Finance Party under Clause 13.2 (*Tax gross-up*) or a payment under Clause 13.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 13 (*Tax Gross-up and Indemnities*) a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

13.2 Tax gross-up

(a) Each of the Borrower and the Guarantor shall make all payments to be made by it under the Finance Documents free and clear of and without any Tax Deduction, unless a Tax Deduction is required by law, in which case the amount of the payment due from the Borrower or (as the case may be) the Guarantor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(b) Each of the Borrower and the Guarantor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrower or (as the case may be) the Guarantor.

(c) If the Borrower or the Guarantor is required to make a Tax Deduction, the Borrower or (as the case may be) the Guarantor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower or (as the case may be) the Guarantor making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

13.3 Tax indemnity

(a) Each of the Borrower and the Guarantor shall, promptly on demand by the Facility Agent, pay to that Finance Party an amount equal to the loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Finance Party in respect of a Finance Document.

(b) Clause 13.3(a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 13.2 (*Tax gross-up*); or

(B) relates to a FATCA Deduction required to be made by a Party.

(c) A Finance Party intending to make a claim under Clause 13.3(a) shall notify the Facility Agent of the event which will give, or has given, rise to the claim, whereupon the Facility Agent shall notify the Borrower or (as the case may be) the Guarantor thereof.

(d) A Finance Party shall, on receiving a payment from the Borrower or the Guarantor under this Clause 13.3, notify the Facility Agent.

13.4 Tax Credit

If the Borrower or the Guarantor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

that Finance Party shall pay an amount to the Borrower or (as the case may be) the Guarantor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been made by the Borrower or (as the case may be) the Guarantor.

13.5 Stamp duties

The Borrower shall pay and, promptly on demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.6 Indirect tax

(a) All consideration expressed to be payable under a Finance Document by the Borrower and the Guarantor to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to the Borrower or the Guarantor in connection with a Finance Document, the Borrower or (as the case may be) the Guarantor shall pay to that Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

(b) Where a Finance Document requires the Borrower or the Guarantor to reimburse a Finance Party for any costs or expenses, the Borrower or (as the case may be) the Guarantor shall also at the same time pay and indemnify that Finance Party against all Indirect Tax incurred by that Finance Party in respect of such costs or expenses.

(c) In the event that any Indirect Tax is required to be paid by the Borrower or the Guarantor to a Finance Party pursuant to this Clause 13.6, the relevant Finance Party shall issue a tax invoice in respect of such Indirect Tax to the Borrower or (as the case may be) the Guarantor.

13.7 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

14. INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.3 (*Exceptions*) the Borrower shall, promptly on demand by the Facility Agent, pay to the Facility Agent for the account of a Finance Party, the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation, (ii) compliance with any law or regulation, in each case made after the date of this Agreement, or (iii) the implementation or application of or compliance with Basel III, CRD IV or CRR or any law or regulation that implements or applies Basel III, CRD IV or CRR. The terms "**law**" and "**regulation**" in this Clause 14.1(a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement "**Increased Costs**" means:

(i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by that Finance Party);

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing any of its obligations under any Finance Document.

14.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall as soon as practicable notify the Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

(a) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by the Borrower or the Guarantor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 13.3 (*Tax indemnity*) (or would have been compensated for under Clause 13.3 (*Tax indemnity*) but was not so compensated solely because the exclusion in Clause 13.3(b) applied); or

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this Clause 14.3 (*Exceptions*), a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 13.1 (*Definitions*).

15. OTHER INDEMNITITES

15.1 Currency indemnity

(a) If any sum due from the Borrower or the Guarantor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against the Borrower or (as the case may be) the Guarantor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower or (as the case may be) the Guarantor shall as an independent obligation, promptly on demand, indemnify each Finance Party against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) The Borrower waives (and shall procure that the Guarantor waives) any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

15.2 Other indemnities

The Borrower shall, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability (including, without limitation, any loss, premium, penalty or expense in liquidating or redeploying deposits from third parties, but excluding remote, special indirect or consequential damages or losses) incurred by that Finance Party as a result of:

(a) the occurrence of any Event of Default;

(b) any written information furnished by or on behalf of the Borrower or the Guarantor being or being alleged to be misleading or untrue in any respect;

(c) any enquiry, investigation, subpoena (or similar order) or litigation with respect to the Borrower or the Guarantor or with respect to the transactions contemplated or financed under or in connection with any Finance Document;

(d) a failure by the Borrower or the Guarantor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing Among the Finance Parties*);

(e) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower or as required by this Agreement.

15.3 Indemnity to the Facility Agent and the Security Agent

The Borrower shall promptly indemnify the Facility Agent or (as the case may be) the Security Agent against any cost, loss or liability incurred by the Facility Agent or the Security Agent as a result of:

(a) investigating any event which it reasonably believes is a Default or an Early Amortisation Event; or

(b) acting or relying on any notice, request or instruction of the Borrower which it reasonably believes to be genuine, correct and appropriately authorised.

16. MITIGATION BY THE LENDERS

16.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Clause 16.1(a) above does not in any way limit the obligations of the Borrower or the Guarantor under the Finance Documents.

16.2 Limitation of liability

(a) The Borrower shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of, or in connection with, the steps taken by it under Clause 16.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in its opinion (acting reasonably), to do so might be prejudicial to it.

17. **COSTS AND EXPENSES**

17.1 Transaction expenses

(a) The Borrower shall promptly on demand pay each of the Facility Agent and the Security Agent the amount of all costs and expenses (including legal fees (to be agreed between the Borrower and such Finance Parties) on a full indemnity basis) incurred by such Finance Party in connection with the negotiation, preparation, printing, execution and perfection of:

(i) this Agreement, the Security Documents and any other documents referred to in this Agreement; and

(ii) any other Finance Documents executed after the date of this Agreement.

(b) The Borrower shall also promptly on demand pay each Finance Party the amount of all costs and expenses (including legal fees) properly incurred by any of them in connection with the administration of the Facility, including (without limitation) the disbursement of the Loans, in respect of costs and expenses which are incurred on or after the occurrence of a Default or an Early Amortisation Event, and the relevant Finance Party shall consult the Borrower prior to incurring such cost or expense provided, that the Borrower shall only pay the foregoing expenses in this Clause (b) incurred by the Facility Agent or the Security Agent (and not by any Lender or Lenders) after the occurrence and during the continuance of any Default or Early Amortisation Event.

17.2 Amendment costs

If the Borrower or the Guarantor requests an amendment, waiver or consent, the Borrower shall, promptly on demand, reimburse each Finance Party for the amount of all costs and expenses (including legal fees on a full indemnity basis) incurred by that Finance Party in responding to, evaluating, negotiating or complying with that request.

17.3 Enforcement costs

The Borrower shall, promptly on demand, pay to each Finance Party the amount of all reasonable costs and expenses (including legal fees on a full indemnity basis) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under or in connection with, any Finance Document.

17.4 Security Agent expenses

The Borrower shall, promptly on demand, pay the Security Agent the amount of all costs and expenses (including legal fees) incurred by it in connection with the administration, perfection or release of any Security created pursuant to any Security Document.

18. **REPRESENTATIONS AND WARRANTIES**

The Borrower makes the representations and warranties set out in this Clause 18 (*Representations and Warranties*) to each of the Finance Parties on the date of this Agreement.

18.1 Status

(a) Each of the Borrower and the Guarantor is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(b) Each of the Borrower and the Guarantor has the power to own its assets and carry on its business as it is being conducted.

18.2 Binding obligations

The obligations expressed to be assumed by each of the Borrower and the Guarantor in each Finance Document to which it is a party are legal, valid, binding and enforceable, subject to:

(a) any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*); and

(b) in the case of the Assignment of Receivables, its registration as a charge against the Borrower at the Accounting and Corporate Regulatory Authority in Singapore within the statutory time frame.

18.3 Non-conflict with other obligations

The entry into and performance by each of the Borrower and the Guarantor of, and the transactions contemplated by, the Finance Documents to which it is a party do not and will not:

(a) conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon the Borrower or (as the case may be) the Guarantor or any of its assets; or

(b) (except as provided in any Security Document) result in the existence of, or oblige of the Borrower or the Guarantor to create, any Security over any of its assets.

18.4 Power and authority

Each of the Borrower and the Guarantor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

18.5 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable each of the Borrower and the Guarantor lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents;

(b) to make the Finance Documents admissible in evidence in Singapore and (if applicable) the jurisdiction of incorporation of each of the Borrower and the Guarantor; and

(c) to enable each of the Borrower and the Guarantor to create the Security to be created by it pursuant to any Security Document to which it is a party and to ensure that such Security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect save for the registration of the Assignment of Receivables as a charge against the Borrower at the Accounting and Corporate Regulatory Authority in Singapore.

18.6 Governing law and enforcement

(a) The choice of law specified in each Finance Document as the governing law of that Finance Document will be recognised and enforced in the jurisdiction of incorporation of each of the Borrower and the Guarantor to the extent that the Borrower or the Guarantor is a party to it.

(b) Any judgment obtained in Singapore in relation to a Finance Document (or in the jurisdiction of the governing law of that Finance Document) will be recognised and enforced in the jurisdiction of incorporation of each of the Borrower and the Guarantor which is party to it and, in relation to a Finance Document governed by a law other than Singapore law, in the jurisdiction of the governing law of that Finance Document.

18.7 No Default

(a) No Event of Default or Early Amortisation Event is continuing or might reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on the Borrower or to which the Borrower's assets are subject which would be reasonably likely to have a Material Adverse Effect.

18.8 No misleading information

(a) Any information provided by or on behalf of the Borrower or the Guarantor in writing in relation to the Borrower or the Guarantor or in connection with any Finance Document was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) Any financial projections provided by or on behalf of each of the Borrower and the Guarantor in writing in connection with any Finance Document have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) Any expressions of opinion or intention provided by or on behalf of each of the Borrower and the Guarantor in writing in connection with any Finance Document were made after due and careful consideration on reasonable grounds.

(d) Nothing has occurred or been omitted from the information referred to in Clause 18.8(a) above and no information has been given or withheld that results in that information being untrue or misleading in any material respect.

18.9 Financial statements

(a) The Original Financial Statements and the financial statements delivered under Clause 19.1 (*Financial statements*) (other than Clause 19.1(a)(iii)) were prepared in accordance with GAAP consistently applied.

(b) The Original Financial Statements and the financial statements delivered under Clause 19.1 (*Financial statements*) fairly represent its financial condition as at the end of and for the period in relation to which those financial statements were drawn up, save to the extent expressly disclosed in those financial statements.

(c) There has been no material adverse change in the financial condition or business of the Borrower or the Guarantor or on the consolidated financial condition or business of the Guarantor and its Subsidiaries since the date of the Original Financial Statements.

18.10 Pari passu ranking

(a) Subject to the requirements specified at the end of Clause 18.5 (*Validity and admissibility in evidence*), each Security Document creates in favour of the Security Agent the Security which it is expressed to create fully perfected and with the ranking and priority it is expressed to have.

(b) Without limiting Clause 18.10(a) above, the payment obligations of the Borrower and the Guarantor under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.11 Immunity

Neither the Borrower nor the Guarantor and none of their assets is entitled to immunity from suit, execution, attachment or other legal process and in any proceedings taken in Singapore in relation to the Finance Documents to which it is a party, neither the Borrower nor the Guarantor will be entitled to claim immunity for itself or any of its assets arising from suit, execution or other legal process.

18.12 Ownership and management control

The Guarantor owns directly or indirectly 100 per cent. of the issued and paid up share capital of the Borrower.

18.13 Litigation proceedings pending or threatened

No litigation, arbitration, administrative or other proceedings or disputes of or before any court, arbitral body or agency have been started or threatened against the Borrower which would be reasonably likely to have a Material Adverse Effect.

18.14 Title

The Borrower is the sole legal and beneficial owner of and has good and marketable title to the Charged Assets (in so far as such Charged Assets relate to it or are owned or controlled by it), free from any Security not created pursuant to or permitted by the Finance Documents.

18.15 No Security

No Security exists over any of the Charged Assets other than as permitted by Clause 21.4(c).

18.16 Public Records

No instrument, financing statement or entry in a register or other record relating to any of the Charged Assets is on file or held in the records of any public register, office, authority or government department or governmental agency except those filed in favour of the Security Agent in connection with the Assignment of Receivables.

18.17 Sanctions

Neither the Borrower nor the Guarantor, nor any of their respective Subsidiaries, nor (to the knowledge of the Borrower) any director or officer, or any employee, agent, or affiliate, of the Borrower or the Guarantor or any of their respective Subsidiaries is an individual or entity ("**Person**") that is, or is owned or controlled by Persons that are:

(a) the subject of any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Monetary Authority of Singapore (collectively, "**Sanctions**"); or

(b) located, organised or resident in a country or territory that is, or whose government is, the subject of country-wide or territory-wide Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria.

18.18 Anti-Money Laundering

The Borrower and the Guarantor and their respective Subsidiaries' operations are and have been conducted at all times in compliance in all material respects with all applicable anti-money laundering laws and regulations of each jurisdiction applicable to the Borrower and the Guarantor and their respective Subsidiaries, and (to the knowledge of the Borrower) no claim, action, suit, proceeding or investigation involving the Borrower or the Guarantor or any of their respective Subsidiaries with respect to such anti-money laundering laws is pending, and (to the knowledge of the Borrower) threatened or contemplated.

18.19 Anti-Corruption / Anti-Bribery

The Borrower and the Guarantor, their respective Subsidiaries and (to the knowledge of the Borrower) the directors, officers, employees and agents of the Borrower, the Guarantor and their respective Subsidiaries have conducted their business in compliance in all material respects with all applicable anti-corruption and anti-bribery laws, rules and regulations of each jurisdiction applicable to the Borrower and the Guarantor and their respective Subsidiaries, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

18.20 Repetition

The Repeating Representations will be true and correct in all respects on the date of each Utilisation Request and each Utilisation Date as if made by reference to the facts and circumstances then existing on each such date.

19. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1 Financial statements

(a) The Borrower shall, and shall procure that the Guarantor shall, supply to the Facility Agent (in sufficient copies for all the Lenders):

(i) as soon as the same become available, but in any event within 180 days after the end of each financial year of the Borrower or (as the case may be) the Guarantor, the audited financial statements of the Borrower and the consolidated audited financial statements of the Guarantor (in each case) for that financial year;

(ii) as soon as the same become available, but in any event within 60 days after the end of each financial quarter of the Guarantor, the consolidated management accounts of the Guarantor for that financial quarter; and

(iii) as soon as the same become available, but in any event within 60 days after the end of each financial quarter of the Borrower, the management accounts of the Borrower (in such form as may be agreed between the Borrower and the Lenders) for that financial quarter.

(b) The financial statements or (as the case may be) management accounts of the Guarantor shall be deemed to be supplied to the Facility Agent in compliance with this Clause 19.1 upon such financial statements or management accounts being made publicly available on the website of the United States Securities and Exchange Commission.

19.2 Compliance Certificate

The Borrower shall supply to the Facility Agent, in each Monthly Report delivered pursuant to Clause 19.6 (*Monthly Reports*), a certificate which shall:

(a) set out (in reasonable detail) computations as to compliance with Clause 20 (*Portfolio Tests*) as at the date of that Monthly Report; and

(b) confirm that no Default or Early Amortisation Event is continuing (or if a Default or an Early Amortisation Event is continuing, specify the Default or (as the case may be) the Early Amortisation Event and the steps being taken to remedy it).

19.3 Requirements as to financial statements

(a) Each set of financial statements delivered pursuant to Clause 19.1 (*Financial statements*) shall be certified by a director of the Borrower or (as the case may be) an authorised officer of the Guarantor as fairly representing its (or, as the case may be, its consolidated) financial condition and operations as at the end of and for the period in relation to which those financial statements were drawn up.

(b) The Borrower shall, and shall procure that the Guarantor shall, procure that each set of financial statements delivered pursuant to Clause 19.1 (*Financial statements*) (other than Clause 19.1(a)(iii)) is prepared using GAAP.

19.4 Notification of Default and Early Amortisation Events

The Borrower shall, and shall procure that the Guarantor shall, notify the Facility Agent of the occurrence of any Default or Early Amortisation Event relating to it (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless it is aware that a notification has already been provided by the Borrower or (as the case may be) the Guarantor).

19.5 Due diligence and audit

The Borrower shall (i) permit The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in its capacity as a Mandated Lead Arranger) (or any other professional entity appointed by the Borrower with the agreement of the Lenders (but so that such other entity may only be appointed after the first Utilisation Date)) and its representatives to conduct a due diligence survey and audit prior to the first Utilisation Date, and to carry out audit on a semi-annual and annual basis thereafter, based on procedures agreed by the Lenders, on the Receivables (including, without limitation, the review of random sampling of the underlying agreements, invoices, remittances, credit notes and other documents relating thereto), and (ii) furnish to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in its capacity as a Mandated Lead Arranger), such other entity or their respective representatives an aging report (each, an "**Aging Report**") in connection with such due diligence and audit, containing, *inter alia*, the list of all the Debtors as at the end of the relevant half year.

19.6 Monthly Reports

The Borrower shall supply to the Facility Agent as soon as the same becomes available, but in any event no later than 14 days after the end of each fiscal month, a report (each, a "**Monthly Report**") in the form set out in Schedule 8 (*Monthly Report*).

19.7 "Know your customer" checks

If:

(a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(b) any change in the status of the Borrower or the Guarantor after the date of this Agreement; or

(c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement,

obliges any Finance Party (or in the case of Clause 19.7(c) above, any prospective new lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of that Finance Party supply, or procure the supply of, such documentation and other evidence as is required by that Finance Party (or in the case of the event described in Clause 19.7(c) above, any prospective new lender) in order for that Finance Party or, in the case of the event described in Clause 19.7(c) above, any prospective new lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19.8 Dilution Haircuts

The Borrower shall (i) review the dilution haircuts (used in the computation of Net Pool 1 Eligible Receivables and Net Pool 2 Eligible Receivables (both as defined in the respective Monthly Reports)) together with the Lenders on a semi-annual basis following the completion of each semi-annual audit as referred to in Clause 19.5 (*Due diligence and audit*) above and (ii) ensure that the above-mentioned dilution haircuts shall be adjusted (upwards or downwards) so as to conform with the most recent 12-Month historical average dilution rates as confirmed in the semi-annual audit as compared to the immediately preceding semi-annual audit.

19.9 Limitation of responsibility of HSBC in preparation of reports

In the event that The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in its capacity as a Mandated Lead Arranger) ("**HSBC**") assists with the preparation of any Aging Report pursuant to Clauses 19.5 (*Due diligence and audit*) each of the Finance Parties hereby acknowledge as follows:

(a) that Aging Report is provided to each recipient of that Aging Report for its information only and HSBC, its employees and agents shall have no liability or duty of care to any person, company or entity of any description in connection with that Aging Report;

(b) that Aging Report may not necessarily address any of the recipient's specific concerns, interest or needs;

(c) neither that Aging Report nor any other document or information (or any part thereof) delivered or supplied under or in relation to that Aging Report is intended to provide the basis of any credit or other evaluation and should not be considered a recommendation as to the condition (financial or otherwise) or creditworthiness of the Borrower or its Affiliates;

(d) each recipient of that Aging Report should make its own assessment of the foregoing and other relevant matters including the condition (financial or otherwise) or creditworthiness of the Borrower and its Affiliates, and obtain its own independent advice thereon, and its participation in the Facility to the Borrower shall be deemed to be based on its own independent investigation of the condition (financial or otherwise) or creditworthiness of the Borrower and its Affiliates;

(e) none of HSBC, its employees or agents shall be held responsible for any losses (including, without prejudice to the generality of the foregoing, indirect, consequential or economic loss) or damages, costs or expenses suffered or incurred, directly or indirectly, by any recipient of that Aging Report or such other document or information (or part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in that Aging Report; and

(f) each recipient of that Aging Report acknowledges and agrees to be bound by and accept the limitations on the liability of HSBC, its employees and agents for that Aging Report as set out in this Clause 19.9, and further acknowledge and agree that that Aging Report may not be disclosed to any person (save for its officers, employees, directors, Affiliates, head office, advisers and any other branches or persons (collectively, the "**Permitted Parties**") on a need-to-know basis in connection with, and for the purpose of, the provision of the Facility to the Borrower) without HSBC's prior written consent, and that whether or not HSBC has given its consent, HSBC will not accept any liability or responsibility to any third party, including any Permitted Party, who may gain access to that Aging Report.

19.10 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

20. **PORTFOLIO TESTS**

20.1 Maximum Advance Ratio

The Borrower shall ensure and procure that the ratio of the outstanding Loans to the Total Net Eligible Receivables (the "**Maximum Advance Ratio**") as reflected in each Monthly Report delivered under Clause 19.6 (*Monthly Reports*) will not at any time exceed 0.8 to 1. If the ratio is exceeded at any time, within seven (7) days of the Facility Agent giving notice of this to the Borrower, the Borrower shall prepay the outstanding Loans made to it so that immediately after such prepayment, the Maximum Advance Ratio does not exceed 0.8 to 1.

21. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 21 (*General undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Authorisations

(a) The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect (and supply certified copies to the Facility Agent of) any Authorisation required under any applicable law or regulation:

(i) to enable it to own its assets;

(ii) to enable it to perform its obligations under the Finance Documents to which it is a party;

(iii) to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document; and

(iv) to enable it to carry on its business as it is being conducted from time to time if failure to obtain, comply with or maintain any such Authorisation would be reasonably likely to have a Material Adverse Effect.

(b) The Borrower shall ensure that the Assignment of Receivables is registered as a charge against the Borrower at the Accounting and Corporate Regulatory Authority in Singapore.

21.2 Compliance with laws

The Borrower shall, and shall ensure that the Guarantor shall, comply in all respects with all laws to which it may be subject if failure to comply would be reasonably likely to have a Material Adverse Effect.

21.3 Pari passu ranking

The Borrower shall, and shall ensure that the Guarantor shall, ensure that its obligations under the Finance Documents to which it is a party rank at all times at least *pari passu* in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.4 Negative pledge

(a) The Borrower shall not create or permit to subsist any Security over all or any part of the Charged Assets, or incur (or agree to incur) or have outstanding, any Financial Indebtedness secured by the Charged Assets.

(b) The Borrower shall not:

(i) sell, lease, transfer or otherwise dispose of any of the Charged Assets on terms whereby they are or may be leased to or re-acquired by any of its Affiliates;

(ii) sell, transfer or otherwise dispose of any of its receivables in respect of the Charged Assets on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account in respect of the Charged Assets may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement in respect of the Charged Assets having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Clause 21.4(a) and Clause 21.4(b) above do not apply to:

(i) any Security created pursuant to any Finance Document;

(ii) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(iii) any lien arising by operation of law and in the ordinary course of trading provided that the debt which is secured thereby is paid when due or contested in good faith by appropriate proceedings and properly provisioned; or

(iv) any Security created with the consent of the Facility Agent (acting on the instructions of all the Lenders).

21.5 Disposals

The Borrower shall not (whether by a single transaction or a number of transactions (whether related or not) and whether voluntary or involuntary and whether at one time or over a period of time) sell, lease, transfer or otherwise dispose of all or any part of the Charged Assets, provided that the Borrower shall be permitted to sell Receivables forming part of the Charged Assets to the extent that:

(a) any such Receivables sold in a particular calendar month must be owed to the Borrower by the same Debtor (or Affiliates of such Debtor);

(b) both before and after giving effect to the consummation of such sale, no Default, Event of Default or Early Amortisation Event shall have occurred and be continuing;

(c) on and after giving effect to such sale, the Borrower is in compliance with the Maximum Advance Ratio; and

(d) the aggregate face amount of any such Eligible Receivables sold by the Borrower during the most recent 12 Months does not exceed an amount equal to 50 per cent. of the Total Commitments,

for this purpose, the Borrower shall provide the Facility Agent, by the date of such sale, a certificate (signed by a director) certifying the satisfaction of the aforesaid conditions and setting out computations as to compliance with paragraphs (c) and (d) above.

21.6 Security and guarantees

(a) The Borrower shall, at its own expense, promptly take all such action:

(i) for the purpose of perfecting or protecting the Finance Parties' rights under, and preserving the Security intended to be created or evidenced by, any of the Finance Documents, as the Facility Agent or the Security Agent may reasonably require; and

(ii) for the purpose of facilitating the realisation of any of that Security, as the Facility Agent or the Security Agent may require,

including the execution of any transfer, conveyance, assignment or assurance of any Charged Asset and the giving of any notice, order or direction and the making of any registration which the Facility Agent or the Security Agent may reasonably require. For the avoidance of doubt, no notice of assignment shall be required to be given to any Debtor pursuant to the Assignment of Receivables except in accordance with the terms set out therein.

(b) The Borrower shall not do or consent to the doing of, anything which might prejudice the validity, enforceability or priority of any of the Security created pursuant to the Security Documents.

21.7 Sanctions

The Borrower will not, will ensure that the Guarantor will not, and will ensure that none of their respective Subsidiaries will, directly or indirectly:

(a) use the proceeds of the facilities made available hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions or in any other manner that would result in a violation of Sanctions by any Person; or

(b) use or permit to be used any revenue or benefit derived from any activity or dealing, with any Person that is, or in any country or territory that is or whose government is, the subject of Sanctions in discharging any of the obligations under the Finance Documents.

21.8 Anti-Money Laundering

The Borrower shall, shall ensure that the Guarantor shall, and shall ensure that each of their respective Subsidiaries will conduct its business in compliance in all material respects with all applicable anti-money laundering laws and regulations of each jurisdiction applicable to the Borrower and the Guarantor and their respective Subsidiaries.

21.9 Anti-Corruption / Anti-Bribery

The Borrower shall, shall ensure that the Guarantor shall, and shall ensure that each of their respective Subsidiaries will conduct its business in compliance in all material respects with all applicable anti-corruption and anti-bribery laws, rules and regulations of each jurisdiction applicable to the Borrower and the Guarantor and their respective Subsidiaries.

22. **COLLECTION ACCOUNT**

22.1 Notice of Security Interests

(a) The Borrower hereby gives notice to the Account Bank of the Security granted by it to the Security Agent over the Collection Account.

(b) Each of the Borrower and the Account Bank hereby acknowledges that all the Borrower's right, title and interest in and to the Collection Account shall be charged and assigned to the Security Agent.

22.2 Interest on account balances

Each of the Borrower and the Account Bank hereby confirms that, so long as any amount is outstanding under the Finance Documents, the amount standing to the credit of the Collection Account shall bear interest in the currency in which such amount is denominated at the rate offered by the Account Bank to the normal commercial customers for comparable amounts and for such periods as the Account Bank reasonably determines. Such interest shall be credited to the Collection Account.

22.3 Restrictions on Withdrawals

(a) The Borrower shall not make or purport to make a withdrawal or transfer from, and the Account Bank shall not permit a withdrawal or transfer from, the Collection Account unless:

(i) no Event of Default or Early Amortisation Event has occurred; and

(ii) such withdrawal or transfer would not cause the Collection Account to become overdrawn by an amount exceeding $25,000 in the aggregate.

(b) If at any time an Early Amortisation Event has occurred, the Security Agent shall, on the instructions of the Majority Lenders, by written notice to the Account Bank, specify that no withdrawal from the Collection Account may be made without the prior written consent of the Security Agent and/or that the Security Agent is empowered to exercise full control over the Collection Account to the exclusion of the Borrower, Provided That the Borrower shall be entitled to issue a written request to the Account Bank requesting that an aggregate amount not exceeding "X" (calculated by the Facility Agent in accordance with Schedule 7 (*Allocation of cashflows following an Early Amortisation Event*)) may be withdrawn from the Collection Account and the Security Agent shall promptly provide the Account Bank with its written consent to such withdrawals:

(i) if such Early Amortisation Event occurred during or prior to the fiscal Month covered by the most recent Monthly Report delivered pursuant to Clause 19.6 (*Monthly Reports*) and that Monthly Report shows that the Maximum Advance Ratio does not exceed 0.8 to 1; or

(ii) if such Early Amortisation Event occurred after the fiscal Month covered by the most recent Monthly Report delivered pursuant to Clause 19.6 (*Monthly Reports*) and the Borrower delivers an additional report (in the form set out in Schedule 8 (*Monthly Report*)) which shows that the Maximum Advance Ratio does not exceed 0.8 to 1 following the occurrence of such Early Amortisation Event.

For this purpose:

(A) the daily remittance of funds to the Borrower shall be permitted without requiring the delivery of any further request by the Borrower so long as the Borrower is in compliance with its obligations to deliver the Monthly Reports pursuant to Clause 19.6 (*Monthly Reports*) and such Monthly Report(s) show that the Maximum Advance Ratio does not exceed 0.8 to 1; and

(B) on each such proposed date of withdrawal by the Borrower, the Facility Agent and/or the Security Agent shall apply an amount equivalent to "Y" (as computed in accordance with the formula set out in Schedule 7 (*Allocation of cashflows following an Early Amortisation Event*) towards the amortisation of the Facility.

(c) The Finance Parties acknowledge that the Account Bank may (subject to the above conditions and the other provisions in this Agreement) comply with any such instructions.

(d) No sum may be withdrawn from the Collection Account except as expressly permitted or required by this Agreement.

22.4 Payments to the Collection Account

(a) The Borrower shall (i) instruct all Debtors to pay the Receivables directly into the Collection Account and (ii) immediately credit the proceeds of any Receivables into the Collection Account. For the avoidance of doubt, the Borrower shall be deemed to be in compliance with this Clause 22.4(a) so long as a notice in writing is issued to the Debtors instructing the Debtors to pay the Receivables into the Collection Account.

(b) No sum may be credited to the Collection Account except as expressly permitted or required by this Agreement.

22.5 Account Mandate

The Account Bank hereby agrees that it shall maintain the Collection Account in accordance with:

(a) any mandate agreed between the Borrower and the Account Bank;

(b) its normal banking practices; and

(c) the provisions of the Finance Documents,

provided that, if there is any conflict between the Finance Documents and any mandate agreed between the Borrower and the Account Bank or the Account Bank's normal practices, the provisions of the Finance Documents shall prevail but only to the extent that the Account Bank would not be in breach of any law as a result.

22.6 Obligations of the Borrower

Neither the existence of the Collection Account, nor the insufficiency of funds in the Collection Account, nor any inability to apply any funds in the Collection Account towards the relevant payment, shall affect the obligation of the Borrower to make all payments required to be made to the Facility Agent on the due date for such payments in accordance with the Finance Documents.

22.7 Currency

(a) The Borrower shall direct the Account Bank to convert monies received by it or paid by it or paid on its behalf to the Account Bank for crediting to an account opened by it which is not denominated in United States Dollars into United States Dollars.

(b) If requested by the Borrower, the Account Bank may effect foreign exchange transactions in relation to funds to be withdrawn from the Collection Account at the rate of exchange then prevailing in the market in accordance with the Account Bank's normal operating practices in order that the Borrower may satisfy its obligations as and when such obligations may arise in a currency other than United States Dollars.

(c) Any incidental costs of making such conversion in Clauses 22.7(a) and 22.7(b) shall be borne by the Borrower.

22.8 Access to Collection Account

The Borrower irrevocably grants to each of the Facility Agent and the Security Agent access to review the books and records relating to the Collection Account and irrevocably waives any right of confidentiality which may exist in respect of such books and records to the extent necessary to allow disclosure of such books and records to each of the Facility Agent and the Security Agent. The Borrower authorises the Account Bank to give each of the Facility Agent and the Security Agent unrestricted access to review such books and records held by the Account Bank and to provide to each of the Facility Agent and the Security Agent, without any reference to or any further authority from the Borrower and without any enquiry from it as to the justification for such disclosure, such information relating to the Collection Account as each of the Facility Agent and the Security Agent may reasonably request such Account Bank to disclose to it.

23. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 23 (*Events of Default*) is an Event of Default.

23.1 Non-payment

The Borrower or the Guarantor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by administrative or technical error; and

(b) payment is made within five (5) Business Days of its due date.

23.2 Other obligations

(a) The Borrower fails to comply with the requirements of Clause 20.1 (*Maximum Advance Ratio*) taking into account the 7-day grace period set out in Clause 20.1 (*Maximum Advance Ratio*).

(b) An Early Amortisation Event occurs and the proceeds from the Receivables which have been applied towards the amortisation of the Facility pursuant to Clause 8 (*Early Amortisation Events*) do not fully amortise the Facility by the date falling 120 days after the date on which the Facility Agent or the Security Agent first applies the proceeds of the Receivables towards amortisation of the Facility pursuant to Clause 8(a).

23.3 Cross acceleration

Any Financial Indebtedness of the Borrower in an amount in excess of $100,000,000 in aggregate is accelerated because of a default with respect to such Financial Indebtedness without such Financial Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled within a period of 30 days.

23.4 Insolvency

(a) The Borrower or the Guarantor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The value of the assets of the Borrower or the Guarantor is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of the Borrower or the Guarantor.

23.5 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, judicial management or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower or the Guarantor;

(b) a composition, assignment or arrangement with any creditor of the Borrower or the Guarantor;

(c) the appointment of a liquidator, receiver, administrator, judicial manager, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or the Guarantor or any of their assets; or

(d) enforcement of any Security over the Charged Assets,

or any analogous procedure or step is taken in any jurisdiction.

23.6 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any Charged Asset or Charged Assets of the Borrower.

23.7 Nationalisation

Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of any part of the Charged Assets or the issued shares in the capital of the Borrower.

23.8 Cessation of Business

The Borrower or the Guarantor ceases to carry on its business as a going concern.

23.9 Unlawfulness

(a) It is or becomes unlawful for the Borrower or the Guarantor to perform any of its obligations under the Finance Documents to which it is a party.

(b) Any obligation or obligations of the Borrower or the Guarantor under any Finance Document is/are not or cease to be legal, valid, binding or enforceable.

23.10 Repudiation or rescission of agreements

The Borrower or the Guarantor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document to which it is a party or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security in whole or in part.

23.11 Governmental Intervention

By or under the authority of any government, the Borrower is declared by the Minister of Finance to be a company to which Part IX of the Companies Act (Chapter 50 of Singapore) applies.

23.12 Acceleration

On and at any time after the occurrence of an Event of Default, the Facility Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

(a) cancel the Total Commitments whereupon it shall immediately be cancelled;

(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(c) declare that all or part of the Loans be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent on the instructions of the Majority Lenders.

24. **CHANGES TO THE LENDERS**

24.1 Assignments and transfers by the Lenders

Subject to this Clause 24, a Lender (the "**Existing Lender**") may:

(i) assign all or any of its rights; or

(ii) transfer by novation all or any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (in each case, including, without limitation, any of its Affiliates) (the "**New Lender**"). No Lender shall assign or transfer its rights or obligations to any entity which, to its knowledge, is a competitor of the Guarantor, which is in the business of designing, building or licensing semiconductor technologies, Provided That nothing herein shall oblige the Facility Agent to carry out any checks to ascertain whether any New Lender is a competitor of the Guarantor. The relevant Existing Lender may, if it so wishes, but is not obliged to, procure a confirmation from the Borrower as to whether the proposed New Lender is such a competitor.

24.2 Conditions of assignment or transfer

(a) Any Lender may assign or transfer to one or more assignees or transferees all or a portion of its rights and obligations under this Agreement with the prior written consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), provided that the Borrower shall be deemed to have consented to any such assignment or transfer unless it shall object thereto by written notice to the Facility Agent within five (5) Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required for an assignment or transfer to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Early Amortisation Event or Event of Default has occurred and is continuing, to any other assignee or transferee.

(b) An assignment will only be effective on receipt by the Facility Agent of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender, subject to the compliance of such "know your customer" or other similar procedures as may be necessary to be undertaken by the Facility Agent on such Lender(s).

(c) A transfer will only be effective if the procedure set out in Clause 24.5 (*Procedure for assignment and transfer*) is complied with.

(d) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Borrower or the Guarantor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

24.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of US$7,000.

24.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of the Borrower or the Guarantor;

(iii) the performance and observance by the Borrower or the Guarantor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Borrower or the Guarantor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of the Borrower or the Guarantor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 24; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Borrower or the Guarantor of its obligations under the Finance Documents or otherwise.

24.5 Procedure for assignment and transfer

(a) Subject to the conditions set out in Clause 24.2 (*Conditions of assignment or transfer*), an assignment or a transfer is effected in accordance with paragraph (b) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to assign and/or transfer by novation its rights and obligations under the Finance Documents the Borrower, the Guarantor and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) the Borrower, the Guarantor and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Borrower, the Guarantor and the New Lender have assumed and/or acquired the same in place of the Borrower, the Guarantor and the Existing Lender;

(iii) the Facility Agent, the Security Agent, the Account Bank, the Mandated Lead Arrangers, the Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the assignment and/or transfer and to that extent the Facility Agent, , the Security Agent, the Account Bank, the Mandated Lead Arrangers, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

(c) Any consent, waiver or decision given or made by the Existing Lender prior to such assignment or transfer will be binding on the New Lender.

24.6 Disclosure of information

Without prejudice to the Finance Parties' rights to disclose information relating to the Borrower or the Guarantor whether under the common law or the Banking Act (Chapter 19 of Singapore) (as amended or re-enacted from time to time, the "**Banking Act**") or otherwise, the Borrower consents, and shall procure that the Guarantor consents, to each Finance Party, its officers (as defined in the Banking Act) and agents and all persons to whom Section 47 of the Banking Act applies, disclosing any information relating to the Borrower, the Guarantor and the Finance Documents as that Finance Party shall consider appropriate for any such purposes as it thinks fit, and any other information (including personal data) relating to the Borrower, the Guarantor and the account relationship (including deposit accounts) and/or dealing relationship of the Borrower and the Guarantor with that Finance Party, including but not limited to details of the Facility, any Finance Document, any security taken, transactions undertaken and balances and positions with the Finance Party to:

(a) any of that Finance Party's or a Related Party's (as defined below) agents, contractors or third party service providers or professional advisers, whether in Singapore or outside Singapore;

(b) that Finance Party's head office, branches, representative offices, Subsidiaries, related corporations or Affiliates, in Singapore or any other jurisdiction (collectively the "**Related Parties**" and each a "**Related Party**") for any database or data processing purposes or other purposes in connection with that Finance Party's operations or businesses, notwithstanding that a Related Party's principal place of business may be outside of Singapore or that the information relating to the Borrower or the Guarantor following

disclosure may be collected, held, processed or used by any Related Party in whole or in part outside of Singapore;

(c) any regulatory, supervisory, administrative, governmental, quasi-governmental or other authority, court of law, tribunal or person, in Singapore or any other jurisdiction, where such disclosure is required by law, regulation, judgement or order of court or order of any tribunal;

(d) any actual or potential New Lender or other assignee or transferee of any rights and obligations of a Lender or other participants in any of its rights and/or obligations under or relating to the Facility, this Agreement or any other Finance Document and any security therefor for any purposes connected with the proposed assignment or transfer, or any agent or legal or financial adviser of any of the foregoing;

(e) any person who is succeeding (or may potentially succeed) the Facility Agent or the Security Agent;

(f) any insurer or insurance broker (whether of that Finance Party, any Related Party, the Borrower, the Guarantor or otherwise) or any direct or indirect provider of credit protection to that Finance Party or Related Party;

(g) any provider of any Security or guarantee for the Facility;

(h) any rating agency (solely for the purpose of providing a confidential private rating of this Agreement or the Loans to a particular Lender(s) or in connection with such rating agency's rating of a particular Lender(s));

(i) the Borrower or the Guarantor;

(j) any of that Finance Party's Affiliates, the Account Bank, the Borrower, the Guarantor and any other person:

(i) with (or through) whom that Finance Party enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this Agreement, the Borrower or the Guarantor, or any agent or legal or financial adviser of any of the foregoing; or

(ii) who is a person, or who belongs to a class of persons, specified in the second column of the Third Schedule to the Banking Act.

(k) any receiver or receiver and manager appointed by that Finance Party; or

(l) any other person to whom that Finance Party is under a duty to make such disclosure.

This Clause 24.6 (*Disclosure of information*) is not, and shall not be deemed to constitute, an express or implied agreement by any Finance Party with the Borrower or the Guarantor for a higher degree of confidentiality than that prescribed in Section 47 of the Banking Act and in the Third Schedule to the Banking Act.

24.7 Universal Succession (Assignments and Transfers)

(a) Without prejudice to this Clause 24, if a Lender is to be merged with any other person by universal succession, such Lender shall, at its own cost within 45 days of that merger furnish to the Facility Agent:

(i) an original or certified true copy of a legal opinion issued by a qualified legal counsel practicing law in its jurisdiction of incorporation confirming that all such Lender's assets, rights and obligations generally have been duly vested in the succeeding entity who has succeeded to all relationships as if those assets, rights and obligations had been originally acquired, incurred or entered into by the succeeding entity; and

(ii) an original or certified true copy of a written confirmation by either the Lender's legal counsel or such other legal counsel acceptable to the Facility Agent and for the benefit of the Facility Agent (in its capacity as facility agent of the Lenders) that the laws of Singapore and of the jurisdiction in which the Facility Office of such Lender is located recognise such merger by universal succession under the relevant foreign laws,

whereupon a transfer and novations of all such Lender's assets, rights and obligations to its succeeding entity shall have been or be deemed to have been duly effected as at the date of the said merger.

(b) If such Lender, in a universal succession, does not comply with the requirements under this Clause 24.7 (*Universal Succession (Assignments and Transfers)*), the Facility Agent has the right to decline to recognise the succeeding entity and demand such Lender and the succeeding entity to either sign and deliver a Transfer Certificate to the Facility Agent evidencing the disposal of all rights and obligations of such Lender to that succeeding entity, or provide or enter into such documents, or make such arrangements acceptable to the Facility Agent (acting on the advice of the Lender’s legal counsel (any legal costs so incurred shall be borne by the relevant Lender) in order to establish that all rights and obligations of the relevant Lender under this Agreement have been transferred to and assumed by the succeeding entity.

24.8 Security over Lender’s rights

In addition to the other rights provided to Lenders under this Clause 24, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(B) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

25. CHANGES TO THE BORROWER AND THE GUARANTOR

Neither the Borrower nor the Guarantor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26. ROLE OF THE FACILITY AGEND, THE MANDATED LEAD ARRANGERS AND THE ARRANGER

26.1 Appointment of the Facility Agent

(a) Each other Finance Party appoints the Facility Agent to act as its facility agent under and in connection with the Finance Documents.

(b) Each other Finance Party authorises the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 Duties of the Facility Agent

(a) The Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

(b) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(c) If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default or an Early Amortisation Event and stating that the circumstance described is a Default or an Early Amortisation Event, it shall promptly notify the Finance Parties.

(d) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent or the Mandated Lead Arrangers) under this Agreement it shall promptly notify the other Finance Parties.

(e) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(f) Each Party agrees that the Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which the Facility Agent is party (and no others shall be implied).

26.3 Role of the Mandated Lead Arrangers, and the Arranger

(a) Except as specifically provided in the Finance Documents, the Mandated Lead Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

(b) Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

26.4 No fiduciary duties

(a) Nothing in this Agreement constitutes the Facility Agent, the Arranger or any Mandated Lead Arranger as a trustee or fiduciary of any other person.

(b) None of the Facility Agent, the Arranger or any Mandated Lead Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.5 Business with the Guarantor and its Subsidiaries

The Facility Agent, the Arranger and the Mandated Lead Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Guarantor or any of its Subsidiaries.

26.6 Rights and discretions of the Facility Agent

(a) The Facility Agent may rely on:

(i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as facility agent for the Lenders) that:

(i) no Default or Early Amortisation Event has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (*Non-payment*)); and

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.

(c) The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Facility Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Facility Agent may disclose to any other Party any information it believes it has received as facility agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent, the Arranger or any Mandated Lead Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a duty of confidentiality.

26.7 Majority Lenders' instructions

(a) Unless a contrary indication appears in a Finance Document, the Facility Agent shall (i) exercise any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

(c) The Facility Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders (or, if appropriate, the Lenders), the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Facility Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

26.8 Responsibility for documentation

None of the Facility Agent, the Arranger or any Mandated Lead Arranger:

(a) is responsible for the adequacy, accuracy and/or completeness of any information supplied by the Facility Agent, the Arranger, any Mandated Lead Arranger, the Borrower, the Guarantor or any other person given in or in connection with any Finance Document (including, without limitation, any information supplied to the Facility Agent in any Monthly Report); or

(b) is responsible for the legality, validity, effectiveness, adequacy, accuracy, genuinity, completeness and/or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document (including, without limitation, any Monthly Report supplied to the Facility Agent).

26.9 Exclusion of liability

(a) Without limiting paragraph (b) below, the Facility Agent will not be liable for any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(b) No Party (other than the Facility Agent) may take any proceedings against any officer, employee or facility agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee

or facility agent in relation to any Finance Document and any officer, employee or facility agent of the Facility Agent may rely on this Clause. Any third party referred to in this paragraph (b) may enjoy the benefit of or enforce the terms of this paragraph in accordance with the provisions of the Contracts (Right of Third Parties) Act (Chapter 53B of Singapore).

(c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Facility Agent, the Security Agent, the Arranger or any Mandated Lead Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Facility Agent, the Arranger and the Mandated Lead Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent, the Security Agent, the Arranger or any Mandated Lead Arranger.

26.10 Lenders' indemnity to the Facility Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three (3) Business Days of demand, against any fees, remuneration, cost, loss or liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by the Borrower pursuant to a Finance Document).

26.11 Resignation of the Facility Agent

(a) The Facility Agent may resign and appoint one of its Affiliates acting through an office in Singapore as successor by giving notice to the Lenders and the Borrower.

(b) Alternatively the Facility Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Facility Agent acceptable to the Borrower (acting reasonably).

(c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Facility Agent (after consultation with the Borrower) may appoint a successor Facility Agent (acting through an office in Singapore) acceptable to the Borrower (acting reasonably).

(d) The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents.

(e) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 26 (*Role of the Facility Agent, the Mandated Lead Arrangers, and the Arranger*) and the rights and protection of the Facility Agent in this Agreement and the Finance Documents. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Borrower, the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above.

26.12 Confidentiality

(a) In acting as facility agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.

26.13 Relationship with the Lenders

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five (5) Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

26.14 Credit appraisal by the Lenders

Without affecting the responsibility of the Borrower or the Guarantor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Facility Agent, the Arranger and the Mandated Lead Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of the Guarantor and the Borrower;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of any information provided by the Facility Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

26.15 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facility Agent shall (in consultation with the Borrower) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.16 Deduction from amounts owing

If any Party owes an amount to the Facility Agent under the Finance Documents the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

26.17 Transfer Certificate

Each Party (except for the Lender and any bank, financial institution, trust, fund or other entity which is seeking the relevant transfer in accordance with Clause 24 (*Changes to the Lenders*)) irrevocably authorises the Facility Agent to sign each Transfer Certificate on its behalf.

26.18 Anti-Money Laundering and Terrorism

For so long as The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or any of its Affiliates is the Facility Agent, the Facility Agent may take and instruct any delegate to take any action which it in its sole discretion considers appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority or any HSBC Group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include but is not limited to the interception and investigation of transactions on accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of fund paid into or out of accounts. In certain circumstances, such action may delay or prevent the processing of instructions, the settlement of transactions over the accounts or the Facility Agent's performance of its obligations under these Finance Documents. Where possible, the Facility Agent will use reasonable endeavours to notify the relevant parties of the existence of such circumstances. Neither the Facility Agent nor any delegate of the Facility Agent will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by the Facility Agent or any delegate of the Facility Agent pursuant to this Clause. For the purposes of this Clause, the "**HSBC Group**" means HSBC Holdings plc, its subsidiaries and associated companies.

26.19 Special Damages and Consequential Loss

Notwithstanding any other term or provision of this Agreement to the contrary, the Facility Agent shall not in any event be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever, whether or not foreseeable, or for any loss of business, goodwill, opportunity or profit, whether arising directly or indirectly and whether or not foreseeable, even if the Facility Agent is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise. The provisions of this Clause shall survive the termination or expiry of this Agreement or the resignation or resignation or removal of the Facility Agent.

26.20 Force Majeure

Notwithstanding anything to the contrary in this Agreement, neither the Facility Agent nor the Security Agent shall in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any circumstances beyond the control of the Facility Agent or (as the case may be) the Security Agent, including without limitation, existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system.

26.21 Regulatory Position

Nothing in this Agreement shall require the Facility Agent to carry on an activity of the kind specified by any provision of Part I of Schedule 2 of the Securities and Futures Act (Cap. 289) of Singapore, or to lend money to the Borrower in its capacity as Facility Agent.

26.22 Money held as banker

The Facility Agent shall be entitled to deal with money paid to it by any person for the purposes of this Agreement in the same manner as other money paid to a banker by its customers except that it shall not be liable to account to any person for any interest or other amounts in respect of the money.

26.23 Abatement of fees

The fees, commissions and expenses payable to the Facility Agent for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by the Facility Agent (or by any of its associates) in connection with any transaction effected by the Facility Agent with or for the Lenders, the Arranger, the Mandated Lead Arrangers, the Account Bank or the Borrower.

26.24 Fax Indemnity

Where instructions, information, communications or other documents are given or sent by way of facsimile (or as otherwise agreed), the fact that a transmission report produced by the originator of such transmission discloses that the transmission was sent will not be sufficient proof of receipt by the Facility Agent. When the Facility Agent acts on any information, instructions, communications, (including, but not limited to, communications with respect to the wire transfer of funds) sent by facsimile or other agreed form of data transmission, the Facility Agent, in the absence of gross negligence, shall not be responsible or liable in the event such communication is not an authorised or authentic communication of the Lenders or is not in the form the Lenders sent or intended to send (whether due to fraud, distortion or otherwise). The Lenders shall jointly and severally indemnify the Facility Agent against any and all actions, losses, costs, charges, liabilities, claims, demands or expenses (including legal fees and expenses) of any and every kind which may at any time hereafter be incurred by the Facility Agent in consequence of its accepting and acting in accordance with any such instructions, information, communications or documents given or sent as aforesaid whether or not such instructions, information, communications or documents were given or sent or purported to have been given or sent by the Lenders or other person duly authorized to give such instructions, information, communications or documents except where such actions, losses, costs, charges, liabilities, claims, demands or expenses are incurred as a result of the gross negligence of the Facility Agent.

26.25 Data Protection

Each of the Guarantor and the Borrower (together the "**Obligors**") consents to the Finance Parties, their respective agents and authorised service providers as well as relevant third parties, collecting, using and disclosing the Personal Data of the individual representatives of their company, which the Guarantor and the Borrower may provide to the Finance Parties (including the Facility Agent) from time to time in the course of its relationship with the Finance Parties and in connection with the Finance Documents for the following purposes (collectively, the "**Purposes**"):

(a) verification of the relevant Obligor's identity for the purpose of the Finance Parties' provision of the Facility under the Finance Documents;

(b) facilitating the verification and checks of the Personal Data in order for the Finance Parties to provide the Borrower with the Facility under the Finance Documents;

(c) preventing, detecting and investigating crime, including fraud and any form of financial crime, and analysing and managing other commercial risks;

(d) facilitating the Finance Parties' provision of the Facility to the Borrower under the Finance Documents;

(e) any other purpose directly or relating to any of the above or in connection with the Facility provided to the Borrower under the Finance Documents; and

(f) such purposes as set out in the relevant Finance Party's prevailing policies, circulars, notices or guidelines relating to personal data (as may be amended from time to time) (collectively, the "**Personal Data Documentation**"), copies of which are provided to the Obligors from time to time.

Where the Personal Data which the Obligors provide was/is collected by the Obligors or from third party sources, each of the Obligors confirms and agrees that:

(i) the relevant consents for the Purposes have been procured by it from all relevant individuals to whom the Personal Data relates; and

(ii) it will provide all relevant individuals with copies of the Personal Data Documentation for their perusal.

26.26 No duty to monitor

The Facility Agent shall not have any duty to monitor:

(a) whether any Default has occurred;

(b) the performance, default or breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

26.27 Compliance

Notwithstanding any other provision of this Agreement, each of the Facility Agent and Security Agent shall be entitled to take any action or to refuse to take any action which the Facility Agent and/or (as the case may be) the Security Agent regard as necessary for the Facility Agent and/or (as the case may be) the Security Agent to comply with any applicable law, regulation or fiscal requirement or FATCA, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

26.28 Information Collection and Sharing

The Obligors agree to provide to the Facility Agent and the Security Agent, and consent to the collection, use and processing by the Facility Agent and the Security Agent of, any authorisations, waivers, forms, documentation and other information, relating to its status, or otherwise required to be reported, under FATCA ("**FATCA Information**"). The Obligors further consent to the disclosure, transfer and reporting of such FATCA Information to any relevant government or taxing authority, any member of the HSBC Group, any sub-contractors, agents, service providers or associates of the HSBC Group, and any person making payments to the Facility Agent and/or (as the case may be) the Security Agent or a member of the HSBC Group, including transfers to jurisdictions which do not have strict data protection or similar laws, to the extent that the Facility Agent and/or (as the case may be) the Security Agent reasonably determines that such disclosure, transfer or reporting is necessary or warranted to facilitate compliance with FATCA. The Obligors agree to inform the Facility Agent and the Security Agent promptly, and in any event, within 30 days, in writing if there are any changes to the FATCA Information supplied to the Facility Agent and/or (as the case may be) the Security Agent from time to time. The Obligors warrant that each person whose FATCA Information it provides (or has provided) to the Facility Agent and/or (as the case may be) the Security Agent has been notified of and agreed to, and has been given such other information as may be necessary to permit, the collection, use, processing, disclosure, transfer and reporting of their information as set out in this clause. The Facility Agent and the Security Agent each reserves the right to require the Obligors to produce documentary proof of the consents obtained from such persons, upon reasonable request made by the Facility Agent and/or (as the case may be) the Security Agent from time to time. For the purposes of this clause, the "**HSBC Group**" means HSBC Holdings plc, its subsidiaries and associated companies.

27. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

28. **SHARING AMONG THE FINANCE PARTIES**

28.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from the Borrower or the Guarantor other than in accordance with Clause 29 (*Payment mechanics*) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Facility Agent;

(b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 29 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 29.5 (*Partial payments*).

28.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the Borrower or (as the case may be) the Guarantor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 29.5 (*Partial payments*).

28.3 Recovering Finance Party's rights

(a) On a distribution by the Facility Agent under Clause 28.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the Borrower or (as the case may be) the Guarantor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

28.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 28.2 (*Redistribution of payments*) shall, upon request of the Facility Agent, pay to the Facility Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the Borrower or (as the case may be) the Guarantor will be liable to the reimbursing Finance Party for the amount so reimbursed.

28.5 Exceptions

(a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the Borrower or (as the case may be) the Guarantor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

29. **PAYMENT MECHANICS**

29.1 Payments to the Facility Agent

(a) On each date on which the Borrower, the Guarantor or a Lender is required to make a payment under a Finance Document, the Borrower, the Guarantor or (as the case may be) that Lender shall make the same available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Facility Agent specifies.

29.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 29.3 (*Distributions to the Borrower and the Guarantor*) and Clause 29.4 (*Clawback*), be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five (5) Business Days' notice with a bank in the principal financial centre of the country of that currency.

29.3 Distributions to the Borrower and the Guarantor

The Facility Agent may (with the consent of the Borrower or the Guarantor or in accordance with Clause 30 (*Set-off*)) apply any amount received by it for the Borrower or (as the case may be) the Guarantor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower or (as the case may be) the Guarantor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

29.4 Clawback

(a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

29.5 Partial payments

(a) If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower or the Guarantor under the Finance Documents, the Facility Agent shall apply that payment towards the obligations of the Borrower or (as the case may be) the Guarantor under the Finance Documents in the following order:

(i) **firstly**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Facility Agent, the Security Agent, the Arranger, or the Mandated Lead Arrangers under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and

(iv) **lastly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Facility Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by the Borrower or the Guarantor.

29.6 No set-off by the Borrower and the Guarantor

All payments to be made by the Borrower and the Guarantor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

29.7 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

29.8 Currency of account

(a) Subject to Clauses 29.8(b) to 29.8(e) below, US Dollars is the currency of account and payment for any sum due from the Borrower or the Guarantor under any Finance Document.

(b) A repayment of a Loan or an Unpaid Sum or a part of a Loan or an Unpaid Sum shall be made in the currency in which that Loan or that Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than US Dollars shall be paid in that other currency.

29.9 Payments to the Security Agent

Notwithstanding any other provision of any Finance Document, at any time after any Security created by or pursuant to any Security Document becomes enforceable, the Security Agent may require:

(a) the Borrower or (as the case may be) the Guarantor to pay all sums due under any Finance Document; or

(b) the Facility Agent to pay all sums received or recovered from the Borrower or (as the case may be) the Guarantor under any Finance Document,

in each case as the Security Agent may direct for application in accordance with the terms of the Security Documents.

30. SET-OFF

A Finance Party may, without prior notice, set off any matured obligation due from the Borrower or the Guarantor under the Finance Documents against any matured obligation owed by that Finance Party to the Borrower or (as the case may be) the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the relevant Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

31. **NOTICES**

31.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or under Clause 31.4 (*Electronic communication*), by electronic communication between the Facility Agent and the Lenders.

31.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Borrower, that identified with its name below;

(b) in the case of each Lender, that notified in writing to the Facility Agent on or prior to the date on which it becomes a Party;

(c) in the case of each Mandated Lead Arranger, the Arranger, the Facility Agent and the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five (5) Business Days' notice.

31.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five (5) days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

(iii) if by way of electronic communication between the Facility Agent and the Lenders, if it complies with Clause 31.4 (*Electronic communication*),

and, if a particular department or officer is specified as part of its address details provided under Clause 31.2 (*Addresses*), if addressed to that department or officer (or any substitute department or officer as the relevant Party may specify for this purpose).

(b) Any communication or document to be made or delivered to the Facility Agent will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with its signature below (or any substitute department or officer as the Facility Agent shall specify for this purpose).

(c) All notices from or to the Borrower shall be sent through the Facility Agent.

(d) Any communication or document made or delivered to the Borrower in accordance with this Clause 31.3 will be deemed to have been made or delivered to the Borrower.

31.4 Electronic communication

(a) Any communication to be made between the Facility Agent and a Lender in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Facility Agent and the relevant Lender:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Facility Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Facility Agent only if it is addressed in such a manner to the Facility Agent shall specify for this purpose.

31.5 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be in English.

32. CALCULATIONS AND CERTIFICATES

32.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

32.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

32.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the London interbank market differs, in accordance with that market practice.

33. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

34. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

35. **AMENDMENTS AND WAIVERS**

35.1 Required consents

(a) Subject to Clause 35.2 (*Exceptions*), any term of a Finance Document may be amended or waived only with the consent of the Majority Lenders and the Borrower or (as the case may be) the Guarantor and any such amendment or waiver will be binding on all Parties to such Finance Document.

(b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.

35.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of "**Majority Lenders**" in Clause 1.1 (*Definitions*);

(ii) an extension to the date of payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) an increase in or an extension of any Commitment other than an increase in Commitment made in accordance with the provisions of Clause 2.2 (*Option to increase*);

(v) a change to the Borrower or the Guarantor other than in accordance with Clause 25 (*Changes to the Borrower and the Guarantor*);

(vi) the release of any guarantee or Security created pursuant to any Security Document or of any Charged Assets except to the extent permitted or provided for in the Facility Agreement or any Security Document;

(vii) any provision which expressly requires the consent of all the Lenders; or

(viii) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 24 (*Changes to the Lenders*), Clause 28 (*Sharing among the Finance Parties*), or this Clause 35,

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Facility Agent, the Security Agent, the Arranger or the Mandated Lead Arrangers may not be effected without the consent of the Facility Agent, the Security Agent, the Arranger or the Mandated Lead Arrangers.

36. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

37. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of Singapore.

38. ENFORCEMENT

38.1 Jurisdiction of Singapore courts

The courts of Singapore have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").

38.2 Venue

The Parties agree that the courts of Singapore are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

38.3 Other competent jurisdiction

This Clause 38.3 (*Other competent jurisdiction*) is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

SCHEDULE 1
THE ORIGINAL LENDERS

Name of Original Lenders	**Commitment (US$)**
BNP Paribas (acting through its Singapore branch)	55,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Singapore Branch	55,000,000
DBS Bank Ltd.	105,000,000
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	140,000,000
ING Bank N.V., Singapore Branch	105,000,000
Oversea-Chinese Banking Corporation Limited	75,000,000
The Royal Bank of Scotland plc, Singapore Branch	55,000,000
Standard Chartered Bank	105,000,000
United Overseas Bank Limited	55,000,000
Total	750,000,000

SCHEDULE 2
FORM OF LENDER ACCESSION AGREEMENT

From: [·] as the acceding Lender

To: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as the Facility Agent

Date:

Dear Sirs

MICRON SEMICONDUCTOR ASIA PTE. LTD.
US$750,000,000 Facility Agreement
dated 2015 (the "Facility Agreement")

1. We refer to the Facility Agreement. Terms defined in the Facility Agreement have the same meaning when used in this Agreement unless given a different meaning in this Agreement.

2. This undertaking is given pursuant to Clause 2.2(d) of the Facility Agreement:

3. In consideration of our being accepted as a Lender for the purposes of the Facility Agreement, we hereby undertake and agree to be bound by all the provisions of the Facility Agreement with effect on and from [·] (the "**Accession Date**") as if we had originally been a party thereto as a Lender with a Commitment of US$[·].

4. For the purposes of Clause 31 (*Notices*) of the Facility Agreement and until further notice to you, our contact details are as follows:

   Address:
   Attention:
   Fax No.:
   Payment Details:

Yours faithfully

.....
Authorised Signatory for
[·]
(Reg. No.: [·])

This Agreement is accepted by the Facility Agent and the Accession Date is confirmed as [].

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
as Facility Agent

By:

SCHEDULE 3
CONDITIONS PRECEDENT

1. **The Borrower and the Guarantor**

(a) A certified true copy of the constitutional documents of each of the Borrower and the Guarantor.

(b) A copy of a resolution of the board of directors of or equivalent body of each of the Borrower and the Guarantor:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute those Finance Documents;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) A certificate of the Borrower (signed by a director) confirming, *inter alia*, that borrowing and securing, the Total Commitments would not cause any borrowing, charging or similar limit binding on the Borrower to be exceeded and such other matters as may be required by any Finance Party.

(e) A certificate of the Guarantor (signed by an authorised officer) confirming, *inter alia*, that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on the Guarantor to be exceeded and such other matters as may be required by any Finance Party.

(f) A certificate of an authorised signatory of each of the Borrower and the Guarantor certifying that each copy document relating to it specified in this Schedule 3 (*Conditions Precedent*) is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Security**

(a) A copy of each of the following Security Documents, duly executed by the parties to it:

(i) the Guaranty;

(ii) the Assignment of Receivables; and

(iii) the Security Agency Deed.

(b) All other documentation, and/or evidence of all other steps, required to perfect, protect and/or preserve the Finance Parties' rights under the Security Documents as advised to the Finance Parties by their legal advisers in Singapore, save that no notice of assignment shall be required to be given to any Debtor pursuant to the Assignment of Receivables except in accordance with the terms set out therein.

3. **Legal opinions**

(a) A legal opinion of WongPartnership LLP, legal advisers to the Finance Parties in Singapore, substantially in the form distributed to the Finance Parties prior to signing this Agreement.

(b) A legal opinion of Jones Day, legal advisers to the Borrower in Delaware and New York, substantially in the form distributed to the Finance Parties prior to signing this Agreement.

4. **Other documents and evidence**

(a) The Original Financial Statements.

(b) A copy of any other Authorisation or other document, opinion or assurance which any Finance Party considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(c) Satisfactory due diligence of the Receivables.

(d) A power of attorney in form and substance satisfactory to the Security Agent pursuant to which the Borrower appoints the Security Agent as its attorney in respect of the Collection Account.

(e) Evidence that the fees, costs and expenses then due from the Borrower and the Guarantor pursuant to Clause 12 (*Fees*) and Clause 17 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.

(f) A copy of a good standing certificate (including verification of tax status, if available) with respect to the Guarantor, issued as of a recent date by the Secretary of State or other appropriate official of the Guarantor's jurisdiction of incorporation or organisation.

(g) Evidence that any amounts outstanding and payable by the Borrower under or in connection with the facility agreement dated 5 September 2012 (the "**Existing Facility Agreement**") between (i) the Borrower, as borrower, (ii) The Hongkong and Shanghai Banking Corporation Limited, as arranger, (iii) the financial institutions listed in Schedule 1 therein, as original lenders, (iv) The Hongkong and Shanghai Banking Corporation Limited, as facility agent, (v) The Hongkong and Shanghai Banking Corporation Limited, as security agent and (v) The Hongkong and Shanghai Banking Corporation Limited, as account bank, has been or will be irrevocably paid and satisfied in full and that any facility(ies) made available to the Borrower under the Existing Facility Agreement have been or will be irrevocably cancelled on or prior to the first Utilisation Date.

(h) Evidence that the Security granted pursuant to the Existing Facility Agreement has been or will be irrevocably released and discharged on or prior to the first Utilisation Date.

SCHEDULE 4
UTILISATION REQUEST

From: Micron Semiconductor Asia Pte. Ltd. as the Borrower

To: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as the Facility Agent

Date:

Dear Sirs

MICRON SEMICONDUCTOR ASIA PTE. LTD.
US$750,000,000 Facility Agreement
dated 2015 (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning when used in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[·] (or, if that is not a Business Day, the next Business Day)
Amount:	[·] or, if less, the Available Facility
Interest Period:	[·]

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4. The proceeds of the Loan [excluding the amount equal to the interest payable in respect of the Loan]* should be credited to [·] .

5. This Utilisation Request is irrevocable.

Yours faithfully

.....
Authorised Signatory for
MICRON SEMICONDUCTOR ASIA PTE. LTD.
(Reg. No.: 199802941W)

* This is applicable to the first Loan only.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as Facility Agent

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Date:

MICRON SEMICONDUCTOR ASIA PTE. LTD.
US$750,000,000 Facility Agreement
dated 2015 (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Transfer Certificate. Terms defined in the Facility Agreement have the same meaning when used in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 24.5 (*Procedure for assignment and transfer*):

   (a) the Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 24.5 (*Procedure for assignment and transfer*);

   (b) the proposed Transfer Date is []; and

   (c) the Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 31.2 (*Addresses*) are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (*Limitation of responsibility of Existing Lenders*) and confirms that it is a "New Lender" within the meaning of Clause 24.1 (*Assignments and transfers by the Lenders*).

4. This Transfer Certificate may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Transfer Certificate.

5. This Transfer Certificate is governed by Singapore law.

THE SCHEDULE Commitment/rights and obligations
to be transferred [*insert relevant details*]
[*Facility Office address, fax number and attention details for notices and account details for payments.*]

[Existing Lender] [New Lender]
By: By:

This Transfer Certificate is accepted by the Facility Agent and the Transfer Date is confirmed as [].

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
as Facility Agent

By:

SCHEDULE 6
TIMETABLES

"**D -**" refers to the number of Business Days before each Utilisation Date.

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*))	D - 3 11:00 a.m.
Facility Agent notifies the Lenders of the amount of each Loan and the amount of its participation in that Loan in accordance with Clause 5.4 (*Lenders' participation*)	D - 3 5:00 p.m.
LIBOR is fixed	Quotation Day as of 11:00 a.m. (London Time)

SCHEDULE 7
ALLOCATION OF CASHFLOWS FOLLOWING AN EARLY AMORTISATION EVENT

Upon the occurrence of an Early Amortisation Event and without prejudice to the Lender's rights upon occurrence of an Event of Default, the Borrower shall, at any time and without requiring consent from any party, be entitled to withdraw monies standing to the credit of the Collection Account equal to an amount ("**X**") which is determined on a daily basis in accordance with the following formula:

X	=	A x B
Where:		
"**A**" (expressed as a percentage)	=	100% - C
"**B**"	means	the monies standing to the credit of the Collection Account on the proposed date of withdrawal
"**C**" (expressed as a percentage)	=	(D ÷ 80%)/E
"**D**"	means	the total Loans outstanding as at the date of the Monthly Report immediately preceding the occurrence of the Early Amortisation Event
"**E**"	means	the Total Net Eligible Receivables as at the date of the Monthly Report immediately preceding the occurrence of the Early Amortisation Event

On each date of withdrawal of the amount "X", the Facility Agent and/or the Security Agent shall apply towards amortisation of the Facility an amount equal to an amount ("**Y**") determined at the relevant time in accordance with the following formula:

"Y"	=	B - X

SCHEDULE 8
MONTHLY REPORT

To: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as Facility Agent

From: Micron Semiconductor Asia Pte. Ltd. as the Borrower

Date:

Dear Sirs

MICRON SEMICONDUCTOR ASIA PTE. LTD.
US$750,000,000 Facility Agreement
dated 2015 (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Monthly Report. Terms defined in the Facility Agreement have the same meaning when used in this Monthly Report, except to the extent that the context requires otherwise and in addition:

"**Adjusted Gross Pool 1 Eligible Receivables**" means Gross Pool 1 Eligible Receivables as (i) reduced by actual credit notes and (ii) thereafter further reduced by the Excess Concentration Amount;

"**Adjusted Gross Pool 2 Eligible Receivables**" means Gross Pool 2 Eligible Receivables as (i) reduced by actual credit notes and (ii) thereafter further reduced by the Excess Concentration Amount;

"**Debtor**" means a party from whom any Receivables are owing;

"**Excess Concentration Amount**" means:

(i) in the context of Gross Pool 1 Eligible Receivables and where the total Eligible Receivables owing from a single Debtor exceeds (in the case of entities belonging to the Hewlett Packard group (each a "**HP Entity**") or the Apple group (each a "**Apple Entity**")) 25 per cent. or (in the case of Debtors other than HP Entities or Apple Entities) 15 per cent. (or some other amount to be agreed between the Borrower and the Security Agent) of the Gross Pool 1 Eligible Receivables, the difference between the total Eligible Receivables owing from that Debtor or Debtors and (in the case of HP Entities or Apple Entities) 25 per cent. or (in the case of Debtors other than HP Entities or Apple Entities) 15 per cent. ((in each case) or some other amount to be agreed between the Borrower and the Security Agent (acting on the instructions of all the Lenders)) of the Gross Pool 1 Eligible Receivables; and

(ii) in the context of Gross Pool 2 Eligible Receivables and where the total Eligible Receivables owing from a single Debtor exceeds (in the case of HP Entities or Apple Entities) 25 per cent. or (in the case of Debtors other than HP Entities or Apple Entities) 15 per cent. (or some other amount to be agreed between the Borrower and the Security Agent) of the Gross Pool 2 Eligible Receivables, the difference between the total Eligible Receivables owing from that Debtor or Debtors and (in the case of HP Entities or Apple Entities) 25 per cent. or (in the case of Debtors other than HP Entities or Apple Entities) 15 per cent. ((in each case) or some other amount to be agreed between the Borrower and the Security Agent (acting on the instructions of all the Lenders)) of the Gross Pool 2 Eligible Receivables;

"**Facility Agreement**" means the US$750,000,000 facility agreement dated _____ 2015 made between (i) Micron Semiconductor Asia Pte. Ltd., as borrower, (ii) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, DBS Bank Ltd., ING Bank N.V., Singapore Branch, and Standard Chartered Bank as mandated lead arrangers and bookrunners, (iii) Oversea-Chinese Banking Corporation Limited as arranger, (iv) the Lenders named therein, as original lenders, (v) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as facility agent, (vi) the Security Agent, as security agent, and (vii) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as account bank;

"**Gross Pool 1 Eligible Receivables**" means Eligible Receivables comprising the Ship and Debit Discount Programme;

"**Gross Pool 2 Eligible Receivables**" means Eligible Receivables which do not comprise the Ship and Debit Discount Programme;

"**Net Pool 1 Eligible Receivables**" means the Adjusted Gross Pool 1 Eligible Receivables as reduced by 35.02 per cent.;

"**Net Pool 2 Eligible Receivables**" means the Adjusted Gross Pool 2 Eligible Receivables as reduced by 2.65 per cent.;

"**Ship and Debit Discount Programme**" means the Borrower's programme of issuing rebates to distributors shipping the Borrower's goods from distributor stock to end-user Debtors in respect of the discounted sales price(s), as authorised by the Borrower's published procedures and guidelines; and

"**Total Adjusted Net Eligible Receivables**" means 80 per cent. of the Total Net Eligible Receivables.

"**Total Net Eligible Receivables**" means the sum of Net Pool 1 Eligible Receivables and Net Pool 2 Eligible Receivables.

2. [We confirm that no Default or Early Amortisation Event has occurred.][1]

3. [We confirm that: [*Insert details of covenants to be certified*].

4. We confirm that the [audited/unaudited] financial statements (delivered with this Monthly Report) for the financial [year/half-year] ended [date] fairly represents our financial condition and operations as at [date].][2]

5. We further confirm the following calculations:

Calculation Date of this Report	:	[*Insert date*]
Total Loans outstanding as at date of this Report	:	[*Insert total amount of RCF outstanding*]
Total aggregate interest payable under the Loans on the interest payment immediately falling after the date of this Report	:	[*Insert amount*]

[1] If this statement cannot be made, the certificate should identify any Default or Early Amortisation Event that is continuing and the steps, if any, being taken to remedy it.
[2] To be included when financial statements are delivered together with the Monthly Report.

Gross Pool 1 Eligible Receivables	:	[*Insert amount*]
less actual credit notes referable to the Gross Pool 1 Eligible Receivables recorded during the period between the date of the last Monthly Report and the date of this Report	:	[*Insert amount*]
less concentration cap of (in the case of HP Entities or Apple Entities) 25% or (in the case of Debtors other than HP Entities or Apple Entities) 15% ((in each case) or some other amount to be agreed between the Borrower and the Security Agent (acting on the instructions of all the Lenders))	:	[*Insert amount*]
Adjusted Gross Pool 1 Eligible Receivables	:	[*Insert amount*]
less dilution of 35.02% [3]	:	[*Insert amount*]
Net Pool 1 Eligible Receivables	:	[*Insert amount*]
Gross Pool 2 Eligible Receivables	:	[*Insert amount*]
less actual credit notes referable to the Gross Pool 2 Eligible Receivables recorded during the period between the date of the last Monthly Report and the date of this Report	:	[*Insert amount*]
less concentration cap of (in the case of HP Entities or Apple Entities) 25% or (in the case of Debtors other than HP Entities or Apple Entities) 15% ((in each case) or some other amount to be agreed between the Borrower and the Security Agent (acting on the instructions of all the Lenders))	:	[*Insert amount*]
Adjusted Gross Pool 2 Eligible Receivables	:	[*Insert amount*]

[3] Dilution haircuts shall be subject to Clause 19.8 and may be amended from time to time upon agreement between the Borrower and the Lenders.

less dilution of 2.65% [4]	:	[*Insert amount*]
Net Pool 2 Eligible Receivables	:	[*Insert amount*]
Total Net Eligible Receivables comprising: (i) Net Pool 1 Eligible Receivables; and (ii) Net Pool 2 Eligible Receivables	:	[*Insert amount*]
Total Adjusted Net Eligible Receivables	:	[*Insert amount*]
Maximum Advance Ratio: Total Loans outstanding as at date of this Report ÷ Total Net Eligible Receivables	:	[*Insert amount*]

Yours faithfully

.....
Authorised Signatory for
MICRON SEMICONDUCTOR ASIA PTE. LTD.
(Reg. No.: 199802941W)

[4] Dilution haircuts shall be subject to Clause 19.8 and may be amended from time to time upon agreement between the Borrower and the Lenders.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated at the beginning.

The Borrower

MICRON SEMICONDUCTOR ASIA PTE. LTD.

Address: 1 North Coast Drive,
Singapore 757432

Fax No: 65 6637 1790

Attention: Ms Ang Eng Eng

By:	*/s/ Alice Koh*	Witness:	*/s/ Ang Eng Eng*
Name:	Alice Koh	Name:	Ang Eng Eng
Title:	Authorised signatory		

The Mandated Lead Arrangers

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

Address: 21 Collyer Quay
#08-01, HSBC Building,
Singapore 049320

Attention: Atin Bhutani / Joel Thong

Fax No: 65 64244783

By:	*/s/ Kelvin Tan Swee Beng*	Witness:	*/s/ Thong Wei Eng Joel*
Name:	Kelvin Tan Swee Beng	Name:	Thong Wei Eng Joel
			057497
Title:	Managing Director and Head of Commercial Banking		

DBS BANK LTD.

Address: 12 Marina Boulevard,
Level 46 DBS Asia Central @ Marina Bay Financial Centre Tower 3,
Singapore 018982

Attention: Santanu Mitra / Shradha Gupta / Sarah Goh

Fax No: 65 68784972

By:	*/s/ Santanu Mitra*	Witness:	*/s/ John Cheah*
Name:	Santanu Mitra	Name:	John Cheah
Title:	Senior Vice President		

ING BANK N.V., SINGAPORE BRANCH

Address: 9 Raffles Place, #19-02, Republic Plaza, Singapore 048619

Attention: Krishna Suryanarayanan, Ava Mo, Eugene Tan (SF-TMT)

Fax No: 65 65351195

By:	*/s/ Ranesh Verma*	Witness:	*/s/ Eugene Tan*
Name:	Ranesh Verma	Name:	Eugene Tan
Title:	Managing Director & Head Telecom, Media & Technology, Asia		

By:	*/s/ Krishna Suryanarayanan*	Witness:	*/s/ Eugene Tan*
Name:	Krishna Suryanarayanan	Name:	Eugene Tan
Title:	Managing Director Telecom, Media & Technology, Asia		

STANDARD CHARTERED BANK

Address: Level 24, Marina Bay Financial Centre Tower 1
8 Marina Boulevard, Singapore 018981

Attention: Benjamin Chan / Rati Seth

Fax No: 65 66349563

By:	*/s/ Cherie Teng*	Witness:	*/s/ Benjamin Chan*
Name:	Cherie Teng	Name:	Benjamin Chan
Title:	Head - Global Corporates Singapore Standard Chartered Bank		

The Arranger

OVERSEA-CHINESE BANKING CORPORATION LIMITED

Address: 65 Chulia Street #10-00 OCBC Center Singapore 049513

Attention: Kum Hui Cheng/ Alyssa Ng

Fax No: 6536 9327

By:	*/s/ Elaine Lam*	Witness:	*/s/ Kum Hui Cheng*
Name:	Elaine Lam	Name:	Kum Hui Cheng
Title:	Senior Vice President Head, Wholesale Corporate Marketing		

The Original Lenders

BNP PARIBAS (ACTING THROUGH ITS SINGAPORE BRANCH)

Address: 10 Collyer Quay,
#34-01 Ocean Financial Centre,
Singapore 049315

Attention: Bruno Lechevalier / Lee Peow / Chiam Daohua

Fax No: 65 6210 1094

By:	*/s/ Bruno Lechevalier*	Witness:	*/s/ Chiam Daohua*
Name:	Bruno Lechevalier	Name:	Chiam Daohua
Title:	Head of Supply Chain Management, Asia Pacific		

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., SINGAPORE BRANCH

Address: 9 Raffles Place,
#01-01 Republic Plaza,
Singapore 048619

Attention: Ian Lim

Fax No: 65 65365458

By:	*/s/ Takuma Matsuyama*	Witness:	*/s/ Ian Lim*
Name:	Takuma Matsuyama	Name:	Ian Lim
Title:	Deputy General Manager		

DBS BANK LTD.

Address: 12 Marina Boulevard,
Level 46 DBS Asia Central @ Marina Bay Financial Centre Tower 3,
Singapore 018982

Attention: Santanu Mitra / Shradha Gupta / Sarah Goh

Fax No: 65 68784972

By:	*/s/ Santanu Mitra*	Witness:	*/s/ John Cheah*
Name:	Santanu Mitra	Name:	John Cheah
Title:	Senior Vice President		

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

Address: 21 Collyer Quay,
#08-01, HSBC Building,
Singapore 049320

Attention: Atin Bhutani / Joel Thong

Fax No: 65 64244783

By:	*/s/ Kelvin Tan Swee Beng*	Witness:	*/s/ Thong Wei Eng Joel*
Name:	Kelvin Tan Swee Beng	Name:	Thong Wei Eng Joel
			057497
Title:	Managing Director and Head of Commercial Banking		

ING Bank N.V., SINGAPORE BRANCH

Address: 9 Raffles Place,
#19-02, Republic Plaza,
Singapore 048619

Attention: Krishna Suryanarayanan, Ava Mo, Eugene Tan (SF-TMT)

Fax No: 65 6535 1195

By:	*/s/ Ranesh Verma*	Witness:	*/s/ Eugene Tan*
Name:	Ranesh Verma	Name:	Eugene Tan
Title:	Managing Director & Head Telecom, Media & Technology, Asia		
By:	*/s/ Krishna Suryanarayanan*	Witness:	*/s/ Eugene Tan*
Name:	Krishna Suryanarayanan	Name:	Eugene Tan
Title:	Managing Director Telecom, Media & Technology, Asia		

OVERSEA-CHINESE BANKING CORPORATION LIMITED

Address: 65 Chulia Street,
#10-00 OCBC Center,
Singapore 049513

Attention: Kum Hui Cheng/ Alyssa Ng

Fax No: 6536 9327

By:	*/s/ Elaine Lam*	Witness:	*/s/ Kum Hui Cheng*
Name:	Elaine Lam	Name:	Kum Hui Cheng
Title:	Senior Vice President Head, Wholesale Corporate Marketing		

THE ROYAL BANK OF SCOTLAND PLC, SINGAPORE BRANCH

Address: The Royal Bank of Scotland plc
Level 23, One Raffles Quay
South Tower
Singapore 048583

Attention: Junaid Iftikhar

Fax No: +65 6517 5051

By:	*/s/ Junaid Iftikhar*	Witness:	*/s/ Kim Li Wen*
Name:	Junaid Iftikhar	Name:	Kim Li Wen
Title:	Director		

STANDARD CHARTERED BANK

Address: Level 24, Marina Bay Financial Centre Tower 1
8 Marina Boulevard,
Singapore 018981

Attention: Benjamin Chan / Rati Seth

Fax No : 65 6634 9563

By:	*/s/ Cherie Teng*	Witness:	*/s/ Benjamin Chan*
Name:	Cherie Teng	Name:	Benjamin Chan
Title:	Head - Global Corporates Singapore Standard Chartered Bank		

UNITED OVERSEAS BANK LIMITED

Address: 1 Raffles Place
#25-61 One Raffles Place Tower 2
Singapore 048616

Attention: Ms Ivy Wang Jo-I / Ms Lee Ling Ling
Group Wholesale Bank, Multinational Corporate

Fax No: +65 6534 3697

By:	*/s/ Maggie Ng Poh Keng*	Witness:	*/s/ Kong Siew Ling*
Name:	Maggie Ng Poh Keng	Name:	Kong Siew Ling
Title:	Corporate Banking Singapore		Corporate Banking Singapore

The Facility Agent

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

Address: 20 Pasir Panjang Rd (East Lobby)
#12-21 Mapletree Business City
Singapore 117439

Attention: Corporate Trust and Loan Agency

Fax No: 65 6225 3770

By:	*/s/ Anuj Rathi*	Witness:	*/s/ Satish Srivastava*
Name:	Anuj Rathi	Name:	Satish Srivastava
Title:	Head - CTLA, SE Asia		

The Security Agent

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

Address: 20 Pasir Panjang Rd (East Lobby)
#12-21 Mapletree Business City
Singapore 117439

Attention: Corporate Trust and Loan Agency

Fax No: 65 6225 3770

By:	*/s/ Anuj Rathi*	Witness:	*/s/ Satish Srivastava*
Name:	Anuj Rathi	Name:	Satish Srivastava
Title:	Head - CTLA, SE Asia		

The Account Bank

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

Address: 21 Collyer Quay
#08-01, HSBC Building,
Singapore 049320

Attention: Atin Bhutani / Joel Thong

Fax No: 65 64244783

By:	*/s/ Kelvin Tan Swee Beng*	Witness:	*/s/ Thong Wei Eng Joel*
Name:	Kelvin Tan Swee Beng	Name:	Thong Wei Eng Joel
			057497
Title:	Managing Director and Head of Commercial Banking		

EXHIBIT 10.89

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

CONFIDENTIAL

SUPPLY AGREEMENT

This SUPPLY AGREEMENT is made and entered into on this 17th day of January, 2013 (the "**Closing Date**") and shall be effective retroactively as of January 1, 2013 (the "**Effective Date**"), by and among MICRON TECHNOLOGY, INC., a Delaware corporation ("**Micron**"), MICRON SEMICONDUCTOR ASIA PTE. LTD., a Singapore private limited company and wholly-owned Subsidiary (as defined hereinafter) of Micron (the "**Purchaser**"), and INOTERA MEMORIES, INC. (Inotera Memories, Inc. [Translation from Chinese]), a company incorporated under the laws of the Republic of China (the "**R.O.C.**") ("**Inotera**").

RECITALS

A. Inotera is engaged in the manufacture of DRAM Products (as defined hereinafter) in wafer form.

B. Micron, the Purchaser and Inotera (each, a "**Party**" and collectively, the "**Parties**") desire Inotera to generally supply Conforming Wafers (as defined hereinafter), Pre-Qual Engineering Wafers (as defined hereinafter) and Non-Conforming Wafers (as defined hereinafter) to the Purchaser upon the terms and subject to the conditions set forth in this Agreement.

C. Contemporaneously herewith, Inotera and Nanya Technology Corporation (Nanya Technology Corporation [Translation from Chinese]), a company incorporated under the laws of the R.O.C. ("**NTC**"), have entered into an agreement to be effective as of the Effective Date pursuant to which Inotera will supply wafers to NTC upon the terms and subject to the conditions set forth therein (the "**NTC Supply Agreement**").

D. Contemporaneously herewith, the Third Amended and Restated Supply Agreement, dated June 8, 2011 (and effective as of June 8, 2011), by and among Micron, NTC and Inotera (the "**Existing Supply Agreement**") has been terminated effective retroactively as if such termination had occurred immediately prior to the commencement of the Effective Date.

E. It is the present intention of the Parties that the level of mutual cooperation and support among the Parties in connection with their performance of this Agreement be consistent with the level of mutual cooperation and support between Micron and Inotera in connection with their performance of the Existing Supply Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

ARTICLE 1
DEFINITIONS; CERTAIN INTERPRETIVE MATTERS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, capitalized terms used in this Agreement shall have the respective meanings set forth below:

"**Affiliate**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, Controls, or is Controlled by, or is under common Control with such specified Person; and the term "**affiliated**" has a meaning correlative to the foregoing.

"**Agreement**" means this Supply Agreement, together with the Schedules attached hereto (but excluding the sample calculations set forth in any attachments to such Schedules, which are provided for illustrative purposes only and shall not constitute terms hereof).

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if the **[***]** are to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section 3.7, ***the product of*** **(i)** the **[***]** for such Delivery Month, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if Inotera is required to include **[***]** in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month pursuant to Section 3.8(d), ***the product of*** **(i)** the **[***]** for all **[***]** required to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month pursuant to Section 3.8(d), **multiplied by (ii)** ***the quotient of*** **(A)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if **[***]** are to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section **[***]**, ***the product of*** **(i)** the **[***]** that are to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section **[***]**, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if **[***]** are to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section 3.9, ***the product of*** **(i)** the **[***]** to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section

3.9, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***] Payment Amount**" means, for any particular Design ID in a particular Delivery Month, ***the product of*** **(a)** the **[***]** Payment Amount for such Delivery Month, **multiplied by (b)** ***the quotient of*** **(i)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (ii)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if the **[***]** for a particular **[***]** is to be included in the Final Price of Conforming Wafers delivered to the Purchaser in such Delivery Month in accordance with Section 3.8(b), ***the product of*** **(i)** the **[***]** for all **[***]** for such Delivery Month, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Conforming Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**Annual Calendar**" shall have the meaning set forth in Section 3.2.

"**Applicable Law**" means any applicable laws, statutes, rules, regulations, ordinances, orders, codes, arbitration awards, judgments, decrees or other legal requirements of any Governmental Entity.

"**Applicable [***] Deadline**" means the later to occur of (a) the date that is **[***]** months after **[***]** in the Micron Fab Network and (b) the date that is **[***]** months after **[***]** on the agreed upon representative toolset created using a **[***]** at the Inotera Fab, as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network; *provided*, *however*, that, if such **[***]** at another fab in the Micron Fab Network has not **[***]** by the end of the **[***]** month of such **[***]**-month period, such period shall be suspended until such **[***]** at another fab in the Micron Fab Network has **[***]**.

"**Applicable [***] Target**" means:

(a) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is less than **[***]**, **[***]**;

(b) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**;

(c) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**;

(d) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**; and

(e) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**.

"**Boundary Conditions**" means, with respect to the Inotera Fab, a requirement that, at any point in time:

(a) there shall **[***]** in use for the manufacture of DRAM Products, *provided* that at the Inotera Fab, there also may be **[***]** in use for **[***]**;

(b) subject to clause (c) below, the Inotera Fab shall manufacture for the Purchaser DRAM Products with **[***]**; *provided*, *however*, that if at any time the Inotera Fab is manufacturing for the Purchaser DRAM Products with **[***]** (or, if and when the **[***]** at the Inotera Fab, such **[***]** as is agreed in writing by the Parties) and the Purchaser requests that the Inotera Fab manufacture for the Purchaser DRAM Products with **[***]** by the Inotera Fab, the Inotera Fab shall also manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab **[***]** to manufacture DRAM Products with **[***]**, including such new Design ID, would be **[***]** the following for **[***]** in the **[***]** the Inotera Fab **[***]** being manufactured by or for Micron and its Affiliates at such fab **[***]**, for the Inotera Fab, **[***]** being manufactured at **[***]** at the Inotera Fab, **[***]** DRAM Products (in wafer form) meeting the applicable specifications that can be manufactured by or for Micron and its Affiliates at **[***]**; *provided further*, *however*, that the foregoing shall be applied only to determine whether the Inotera Fab **[***]** to manufacture DRAM Products with **[***]** manufactured by the Inotera Fab and only in the circumstance specified above and that the foregoing shall not be applied on **[***]** or otherwise **[***]** in any circumstance **[***]** the Purchaser to **[***]** the Inotera Fab to manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab;

(c) the Inotera Fab shall not manufacture DRAM Products **[***]** for the Purchaser unless, **[***]**, ***the sum of*** **(i)** the **[***]** to be delivered in such **[***]** **plus (ii)** the **[***]** delivered during such **[***]**, is **[***]**; and

(d) the Inotera Fab shall not manufacture DRAM Products **[***]** for the Purchaser unless (i) the Inotera Fab **[***]** for such **[***]**, or (ii) the Purchaser has **[***]** for such DRAM Products **[***]** and such DRAM Products have been **[***]**;

as such requirement may be altered from time to time by the Purchaser with the consent of Inotera, which shall not be unreasonably withheld, conditioned or delayed; *provided*, *however*, that, notwithstanding anything above to the contrary, DRAM Products that are manufactured utilizing the same mask set shall be deemed to be DRAM Products of a **[***]** for purposes of the **[***]** described in clauses (b) and (c) above.

"**Business Day**" means a day that is not a Saturday, Sunday or other day on which commercial banking institutions in either the R.O.C. or the State of New York are authorized or required by Applicable Law to be closed.

"**Business Plan**" means, at any particular time, the three (3) year business plan then existing for Inotera, as approved by the board of directors of Inotera.

"**Closing Date**" shall have the meaning set forth in the preamble to this Agreement.

"**Committed NTC Manufacturing Capacity**" means, during the NTC Wind-Down Period for each Process Node, the number of wafers meeting the applicable specifications that can be manufactured for NTC by Inotera pursuant to the NTC Supply Agreement from: (a) Wafer Starts prior to February 1, 2013 utilizing the **[***]** Process Node as set forth in the Manufacturing Plan attached as Schedule 3.1; (b) Wafer Starts prior to February 1, 2013 utilizing the **[***]** Process Node as set forth in the Manufacturing Plan attached as Schedule 3.1; and (c) up to **[***]** in each Fiscal Month commencing after January 31, 2013 and ending prior to November 1, 2013 utilizing the **[***]** Process Node (with the precise number of Wafer Starts in any such Fiscal Month to be specified by Inotera to the Purchaser in writing at least **[***]** days prior to the beginning of such Fiscal Month based on and consistent with the forecasts provided to Inotera by NTC under the NTC Supply Agreement), *provided* that such Wafer Starts contemplated by this clause (c) for any particular Fiscal Month shall be of DRAM Products having one of the following Design IDs: **[***]**.

"**Committed Purchaser Manufacturing Capacity**" means:

(a) at any time during the NTC Wind-Down Period, 100% of the Manufacturing Capacity for each Process Node installed at the Inotera Fab after taking into account the Committed NTC Manufacturing Capacity;

(b) at any time during the Term (other than during the NTC Wind-Down Period), 100% of the Manufacturing Capacity for each Process Node installed at the Inotera Fab; and

(c) at any time during the Purchaser Wind-Down Period, the portion of the Manufacturing Capacity for each Process Node installed at the Inotera Fab as determined in accordance with Sections 11.1(d) and 11.1(e).

"**Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) meets the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing and (b) has a minimum Die Yield equal to **[***]**% (or, if the minimum die yield required for conforming wafers containing such DRAM Products in other fabs in the Micron Fab Network is different than **[***]**%, then such different percentage, which shall be set forth in a written notice to Inotera from Micron or the Purchaser).

"**Control**" means the power or authority, whether exercised or not, to direct the business, management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members, shareholders or other equity holders of such Person or power to control the composition of a majority of the board of directors or like governing body of such Person; and the term "**Controlled**" has a meaning correlative to the foregoing.

"**Cycle-Time**" means the time required to process a wafer through a portion of the manufacturing process or through the manufacturing process as a whole, including Probe Testing.

"**Delivery Month**" means, with respect to any particular wafer delivered to the Purchaser pursuant to this Agreement, the Fiscal Month in which it is delivered to the Purchaser.

"**Demand Forecast**" shall have the meaning set forth in Section 3.4.

"**Design ID**" means a part number that is assigned to a unique DRAM Design of a particular DRAM Product, which may include a number or letter designating a specific device revision.

"**Die Yield**" means ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form that are manufactured on a wafer and that meet the applicable Specifications for such DRAM Products immediately after Probe Testing, **divided by (b)** the maximum number of such die that could be manufactured on such wafer to meet the applicable Specifications for such wafer using the applicable Process Node.

"**DRAM**" means a dynamic random access memory cell that functions by using a capacitor arrayed predominantly above the semiconductor substrate.

"**DRAM Design**" means all of the design elements, components, specifications and information required to manufacture the subject DRAM Product.

"**DRAM Product**" means any memory comprising DRAM, whether in die or wafer form.

"**Effective Date**" shall have the meaning set forth in the preamble to this Agreement.

"**EFF**" means, for DRAM Products of a particular Design ID, the time at which the first wafer of such DRAM Product is processed through the entire manufacturing process flow therefor in the Inotera Fab.

"**Environmental Laws**" means any and all laws, statutes, rules, regulations, ordinances, orders, codes or binding determinations of any Governmental Entity pertaining to the environment in any and all jurisdictions in which the Inotera Fab is located, including laws pertaining to the handling of wastes or the use, maintenance and closure of pits and impoundments, and other environmental conservation or protection laws.

"**Excursion**" means a performance deviation during the production process that is outside normal behavior, as defined by historical performance or as established by the Purchaser and Inotera in writing in the applicable Specifications, which may impact performance, Quality and Reliability or the Purchaser's customer delivery commitments for DRAM Product from Conforming Wafers.

"**Existing Supply Agreement**" shall have the meaning set forth in Recital D to this Agreement.

"**Final Invoice**" shall have the meaning set forth in Section 4.9(b).

"**Final Price**" shall have the meaning set forth in Section 5.1(b).

"**Fiscal Month**" means any of the twelve financial accounting months within the Fiscal Year.

"**Fiscal Quarter**" means any of the four financial accounting quarters within the Fiscal Year.

"**Fiscal Year**" means the fiscal year of Inotera for financial accounting purposes.

"**[***]**" shall have the meaning set forth in Schedule 3.7.

"**[***]**" shall have the meaning set forth in Section 3.7.

"**Force Majeure Event**" means the occurrence of an event or circumstance beyond the reasonable control of the Party and includes: (a) explosions, fires, flood, earthquakes, catastrophic weather conditions, or other elements of nature or acts of God; (b) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; (c) acts of Governmental Entities; (d) labor disputes, lockouts, strikes or other industrial action, whether direct or indirect and whether lawful or unlawful; (e) failures or fluctuations in electrical power or telecommunications service or equipment; and (f) delays caused by nonperformance of Inotera, in the case of Micron or the Purchaser, or Micron or the Purchaser, in the case of Inotera, or nonperformance by a Third Party (except for delays caused by such Party's subcontractors or agents).

"**GAAP**" means generally accepted accounting principles.

"**Governmental Entity**" means any governmental authority or entity, including any agency, board, bureau, commission, court, municipality, department, subdivision or instrumentality thereof, or any arbitrator or arbitration panel.

"**Hazardous Substances**" means any asbestos, any flammable, explosive, radioactive, hazardous, toxic, contaminating, polluting matter, waste or substance, including any material defined or designated as a hazardous or toxic waste, material or substance, or other similar term, under any Environmental Laws in effect or that may be promulgated in the future.

"**Indemnified Losses**" mean all direct, out-of-pocket liabilities, damages, losses, costs and expenses (including reasonable attorneys' and consultants' fees and expenses).

"**Indemnified Party**" shall have the meaning set forth in Section 9.2(a).

"**Indemnifying Party**" shall have the meaning set forth in Section 9.2(a).

"**Inotera**" shall have the meaning set forth in the preamble to this Agreement.

"**Inotera Fab**" shall have the meaning set forth in Section 1.2(c).

"**Inotera Financial Report**" shall have the meaning set forth in Section 3.11.

"**[***]**" has the meaning set forth on Schedule 3.8.

"**[***]**" has the meaning set forth in Section 3.8(e).

"**Joint Venture Agreement**" means that certain Joint Venture Agreement between MNL, Numonyx B.V., MTAP and NTC, dated as of the Closing Date, as amended, relating to Inotera.

"**Line Yield**" means, for any given period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers and Pre-Qual Engineering Wafers produced during such period of time, **divided by (b)** the number of all wafers started during such period of time.

"**Long Range Forecast**" shall have the meaning set forth in Section 3.15

"**Manufacturing Capacity**" means, for each Process Node at the Inotera Fab for any particular period of time, the maximum number of Conforming Wafers that can be manufactured through Probe Testing and delivered to the Purchaser utilizing such Process Node at the Inotera Fab during such period of time, assuming Inotera only manufactured Conforming Wafers during such period of time.

"**Manufacturing Plan**" shall have the meaning set forth in Section 3.1.

"**Mask [***]**" has the meaning set forth in Section 2.3(b).

"**Micron**" shall have the meaning set forth in the preamble to this Agreement.

"**Micron Fab Network**" means the fabs manufacturing DRAM Products for Micron and its Affiliates, including the Inotera Fab.

"**Micron/Inotera Confidentiality Agreement**" means that certain Mutual Nondisclosure Agreement between Micron and Inotera, dated as of the Closing Date, as amended.

"**[***]**" shall have the meaning set forth in Section 3.12(e).

"**MNL**" means Micron Semiconductor B.V., a private limited liability company organized under the laws of the Netherlands.

"**Monthly Planning Statement**" shall have the meaning set forth in Section 3.3.

"**Monthly Financial Review**" shall have the meaning set forth in Section 3.14(b).

"**MTAP**" means Micron Technology Asia Pacific, Inc., an Idaho corporation.

"**Non-Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) fails to meet the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing or (b) has a minimum Die Yield below that required for a Conforming Wafer of such DRAM Products.

"**NTC**" shall have the meaning set forth in Recital C to this Agreement.

"**NTC Supply Agreement**" shall have the meaning set forth in Recital C to this Agreement.

"**NTC Wind-Down Period**" means the period from the Effective Date through December 31, 2013.

"**Numonyx B.V.**" means Numonyx Holdings B.V., a private limited liability company organized under the laws of the Netherlands.

"**Operational Report**" shall have the meaning set forth in Section 3.12.

"**[***]**" shall have the meaning set forth in Section 11.2(c).

"**Party**" and "**Parties**" shall have the meanings set forth in Recital B to this Agreement.

"**Performance Criteria**" means the factors of **[***]**.

"**Permitted Disclosures**" shall have the meaning set forth in Section 3.16.

"**Person**" means any natural person, corporation, joint stock company, limited liability company, association, partnership, firm, joint venture, organization, business, trust, estate or any other entity or organization of any kind or character.

"**Preliminary Price**" means, for a particular Delivery Month, (a) with respect to Conforming Wafers, Inotera's estimate, as of the time Inotera delivers the Preliminary Price Notice with respect to such Delivery Month, of the Price that Inotera will charge under this Agreement for such Conforming Wafers, as reasonably determined by Inotera, with such estimate being based on the **[***]**, for the **[***]**, for products **[***]** to such **[***]** (or such other **[***]**, or combination or derivation therefrom, as the Parties may mutually agree in writing), (b) with respect to Pre-Qual Engineering Wafers, **[***]**, and (c) with respect to Non-Conforming Wafers, an amount **[***]** per Non-Conforming Wafer, as mutually agreed in writing by the Parties.

"**Preliminary Price Notices**" shall have the meaning set forth in Section 4.4(a).

"**Pre-Qual Engineering Wafers**" means, with respect to a particular DRAM Product, wafers of such DRAM Product requested by the Purchaser for delivery to the Purchaser in lieu of Conforming Wafers in any Purchase Order placed, or any change order to a Purchase Order issued, as contemplated by Section 4.3, that are manufactured to the full extent of the applicable process flow but prior to the qualification of such DRAM Product at the Inotera Fab.

"**Price**" shall have the meaning set forth in Section 5.1(a).

"**Price True-Up Amount**" means, for a particular Delivery Month, an amount, which may be positive or negative, equal to ***the sum of*** **(i)** ***the sum of*** **(A)** the aggregate Final Price of the Conforming Wafers delivered during such Delivery Month to the Purchaser calculated in accordance with Section 5.1(b), **plus (B)** the aggregate price of Pre-Qual Engineering Wafers delivered during such Delivery Month to the Purchaser pursuant to Section 5.2, **minus (ii)** the aggregate balance owing to Inotera shown on all Pro Forma Invoices accompanying the deliveries of Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers during such Delivery Month to the Purchaser.

"**Probe Testing**" means testing, using a wafer test program as set forth in the applicable Specifications for such wafer, of a wafer that has completed all processing steps deemed necessary to complete the creation of the desired integrated circuits in the die on such wafer, the purpose of which test is to determine how many and which of the die meet the applicable criteria for such die set forth in the Specifications for such die.

"**Probe Yield**" means, with respect to any period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form meeting the applicable Specifications for such DRAM Products during such period of time, **divided by (b)** the maximum number of die on Conforming Wafers probed during such period of time.

"**Process Node**" means a collection of process technology and equipment that enables the production of DRAM Products in wafer form for a particular minimum repeatable half pitch of a device (minimum physical feature size or line width) and often designated by the size of such pitch (*e.g.*, the 42nm Process Node or the 30nm Process Node, etc.). For the avoidance of doubt, the Parties acknowledge and agree that the **[***]** Process Node utilized at the Inotera Fab is not the same Process Node as the **[***]** Process Node utilized by **[***]**.

"**Process Node Allocation Notice**" shall have the meaning set forth in Section 11.1(e).

"**Pro Forma Invoice**" shall have the meaning set forth in Section 4.9(a).

"**[***]**" shall have the meaning set forth in Section 3.8(a).

"**Purchase Order**" shall have the meaning set forth in Section 4.4(b).

"**Purchaser**" shall have the meaning set forth in the preamble to this Agreement.

"**Purchaser Indemnified Party**" means the Purchaser or any of its Affiliates, including Micron.

"**[***]**" shall have the meaning set forth in Section 3.9.

"**Purchaser Pricing Report**" shall have the meaning set forth in Section 3.13.

"**[***]**" shall have the meaning set forth in Section 3.8(b).

"**Purchaser Wind-Down Period**" shall have the meaning set forth in Section 11.1(c).

"**Quality and Reliability**" means the quality and reliability standards for Conforming Wafers as set forth in the applicable Specifications for such Conforming Wafers or the Manufacturing Plan in effect from time to time.

"**Quarterly Business Review**" has the meaning set forth on Section 3.14(a).

"**Recoverable Taxes**" shall have the meaning set forth in Section 4.8(a).

"**[***] Notice**" shall have the meaning set forth in Section 3.8(a).

"**[***] Notice**" shall have the meaning set forth in Section 3.8(b).

"**Response to Forecast**" shall have the meaning set forth in Section 3.5.

"**Restriction Period**" means, with respect to any Segregated Employee, the period of time beginning on the date such Person becomes a Segregated Employee and ending on the date that is **[***]** months after the date such Person is no longer a Segregated Employee.

"**R.O.C.**" shall have the meaning set forth in the preamble to this Agreement.

"**[***] Payment Amount**" shall have the meaning set forth in Section 3.13.

"**Segregated Employees**" means (a) the accounting employees of Inotera that are responsible for performing, reviewing and approving the calculation of the Price for any DRAM Product sold to the Purchaser under this Agreement, and (b) the president of Inotera and the senior officer responsible for financial management of Inotera, *provided* that no **[***]**, if any, shall be permitted to be a Segregated Employee.

"**Shared Design ID Wafers**" means all wafers with the same Design ID that are produced for both the Purchaser and other Persons.

"**Ship Lot Line Yield**" means, with respect to any lot of wafers, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers manufactured from such lot, **divided by (b)** the number of Wafer Starts from such lot.

"**Specifications**" means those specifications used to describe, characterize, and define the quality and performance of a Conforming Wafer or a DRAM Product in die form, as applicable, in each case, as such specifications may be determined from time to time by the Purchaser and delivered in writing to Inotera.

"**Subsidiary**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, is Controlled by such specified Person.

"**Swap Ratio**" means, with respect to any Pre-Qual Engineering Wafer, a ratio that will be used to **[***]** of such Pre-Qual Engineering Wafer to take into account the **[***]** required to produce such wafer compared to a Conforming Wafer generally, as such ratio is agreed by the Parties from time to time; *provided*, *however*, that, if the Parties cannot agree to such ratio for any particular Pre-Qual Engineering Wafer, the ratio for such Pre-Qual Engineering Wafer will be reasonably determined by the Purchaser.

"**Taiwan GAAP**" means GAAP used in the R.O.C., as in effect from time to time, consistently applied for all periods at issue.

"**Term**" shall have the meaning set forth in Section 11.1(a).

"**Third Party**" means any Person, other than Micron, Inotera or any of their respective Subsidiaries.

"**Third Party Claim**" means any claim, demand, lawsuit, complaint, cross-complaint or counter-complaint, arbitration, opposition, cancellation proceeding or other legal or arbitral proceeding of any nature brought in any court, tribunal or judicial forum anywhere in the world, regardless of the manner in which such proceeding is captioned or styled brought by any Third Party.

"**[***]**" shall have the meaning set forth in Section 11.2(c).

"**[***]**" shall have the meaning set forth in Schedule 3.8.

"**[***]**" shall have the meaning set forth in Section 3.8(e).

"**Wafer Start**" means the initiation of manufacturing services with respect to a wafer.

"**WIP**" means work in process at the Inotera Fab, including all wafers in wafer fabrication and sort and all completed Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers not yet delivered to the Purchaser or other Persons.

"**WIP Data**" means in-line inventory data, including wafer numbers, lot numbers, unit volumes, wafer volumes, Cycle-Times, Die Yield, Line Yield, Probe Yield and Ship Lot Line Yield.

"**WSTS Forecast**" means the forecast of semiconductor prices prepared by WSTS, Inc.

1.2 Certain Interpretive Matters.

(a) Unless the context requires otherwise, (i) all references to Sections, Articles, Exhibits, Appendices or Schedules are to Sections, Articles, Exhibits, Appendices or Schedules of or to this Agreement, (ii) each accounting term not otherwise defined in this Agreement (A) with respect to Micron or the Purchaser, has the meaning commonly applied to it in accordance with GAAP used in the United States, as in effect from time to time, consistently applied for all periods at issue, and (B) with respect to Inotera, has the meaning commonly applied to it in accordance with Taiwan GAAP, (iii) words in the singular include the plural and vice versa, (iv) the term "**including**" means "including without limitation," and (v) the terms "**herein**," "**hereof**," "**hereunder**" and words of similar import shall mean references to this Agreement as a whole and not to any individual section or portion hereof. All references to "**$**" or dollar amounts will be to lawful currency of the United States of America. All references to "**day**" or "**days**" mean calendar days, and all references to "**quarter(ly)**," "**month(ly)"** or "**year(ly)**" mean Fiscal Quarter, Fiscal Month or Fiscal Year, respectively, unless the context requires otherwise.

(b) No provision of this Agreement will be interpreted in favor of, or against, any Party by reason of the extent to which (i) such Party or its counsel participated in the drafting thereof, or (ii) such provision is inconsistent with any prior draft of this Agreement or such provision.

(c) For purposes of this Agreement, the "**Inotera Fab**" shall mean collectively the existing fabs of Inotera commonly referred to as "Fab 1," "Fab 2" and "Fab M" located at Hwa Ya Technology Park, Taoyuan, Taiwan.

(d) Notwithstanding anything herein to the contrary, the example calculations set forth in any attachments to the Schedules hereto shall not constitute terms of this Agreement and are provided for illustrative purposes only. In the event of any conflict between such example calculations and the terms of this Agreement, the terms of this Agreement shall govern and the Parties shall modify such example calculations to be consistent therewith.

ARTICLE 2
OBLIGATIONS OF THE PARTIES; PROCESSES AND CONTROLS

2.1 General Obligations.

(a) Inotera shall provide, develop and operate the Inotera Fab according to the Business Plan in effect from time to time and the obligations set forth herein (including the planning process set forth in Article 3).

(b) Inotera shall:

(i) manufacture Conforming Wafers for the Purchaser in accordance with (A) the applicable Boundary Conditions, (B) the applicable Specifications, (C) the Responses to Forecast developed in response to the Demand Forecasts provided by the Purchaser to Inotera in accordance with Article 3;

(ii) supply Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers to the Purchaser in accordance with the purchasing process set forth in Article 4; and

(iii) operate the Inotera Fab so that DRAM Product output from the Inotera Fab does not differ materially from that of any other fab in the Micron Fab Network as to the Specifications and Performance Criteria.

(c) The Purchaser shall purchase Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers from Inotera in accordance with the terms and conditions set forth herein.

2.2 Control; Processes. The Purchaser and Inotera shall review Inotera's control and process mechanisms, including such mechanisms that are utilized to ensure that all parameters of the Specifications and Performance Criteria are met or exceeded in Inotera's manufacture of Conforming Wafers. The Purchaser and Inotera agree to work together in good faith to define mutually agreeable control and process mechanisms, including the following: (a) e-test (also known as parametric test capability); (b) qualification methodology plan; (c) product qualification support;

(d) Probe Testing capability; (e) change control process; and (f) failure analysis capability and methodology.

2.3 Production Masks.

(a) Inotera shall purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]**, and Inotera may purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]** (other than **[***]**) approved in writing by Micron; *provided*, *however*, that, with respect to Inotera's purchase of any **[***]**, such limitations shall not apply if **[***]**. If Inotera elects to purchase masks from **[***]**, subject to **[***]** (such **[***]** to be determined in **[***]** sole discretion), **[***]** will provide to **[***]** the **[***]** determines, in its sole discretion, are necessary to **[***]**. To the extent **[***]** provides **[***]** as contemplated by the immediately preceding sentence, Inotera will pay to **[***]** associated with such **[***]** promptly after receiving an invoice in connection therewith. Notwithstanding anything in this Section 2.3(a) to the contrary, **[***]** shall be used for the **[***]** and any **[***]** of each **[***]** for a DRAM Product of **[***]**. Inotera shall have possession, but not ownership of any underlying copyrights, mask works or other intellectual property, of any physical production masks which Inotera obtains in accordance with this Section 2.3(a).

(b) Inotera shall promptly revise any mask set that is being utilized for the manufacture of DRAM Products by Inotera for delivery to the Purchaser under this Agreement as requested by the Purchaser or Micron from time to time; *provided*, *however*, that, if **[***]** to such mask set as so revised before such mask set is **[***]**, the **[***]** (the "**Mask [***]**") will be **[***]** in the **[***]** in the Delivery Month **[***]** in which **[***]**.

2.4 Designation of WIP.

(a) WIP Associated With Shared Design ID Wafers. Inotera shall ensure that WIP at the Inotera Fab associated with Shared Design ID Wafers is designated for the Purchaser and any other Persons for which it is produced from Wafer Start, and the Shared Design ID Wafers shall be allocated to the Purchaser and such other Persons immediately prior to Probe Testing by Design ID *pro rata* in accordance with the relative number of Wafer Starts of such Shared Design ID Wafers for each of the Purchaser and such other Persons during the Fiscal Month in which such Shared Design ID Wafers were started.

(b) Other WIP. Inotera shall ensure that WIP at the Inotera Fab associated with wafers (other than the Shared Design ID Wafers contemplated by Section 2.4(a)) to be produced for the Purchaser or any other Person is designated for the Purchaser or such other Person, as applicable, from Wafer Start.

2.5 Subcontractors. Inotera may utilize **[***]** as a subcontractor, subject to (a) the prior written approval of the Purchaser, which approval shall not be unreasonably withheld or delayed, and (b) compliance with the guidelines developed to manage the quality of such utilization in effect on the Effective Date (with such changes thereto as may from time to time be agreed in writing by

the Parties). Inotera shall ensure that all contracts with **[***]** (a) shall provide Inotera with the same level of access and controls as Inotera provides to the Purchaser in this Agreement and (b) contain customary nondisclosure obligations in a form reasonably acceptable to the Purchaser.

2.6 **[***]** Notification. In addition to the Operational Report and the Quarterly Business Review, Inotera shall promptly notify the Purchaser of **[***]** affecting **[***]**.

2.7 Traceability; Data Retention. The Purchaser and Inotera shall review Inotera's (a) **[***]** and producing the WIP Data and (b) data retention policy in regards to the WIP Data. Inotera agrees to maintain the WIP Data for a minimum of **[***]** (or such other period as may be agreed in writing by the Parties).

2.8 Access to WIP Data. Inotera shall provide the Purchaser with full access to its WIP Data (including with respect to Shared Design ID Wafers) no less frequently than **[***]** under normal circumstances, which data shall be no older than **[***]** old when accessed.

2.9 Additional Customer Requirements. The Purchaser shall inform Inotera in writing of any supplier requirements of any customer of the Purchaser relating to the Inotera Fab. The Purchaser and Inotera shall work together in good faith to satisfy such requirements.

2.10 **[***]**. Inotera will cooperate with Micron and the Purchaser, and work in good faith, to develop a **[***]** plan, including (a) discussing the possibility of **[***]** at the Inotera Fab, (b) agreeing in writing to a **[***]** for the **[***]** at the Inotera Fab, which may be updated from time to time by the Parties in writing, (c) **[***]** at the Inotera Fab that, as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network, constitutes the agreed upon **[***]** for the **[***]** at the Inotera Fab, (d) through the **[***]** the Inotera Fab and other fabs in the Micron Fab Network as necessary and appropriate, **[***]** on the agreed upon **[***]** using the **[***]** described in clause (c), as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network and thereafter **[***]** necessary to complete the **[***]**; and (e) within **[***]** months after **[***]** on such **[***]** on such **[***]**.

ARTICLE 3
PLANNING AND FORECASTING; PERFORMANCE REVIEWS AND REPORTS

3.1 Annual Manufacturing Plan. At least **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Fiscal Year, Inotera shall prepare, under the direction of the president of Inotera, an annual manufacturing plan (the "**Manufacturing Plan**") for the **[***]** (or such other period or periods as may be agreed in writing by the Parties) and shall submit the Manufacturing Plan to the Purchaser for its review and comment. The Manufacturing Plan shall reflect the planning process contained in this Article 3. The Manufacturing Plan shall address various manufacturing issues, including the DRAM Products to be manufactured, a loading plan (by Design ID and Process Node for the DRAM Products to be produced, including, if applicable, a breakout of the DRAM Products, by Design ID and Process Node, to be produced

for any Persons other than the Purchaser) and weekly loading and output (including, if applicable, a breakout, by Design ID and Process Node, the wafers designated for any Persons other than the Purchaser). The Manufacturing Plan covering **[***]** and in effect as of the Effective Date has been agreed by the Parties, a copy of which (modified for convenience to reflect monthly loading and output rather than weekly) is attached as Schedule 3.1.

3.2 Annual Calendar. Prior to the beginning of each Fiscal Year, the Parties shall establish a planning calendar for such Fiscal Year (each, an "**Annual Calendar**") that sets forth key planning and finance dates during such Fiscal Year, which may include the dates on which the Parties will (a) deliver the Monthly Planning Statements (or the components thereof), the Demand Forecasts, the Responses to Forecast, the Operational Reports, the Long Range Forecast, the Preliminary Price Notices, the Purchase Orders and any other information that may be agreed in writing by the Parties, and (b) hold the Quarterly Business Reviews and Monthly Financial Reviews described in Section 3.14, *provided* that such dates shall be consistent with this Article 3 and Article 4, as applicable, and shall generally be consistent with the Purchaser's internal planning calendar for such Fiscal Year. In addition, the Annual Calendar may reflect the dates during such Fiscal Year on which the Parties will be required by this Agreement to deliver Purchaser Pricing Reports, Inotera Financial Reports and Final Invoices. The Parties may alter the dates described in an Annual Calendar at any time, *provided* that such altered dates are consistent with this Article 3 and Article 4, as applicable, and are agreed in writing by the Parties. Within ten (10) days after the Closing Date, the Parties will agree to the Annual Calendar for 2013.

3.3 Monthly Planning Statement. Each Fiscal Month, Inotera shall deliver to the Purchaser one or more statements (collectively for each Fiscal Month, a "**Monthly Planning Statement**") setting forth (a) for each Process Node, the anticipated Committed Purchaser Manufacturing Capacity for each of the next **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) taking into account, among other things, **[***]** that were included in the Response to Forecast delivered in the prior Fiscal Month, (b) for each Design ID, the **[***]** as the Purchaser and Inotera may agree in writing for such Design ID for each of the next **[***]** Fiscal Months and (c) the Boundary Conditions applicable to the next **[***]** Fiscal Months.

3.4 Demand Forecast. Following receipt of a Monthly Planning Statement as contemplated by Section 3.3, the Purchaser shall deliver to Inotera a written non-binding forecast of the Purchaser's demand (each, a "**Demand Forecast**") for the **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) covered by such Monthly Planning Statement. Each Demand Forecast (a) shall include the total number of Conforming Wafers (broken out by Design ID and Process Node) and Pre-Qual Engineering Wafers (broken out by Design ID and Process Node) requested by the Purchaser for the period covered by such Demand Forecast (broken out weekly) and (b) shall be consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates.

3.5 Response to Forecast; Resolution of Conflicts. Following receipt of a Demand Forecast as contemplated by Section 3.4, Inotera shall deliver to the Purchaser a written response that, so long as such Demand Forecast delivered by the Purchaser was consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates, indicates Inotera commits to supply Conforming Wafers and Pre-Qual Engineering Wafers based on such Demand Forecast (each, a "**Response to Forecast**"). In preparing any Response to Forecast at any time the Committed Purchaser Manufacturing Capacity is less than 100% of the Manufacturing Capacity of Inotera at the Inotera Fab, (a) if there is a conflict with respect to the manufacture of wafers for the Purchaser pursuant to this Agreement and the manufacture of wafers for **[***]** pursuant to the **[***]**, such conflict shall be resolved **[***]** number of wafers to be manufactured for the **[***]**, and (b) if there is a conflict with respect to the manufacture of wafers for the Purchaser pursuant to this Agreement and the manufacture of wafers or other products for any Person other than **[***]** pursuant to the **[***]**, such conflict shall be resolved **[***]** and the manufacture of wafers for the **[***]**.

3.6 Changes to Demand Forecast. The Purchaser may deliver to Inotera an adjusted Demand Forecast for any purpose, including to reduce the number of Conforming Wafers and Pre-Qual Engineering Wafers to be delivered to the Purchaser, to increase the number of Conforming Wafers and Pre-Qual Engineering Wafers to be delivered to the Purchaser (if less than all of the Committed Manufacturing Capacity was previously included in the Demand Forecast) and to change the Design ID mix of Conforming Wafers and Pre-Qual Engineering Wafers to be manufactured utilizing a particular Process Node, at any time until **[***]** prior to the scheduled loading of the wafers affected by adjustments reflected in the adjusted Demand Forecast. In such event, Inotera shall deliver to the Purchaser a revised Response to Forecast that, so long as such adjustments are consistent with the Committed Purchaser Manufacturing Capacity and the Boundary Conditions set forth in the most recently delivered Monthly Planning Statement, indicates Inotera commits to supply Conforming Wafers and Pre-Qual Engineering Wafers based on such adjustments.

3.7 **[***]**. Notwithstanding anything herein to the contrary, if, for any particular Delivery Month, Inotera **[***]** to the Purchaser (at the Purchaser's request pursuant to a **[***]** delivered in the Fiscal Month prior to such Delivery Month) **[***]** for such Delivery Month set forth in the **[***]** delivered in the Fiscal Month prior to such Delivery Month, the **[***]** of Conforming Wafers delivered in such Delivery Month shall **[***]**. Any such "**[***]**" shall be calculated in accordance with Schedule 3.7.

3.8 **[***]**.

(a) Notwithstanding anything herein to the contrary, if, at any time, Inotera reasonably expects to **[***]** as a result of manufacturing Conforming Wafers and Pre-Qual Engineering Wafers utilizing **[***]** for delivery to the Purchaser in a particular Delivery Month based on **[***]** of the Committed Purchaser Manufacturing Capacity for such **[***]** for such Delivery Month set forth in the most recently delivered Monthly Planning Statement, Inotera may deliver to the Purchaser a written notice (each, a "**[***] Notice**") setting forth the **[***]** Inotera reasonably believes it can **[***]** the Purchaser in such Delivery Month utilizing **[***]** and not cause a **[***]** (the **[***]** in its most recently delivered **[***]** for such Delivery Month and the **[***]** set forth in a **[***]** Notice, the "**[***]**").

(b) Within **[***]** of receipt of a **[***]** Notice, the Purchaser may deliver to Inotera a written notice (a "**[***] Notice**") setting forth (i) the **[***]** to be **[***]** utilizing **[***]** described in the **[***]** Notice that the Purchaser **[***]** in the applicable Delivery Month that are **[***]** of the **[***]** set forth in the applicable **[***]** Notice (such **[***]**, the "**[***]**") and (ii) the Purchaser's **[***]** to Inotera the **[***]** with respect to the **[***]**. If the Purchaser delivers such a written notice, then the **[***]** with respect to the **[***]** shall be **[***]** in the Delivery Month in which such **[***]** are delivered to the Purchaser.

(c) Notwithstanding anything herein to the contrary, if Inotera has delivered a **[***]** Notice with respect to a particular **[***]** for a particular Delivery Month, Inotera shall **[***]** the Purchaser in such Delivery Month the **[***]** as are set forth in such **[***]** Notice, as adjusted for the **[***]**.

(d) For any Delivery Month after a Delivery Month for which the **[***]** for a particular **[***]** has been **[***]** of Conforming Wafers **[***]** the Purchaser, Inotera shall **[***]** of Conforming Wafers **[***]** the Purchaser **[***]** to the **[***]** for such **[***]** until the **[***]** of Conforming Wafers **[***]** the Purchaser **[***]** for such **[***]** of Conforming Wafers **[***]** the Purchaser.

(e) "**[***]**" and "**[***]**" shall be calculated in accordance with Schedule 3.8.

3.9 **[***] of Loading**. If any Operational Report includes a notification described in Section 3.12(e) with respect to DRAM Products of a particular Design ID and, during the Quarterly Business Review in which such Operational Report is discussed, the Purchaser informs Inotera that the Purchaser is **[***]** to include in **[***]** of Conforming Wafers of DRAM Products of such Design ID to **[***]** for such Design ID, then the **[***]** of Conforming Wafers **[***]** the Purchaser in the Delivery Month next following the Delivery Month in which such Quarterly Business Review occurs shall **[***]** (the "**[***]**") equal to ***the product of*** **(a)** the **[***]** associated with such Design ID (**[***]** (i) included in the **[***]** for any **[***]** of such Design ID **[***]** and (ii) **[***]** by Micron or the Purchaser pursuant to **[***]**), **multiplied by (b)** ***the quotient of*** **(i)** ***the difference of*** **(A)** **[***]**, **minus (B)** the **[***]** of such Design ID that were or will be **[***]** during such **[***]**, **divided by**

(ii) [***]. Notwithstanding anything above to the contrary, DRAM Products that are manufactured utilizing the **[***]** shall be deemed to be **[***]** for purposes of **[***]** described in this Section 3.9.

3.10 Weekly Statements. At least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth the number of Conforming Wafers and Pre-Qual Engineering Wafers (in each case, by Design ID) that are anticipated to be delivered to the Purchaser during each of the next **[***]**. In addition, at least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth:

(a) by Design ID, the number of Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers that were delivered to the Purchaser in the immediately preceding **[***]**;

(b) by Design ID, the Die Yield, Line Yield and Cycle Time in the immediately preceding **[***]**; and

(c) such other Performance Criteria as the Purchaser and Inotera may agree in writing.

3.11 Inotera Financial Report. Within **[***]** Business Days (or such other number of days as may be agreed in writing by the Parties) after the end of each Delivery Month, Inotera shall deliver to the Purchaser a report (each, a "**Inotera Financial Report**") which shall include:

(a) a detailed calculation, by Design ID, of Final Price for the Delivery Month just ended;

(b) a detailed calculation of the Price True-Up Amount for the Delivery Month just ended;

(c) if the Final Price for the Delivery Month just ended includes any **[***]** Payment Amount, a detailed calculation of the **[***]** Payment Amount for such Delivery Month;

(d) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation of the **[***]** for such Delivery Month;

(e) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Process Node, of any **[***]** for such Delivery Month;

(f) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Process Node, of any **[***]** for such Delivery Month;

(g) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Design ID, of any **[***]** for such Delivery Month;

(h) if the Final Price for the Delivery Month just ended includes **[***]**, a detailed calculation, by Design ID, of any **[***]** for such Delivery Month;

(i) if **[***]** were delivered in the Delivery Month just ended, a detailed calculation, by Design ID, of **[***]**; and

(j) other financial information regarding Inotera for the Delivery Month just ended, consistent with the financial information regarding Inotera that has been historically provided to Micron by Inotera.

The Purchaser will not use or disclose Inotera Financial Reports, or the contents thereof, received by the Purchaser in contravention of any Applicable Law.

3.12 Operational Report. Each Fiscal Quarter, Inotera shall deliver to the Purchaser a report with respect to the Fiscal Quarter just ended (the "**Operational Report**"), which shall include:

(a) a comparison of **[***]** relative to the **[***]** delivered in the **[***]** immediately prior to the **[***]**, together with a comparison of **[***]** for the next **[***]** relative to the **[***]**;

(b) a summary of the **[***]**, a summary of **[***]**, including **[***]**, **[***]** and other indicators that may evidence or impact **[***]**, and a description of any **[***]**;

(c) a description of **[***]** or other **[***]**, including any **[***]**, **[***]** or other indicator, summarized pursuant to Section 3.12(b);

(d) a description of **[***]** (and **[***]**, if known) that are not reflected in **[***]** which may **[***]**; and

(e) a notification that, since the date of the last Operational Report, the **[***]** to include Conforming Wafers of a particular Design ID in **[***]** such that, during **[***]**, ***the sum of*** **(i)** the **[***]** reflected in the **[***]** to be delivered **[***]** in such period, **plus (ii)** the aggregate number of such Conforming Wafers previously delivered during such **[***]**, is less than **[***]** (the "**[***]**"); *provided*, *however*, that, notwithstanding anything above to the contrary, DRAM Products that are manufactured utilizing **[***]** shall be deemed to be **[***]** for purposes of **[***]** described in this Section 3.9.

3.13 Purchaser Pricing Report. Each Fiscal Month, as soon as practicable, but no later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) after the end of the Fiscal Month just ended, the Purchaser shall deliver to Inotera a report (each, a "**Purchaser Pricing Report**"), which shall include (a) the detailed calculation of the Price of Conforming Wafers delivered in the then-current Fiscal Month and (b) commencing with February 2013, the detailed calculation of the **[***]** Payment Amount for the then-current Fiscal Month. The "**[***] Payment Amount**" for any Fiscal Month shall be calculated in accordance with Schedule 3.13. Inotera will not use or disclose the Purchaser Pricing Reports, or the contents thereof, received by Inotera in contravention of any Applicable Law.

3.14 Periodic Performance Reviews.

(a) Inotera shall hold quarterly meetings (each, a "**Quarterly Business Review**") with the Purchaser, the primary purposes of which shall be to review and discuss the most recent Operational Report and the Performance Criteria and to mutually agree on operational adjustments if necessary.

(b) The Purchaser and Inotera shall hold monthly meetings (each, a "**Monthly Financial Review**") to review and discuss (i) at the election of the Purchaser, the Inotera Financial Reports received by the Purchaser since the last such meeting, and (ii) at the election of Inotera, the Purchaser Pricing Reports delivered by the Purchaser since the last such meeting.

3.15 Long Range Forecast. Each Fiscal Year, the Purchaser will provide Inotera, for its review and comment, with a written non-binding forecast (each, a "**Long Range Forecast**") of the Purchaser's demand for Conforming Wafers for the next **[***]** or, if the Purchaser Wind-Down Period has commenced, for the remaining duration of the Purchaser Wind-Down Period.

3.16 Restrictions on Access to Pricing Information; Nonsolicitation of Segregated Employees.

(a) Inotera shall prevent any Person that is not a Segregated Employee from obtaining access to the pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports), or the data from which pricing information is derived from, delivered to, or created by, Inotera under this Agreement, except (i) as the Parties may otherwise agree in writing, (ii) as may be required by legal process under Applicable Law, and (iii) that Inotera may provide (A) the Purchaser with Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices, Final Invoices and the data from which such Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices or Final Invoices are derived, (B) any independent Third Party auditor acting as contemplated by Section 6.4 with such information as such auditor may request that is reasonably relevant to the applicable inspection and audit, and (C) Inotera's independent outside auditors with such information as such auditor may reasonably request in connection with its audit of Inotera's financial statements and other statutory audit requirements (the items in clauses (i), (ii) and (iii) being referred to as the "**Permitted Disclosures**"). Without limiting the generality of the foregoing, Inotera shall (x) develop, maintain, implement and enforce policies that (A) prohibit all Segregated Employees from disclosing, or allowing disclosure of, pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) to Persons that are not Segregated Employees, other than the Permitted Disclosures and (B) require all Segregated Employees to store all physical files related to pricing (including the Purchaser Pricing Reports and the Inotera Financial Reports) in secure locations that are not accessible by non-Segregated Employees, (y) segregate the office space of the Segregated Employees from other employees of Inotera, and (z) maintain all electronic files containing pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) in confidential password protected files. The Purchaser shall not take any action that reasonably should be expected to cause Inotera to violate this Section 3.16.

(b) Even if permitted under Section 9.4 of the Joint Venture Agreement, the Purchaser shall not, and shall cause its Affiliates not to, directly or indirectly recruit, solicit or hire, or make arrangements to recruit, solicit or hire, any current or former Segregated Employee during the Restriction Period.

ARTICLE 4
PURCHASE AND SALE OF PRODUCTS

4.1 Product Quantity. The Purchaser shall purchase from Inotera all of the Conforming Wafers manufactured in response to the Purchaser's Demand Forecasts (including any adjusted Demand Forecast) in accordance with Article 3 and the Purchase Orders (including any revised or supplemented Purchase Order) accepted in accordance with this Article 4.

4.2 Non-Conforming Wafers. At the direction and option of the Purchaser, Inotera shall deliver to the Purchaser all Non-Conforming Wafers produced by Inotera (a) from wafers designated from Wafer Start for the Purchaser in accordance with Section 2.4 and (b) in the case of Shared Design ID Wafers, the portion thereof allocated to the Purchaser in accordance with Section 2.4.

4.3 Pre-Qual Engineering Wafers. Notwithstanding anything herein to the contrary, to the extent requested in any Purchase Order placed, or any change order to a Purchase Order issued, by the Purchaser, Inotera shall manufacture and deliver Pre-Qual Engineering Wafers in lieu of Conforming Wafers. Inotera shall promptly provide the Purchaser with full access to all data the Purchaser reasonably requests relating to Pre-Qual Engineering Wafers that are being manufactured by Inotera for the Purchaser.

4.4 Preliminary Price Notices; Placement of Purchase Orders.

(a) Prior to each Fiscal Month, Inotera shall deliver to the Purchaser a notice (each, a "**Preliminary Price Notice**"), which shall set forth the Preliminary Price for Conforming Wafers, the Preliminary Price for Pre-Qual Engineering Wafers and the Preliminary Price for Non-Conforming Wafers for such Fiscal Month. The Parties hereby acknowledge that Inotera has timely delivered to the Purchaser a Preliminary Price Notice for the Fiscal Month commencing on the Effective Date.

(b) Prior to each Fiscal Month, following receipt of the Preliminary Price Notice with respect to such Fiscal Month, the Purchaser shall place a non-cancelable blanket purchase order (each such order, a "**Purchase Order**") for the quantity, by Design ID, of Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers to be supplied to it by Inotera in the upcoming Fiscal Month. The Parties hereby acknowledge that the Purchaser has timely delivered to Inotera Purchase Orders for the Fiscal Month commencing on the Effective Date. The Purchaser may issue change orders to the Purchase Orders the Purchaser delivers to reflect changes in its Demand Forecasts in accordance with Article 3. The Purchaser may also elect to place with Inotera out-of-cycle Purchase Orders of Conforming Wafers, Pre-Qual Engineering Wafers or Non-Conforming Wafers on an as-needed basis. Any Purchase Order placed, or change order to a Purchase

Order issued, hereunder shall be in writing and delivered via e-mail or facsimile transmission. The terms and conditions of this Agreement supersede the terms and conditions contained in any sales or purchase documentation provided in connection herewith unless expressly agreed otherwise in a writing signed by the Parties. Any Purchase Order for wafers may be placed in the name of the Purchaser, Micron or any other Affiliate of the Purchaser that is a direct or indirect wholly owned Subsidiary of Micron. If a Purchase Order for wafers is placed in a name of an Affiliate of the Purchaser, the Purchaser shall be jointly and severally liable with such Affiliate for any and all responsibilities and obligations under the Purchase Order.

4.5 Content of Purchase Orders. Each Purchase Order shall specify the following items:

(a) the Purchase Order number;

(b) the Design ID of each Conforming Wafer, Pre-Qual Engineering Wafer, Pre-Conforming Wafer and Non-Conforming Wafer;

(c) by Design ID, the forecasted quantity for the Fiscal Month of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Conforming Wafer and Non-Conforming Wafers;

(d) the Preliminary Price for each Conforming Wafer, the Preliminary Price for each Pre-Qual Engineering Wafer and the Preliminary Price for each Non-Conforming Wafer;

(e) the aggregate Preliminary Price for all Conforming Wafers ordered, the aggregate Preliminary Price for all Pre-Qual Engineering Wafers ordered and the aggregate Preliminary Price for all Non-Conforming Wafers ordered;

(f) special instructions for manufacturing Pre-Qual Engineering Wafers, if any; and

(g) other terms (if any).

Inotera shall not use or disclose the Purchaser Orders, or the contents thereof, received by Inotera in contravention of any Applicable Law.

4.6 Acceptance of Purchase Order. Each Purchase Order that (a) corresponds to the then most-recently delivered Response to Forecast (and any revised Response to Forecast) delivered in accordance with Article 3 and (b) is otherwise free of errors, shall be deemed accepted by Inotera upon receipt and shall be binding on Inotera and the Purchaser to the extent not inconsistent with the then most-recently delivered Response to Forecast (or revised Response to Forecast).

4.7 Output Shortfall; Excess Output.

(a) Inotera shall immediately notify the Purchaser in writing of any inability to meet a Purchase Order commitment to the Purchaser. In such an event, the Purchaser shall accept delivery of such lesser quantities Inotera is able to ship and issue to Inotera a revised Purchase Order to account for such shortfall.

(b) Inotera shall immediately notify the Purchaser in writing if the output to be purchased by the Purchaser under this Agreement will exceed, for any Design ID, the quantity of Conforming Wafers or Non-Conforming Wafers contained in the Purchaser's Purchase Order. In such an event, the Purchaser shall accept delivery of the additional quantities and issue to Inotera a supplementary Purchase Order to cover such excess.

4.8 Taxes.

(a) General. All sales, use and other transfer taxes imposed directly on or solely as a result of the supplying of Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers to the Purchaser and the payments therefor provided herein shall be stated separately on Inotera's Invoices, collected from the Purchaser and shall be remitted by Inotera to the appropriate tax authority ("**Recoverable Taxes**"), unless the Purchaser provides valid proof of tax exemption prior to the effective date of the transfer of the Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers or otherwise as permitted by Applicable Law prior to the time Inotera is required to pay such taxes to the appropriate tax authority. When property is delivered and/or services are provided, or the benefit of services occurs, within jurisdictions in which collection of taxes from the Purchaser and remittance of taxes by Inotera is required by Applicable Law, Inotera shall have sole responsibility for payment of said taxes to the appropriate tax authorities. In the event such taxes are Recoverable Taxes and Inotera does not collect tax from the Purchaser, or pay such taxes to the appropriate governmental entity on a timely basis, and is subsequently audited by any tax authority, liability of the Purchaser shall be limited to the tax assessment for such Recoverable Taxes with no reimbursement for penalty or interest charges or other amounts incurred in connection therewith. Notwithstanding anything herein to the contrary, taxes other than Recoverable Taxes shall not be reimbursed by the Purchaser, and each of the Purchaser and Inotera is responsible for its own respective income taxes (including franchise and other taxes based on net income or a variation thereof), taxes based upon gross revenues or receipts and taxes with respect to general overhead, including business and occupation taxes, and such taxes shall not be Recoverable Taxes.

(b) Withholding Taxes. In the event that the Purchaser is prohibited by Applicable Law from making payments to Inotera unless the Purchaser deducts or withholds taxes therefrom and remits such taxes to the local taxing jurisdiction, then the Purchaser shall duly withhold and remit such taxes and shall pay to Inotera the remaining net amount after the taxes have been withheld. Such taxes shall not be Recoverable Taxes and the Purchaser shall not reimburse Inotera for the amount of such taxes withheld.

4.9 Invoicing; Payment.

(a) Along with each delivery of Conforming Wafers, Pre-Qual Engineering Wafers or Non-Conforming Wafers to the Purchaser, Inotera shall invoice the Purchaser for the aggregate Preliminary Price of the Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers contained in such delivery (a "**Pro Forma Invoice**").

(b) Within **[***]** Business Days (or such other number of days as may be agreed in writing by the Parties) after the end of each Delivery Month, Inotera shall issue to the Purchaser a final invoice (a "**Final Invoice**"), which shall include a debit equal to the Price True-Up Amount for such Delivery Month, if positive, and a credit equal to the Price True-Up Amount for such Delivery Month, if negative.

(c) Except as otherwise specified in this Agreement, (i) the Purchaser shall pay Inotera for the amounts due and owing by, and duly invoiced in a Pro Forma Invoice to, the Purchaser within **[***]** days following delivery to the Purchaser of the Final Invoice for the Delivery Month in which such Pro Forma Invoice was delivered or, if longer, within **[***]** days following the end of such Delivery Month and (ii) the Purchaser shall pay the Inotera for the amount due and owing by, and duly invoiced in a Final Invoice to, the Purchaser within **[***]** days following the delivery to the Purchaser of such Final Invoice or, if later, within **[***]** days following the end of the Delivery Month covered thereby. All amounts owed under this Agreement are stated, calculated and shall be paid in United States Dollars.

(d) If the Purchaser does not pay Inotera for the amounts due under this Agreement, interest on the unpaid invoiced amounts will be calculated and imposed at the rate of **[***]** percent (**[***]**%) per annum, on a daily basis, from the due date until the payment is made, *provided* that, if the due date falls on a day that is not a Business Day, the payment shall be due by the next succeeding Business Day. However, if the Purchaser and Inotera do not agree on the payment amount of any Pro Forma Invoice or Final Invoice, interest on the disputed amount will not be imposed and accrued under this Agreement.

(e) In the event that the Purchaser reasonably disputes any Pro Forma Invoice or Final Invoice provided hereunder, the Purchaser and Inotera will each appoint an officer who will use their best efforts to resolve such dispute within **[***]** days following the date such dispute is raised by the Purchaser. If such officers are unable to resolve the dispute in the given **[***]** days, then the dispute shall be submitted to the respective presidents of the Purchaser and Inotera for resolution.

(f) If this Agreement has terminated or is terminating so that the Purchaser will not be able to use any credits issued by Inotera to the Purchaser, Inotera will promptly pay to the Purchaser an amount equal to such credits.

4.10 Payment to Subcontractors. Inotera shall be responsible for, and shall hold the Purchaser harmless from and against, any and all payments to the vendors or subcontractors Inotera utilizes in the performance of this Agreement.

4.11 Title; Risk of Loss. Title to, and risk of loss of, Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers shall pass to the Purchaser **[***]** according to Incoterms 2010, as amended, provided that Inotera will **[***]**, and will assist the Purchaser in **[***]** of, the Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers in a manner consistent with past practices.

4.12 Packaging. All shipment packaging of the Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers shall be in conformance with the applicable Specifications, the Purchaser's reasonable instructions and general industry standards, and shall be resistant to damage that may occur during transportation. Marking on the packages shall be made by Inotera in accordance with the Purchaser's reasonable instructions.

4.13 Shipment. All Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers shall be prepared for shipment in a manner that: (a) follows good commercial practice; (b) is acceptable to common carriers for shipment at the lowest rate; and (c) is adequate to ensure safe arrival. Inotera shall mark all containers with (i) necessary lifting, handling and shipping information; (ii) Purchase Order number; (iii) date of shipment; and (iv) the name of the Purchaser. If no instructions are given, Inotera shall select the most price effective carrier, given the time constraints known to Inotera. In no event shall Inotera be obligated to maintain any significant inventory for the Purchaser.

4.14 Customs Clearance. Upon the Purchaser's request, Inotera shall promptly provide the Purchaser with a statement of origin, and applicable customs documentation, for Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers wholly or partially manufactured outside of the country of import.

ARTICLE 5
PRICING

5.1 Price of Conforming Wafers.

(a) Price by Design ID. The "**Price**" of each Conforming Wafer of a particular Design ID in any particular Delivery Month shall be calculated in accordance with Schedule 5.1.

(b) Final Price. The "**Final Price**" of each Conforming Wafer of a particular Design ID in any particular Delivery Month shall equal ***the quotient of*** **(i)** ***the sum of*** **(A)** the aggregate Price of all Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(a), **[***] (B)** the **[***]** Payment Amount for such Design ID for such Delivery Month **[***]**, if any, **[***] (C)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (D)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (E)** the **[***]** for such Design ID in such Delivery Month, if any, **[***] (F)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (G)** the **[***]** for such Design ID for such Delivery Month, if any, **divided by (ii)** the number of Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month.

5.2 Price of Pre-Qual Engineering Wafers. The price of each Pre-Qual Engineering Wafer delivered to the Purchaser during a Delivery Month shall be calculated in accordance with Schedule 5.2.

5.3 Price of Non-Conforming Wafers. Any Non-Conforming Wafers delivered to the Purchaser during a Delivery Month shall be **[***]**.

ARTICLE 6
VISITATIONS; FACTORY REPRESENTATIVES; AUDITS

6.1 Visits. Inotera shall accommodate the Purchaser's reasonable requests for visits to the Inotera Fab and for meetings for the purpose of reviewing performance of production of Conforming Wafers, including requests for further information and assistance in troubleshooting performance issues.

6.2 Factory Representatives. At Micron's or the Purchaser's request, Inotera will designate at least one (1) of its employees with sufficient knowledge of and expertise in the operation of the Inotera Fab to interface with Micron and the Purchaser in a manner consistent with past practices. This employee will be the central point of contact for communication between Micron and the Purchaser, on the one hand, and Inotera, on the other hand, in regards to operational issues at the Inotera Fab arising out of the performance of this Agreement. Such employee will enter into such confidentiality agreement as Micron or the Purchaser may reasonably require.

6.3 Audit. The Purchaser's representatives and key customer representatives, upon the Purchaser's request, shall be allowed to visit the Inotera Fab during normal working hours upon reasonable advance written notice to Inotera for the purposes of monitoring production processes and compliance with any requirements set forth in this Agreement applicable to the supply to the Purchaser and the applicable Specifications. Upon completion of the audit, Inotera and the Purchaser shall agree to an audit closure plan, to be documented in the audit report issued by the Purchaser.

6.4 Financial Audit.

(a) Micron and the Purchaser reserve the right to have Inotera's books and records related to pricing of the Conforming Wafers (including each of the components of Final Price) and Pre-Qual Engineering Wafers purchased by the Purchaser during both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 3 and Article 5. Such audit shall be performed, at the expense of Micron or the Purchaser, by an independent Third Party auditor acceptable to the Parties. Micron and the Purchaser shall provide **[***]** days advance written notice to Inotera of their desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt Inotera's business operations. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the foregoing, auditor reports shall not disclose pricing, or terms of purchase, for any purchases of materials or equipment by Inotera, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by Inotera, Micron and the Purchaser may increase the frequency of such audits to **[***]** for the **[***]**.

(b) Inotera reserves the right to have the books and records of Micron and the Purchaser related to the Purchaser Pricing Reports for both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 5. Such audit shall be performed, at Inotera's expense, by an independent Third Party auditor acceptable to the Parties. Inotera shall provide **[***]** days advance written notice to Micron and the Purchaser of its desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt the business operations of Micron or the Purchaser. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the foregoing, auditor reports shall not disclose (i) pricing, or terms of purchase, for any purchases of materials or equipment by Micron or the Purchaser, (ii) the back end component and module assembly, packaging and testing manufacturing costs of Micron or the Purchaser, or (iii) the terms of sales of DRAM Products (including Multi-Chip Products) by Micron or the Purchaser, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by the Purchaser, Inotera may increase the frequency of such audits to **[***]** for the **[***]**.

(c) Information regarding the pricing of the Conforming Wafers (including each of the components of Final Price) and Pre-Qual Engineering Wafers purchased by the Purchaser and the Purchaser Pricing Reports as to which audit rights under this Section 6.4 have expired shall be deemed final and conclusive for all purposes (absent fraud or willful misconduct), except to the extent that (i) an audit with respect thereto has been commenced under this Section 6.4 prior to such expiration and (ii) the process under this Section 6.4 has not been fully completed with respect to

such audit. The Parties acknowledge the possibility that an audit commenced pursuant to this Section 6.4 for the then current Fiscal Year and the prior Fiscal Year may not be completed prior to **[***]**.

ARTICLE 7
WARRANTY; HAZARDOUS SUBSTANCES; DISCLAIMER

7.1 Warranties.

(a) Conforming Wafers. Inotera makes the following warranties to the Purchaser of Conforming Wafers hereunder regarding the Conforming Wafers furnished to the Purchaser hereunder, which warranties shall survive any delivery, inspection, acceptance, payment or resale of such Conforming Wafers:

(i) such Conforming Wafers conform to all applicable Specifications;

(ii) such Conforming Wafers are free from defects in materials and workmanship; and

(iii) Inotera has the necessary right, title and interest to such Conforming Wafers, and, upon the sale of such Conforming Wafers to the Purchaser, such Conforming Wafers shall be free of liens and encumbrances.

(b) Pre-Qual Engineering Wafers and Non-Conforming Wafers. ALL PRE-QUAL ENGINEERING WAFERS AND NON-CONFORMING WAFERS PROVIDED HEREUNDER ARE PROVIDED ON AN "AS IS," "WHERE IS" BASIS WITH ALL FAULTS AND DEFECTS WITHOUT WARRANTY OF ANY KIND.

7.2 Warranty Claims. Within a period of time, not to exceed the lesser of the actual warranty period applicable to the end customer for the DRAM Product at issue or **[***]** months from the date of the delivery of the Conforming Wafers at issue to the Purchaser, the Purchaser shall notify Inotera if it believes that any Conforming Wafer does not meet the warranty set forth in Section 7.1. The Purchaser shall return such Conforming Wafer (or DRAM Product therefrom) to Inotera as directed by Inotera. If a Conforming Wafer is determined not to be in compliance with such warranty, then the Purchaser shall be entitled to return such Conforming Wafer (or DRAM Product therefrom) and receive a credit (or, if this Agreement has terminated or is terminating so that it will not be able to use such credit, a refund) equal to ***the sum of*** **(a)** any monies paid to Inotera by the Purchaser in respect of such Conforming Wafer **plus (b)** any out-of-pocket charges for shipping and handling reasonably incurred by the Purchaser in connection with such Conforming Wafer. THE FOREGOING REMEDY IS THE PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR INOTERA'S FAILURE TO MEET ANY WARRANTY OF SECTION 7.1.

7.3 Inspections. The Purchaser may, upon reasonable advance written notice, request samples of WIP designated to the Purchaser (whether individually as contemplated by Section 2.4(b) or together with others as contemplated by Section 2.4(a)) during production for purposes of determining compliance with the requirements and applicable Specification(s) hereunder, *provided* that the provision of such samples shall not materially impact Inotera's performance under the Manufacturing Plan or its ability to meet delivery requirements under any accepted Purchase Order. Any samples provided hereunder shall be: (a) limited in quantity to the amount reasonably necessary for the purposes hereunder; (b) invoiced and paid for in accordance with Section 4.9; and (c) included in any performance requirements. Inotera shall provide reasonable assistance for the safety and convenience of the Purchaser in obtaining the samples in such manner as shall not unreasonably hinder or delay Inotera's performance.

7.4 Hazardous Substances.

(a) If Conforming Wafers, Pre-Qual Engineering Wafers, Non-Conforming Wafers or DRAM Products provided hereunder include Hazardous Substances as determined in accordance with Applicable Law, Inotera shall ensure that its employees, agents and subcontractors actually working with such materials in providing the Conforming Wafers, Pre-Qual Engineering Wafers, Non-Conforming Wafers or DRAM Products hereunder to the Purchaser are trained in accordance with Applicable Law regarding the nature of, and hazards associated with, the handling, transportation and use of such Hazardous Substances.

(b) To the extent required by Applicable Law, Inotera shall provide the Purchaser with Material Safety Data Sheets (MSDS) either prior to or accompanying any delivery of Conforming Wafers, Pre-Qual Engineering Wafers, Non-Conforming Wafers or DRAM Products to the Purchaser.

(c) Inotera shall indemnify, defend and hold harmless the Purchaser from and against any and all Indemnified Losses suffered or incurred by the Purchaser based on, relating to, or arising under any Environmental Laws and related to the manufacture of Conforming Wafers, Pre-Qual Engineering Wafers, Non-Conforming Wafers or DRAM Products by Inotera.

7.5 Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE 7, INOTERA HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT OR OTHERWISE, WITH RESPECT TO THE CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS PROVIDED UNDER THIS AGREEMENT. NO WARRANTIES SHALL APPLY TO ANY OF THE CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS THAT HAVE BEEN REPAIRED OR ALTERED, EXCEPT AS AUTHORIZED BY INOTERA, OR WHICH ARE SUBJECTED TO MISUSE, NEGLIGENCE, ACCIDENT OR ABUSE. NO WARRANTIES FOR CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, NON-CONFORMING WAFERS OR DRAM

PRODUCTS DELIVERED BY INOTERA TO THE PURCHASER SHALL APPLY TO ANY WARRANTY CLAIM OR ISSUE OR DEFECT TO THE EXTENT CAUSED BY TECHNICAL MATERIALS PROVIDED OR SPECIFIED BY, THROUGH OR ON BEHALF OF THE PURCHASER, INCLUDING PRODUCT DESIGNS, TECHNOLOGY AND TEST PROGRAMS.

ARTICLE 8
CONFIDENTIALITY; OWNERSHIP

8.1 Protection and Use of Confidential Information. All information provided, disclosed or obtained by any Party in the performance of activities under this Agreement shall be subject to all applicable provisions of the Micron/Inotera Confidentiality Agreement. Furthermore, the terms and conditions of this Agreement shall be considered "Confidential Information" under the Micron/Inotera Confidentiality Agreement for which each Party is considered a "Receiving Party" under such agreement. To the extent there is a conflict between this Agreement and the Micron/Inotera Confidentiality Agreement, the terms of this Agreement shall control.

8.2 Masks for DRAM Products. Any masks used by Inotera to manufacture DRAM Products under this Agreement shall be based on DRAM Designs owned by Micron or its Affiliates and shall be treated as "Confidential Information" of Micron under the Micron/Inotera Confidentiality Agreement.

ARTICLE 9
INDEMNIFICATION

9.1 General Indemnity. Subject to Article 10:

(a) Inotera shall indemnify, defend and hold harmless the Purchaser Indemnified Parties from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, resulting from the negligence, gross negligence or willful misconduct of Inotera or any of its respective officers, directors, employees, agents or subcontractors.

(b) the Purchaser shall indemnify, defend and hold harmless Inotera from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, wherein the Third Party alleges that DRAM Products manufactured for and/or sold to the Purchaser by Inotera are infringing intellectual property rights of such Third Party.

9.2 Indemnification Procedures.

(a) Promptly after the receipt by any Purchaser Indemnified Party or Inotera (an "**Indemnified Party**") of a notice of any Third Party Claim that may be subject to indemnification under Section 9.1, such Indemnified Party shall give written notice of such Third Party Claim to the Party obligated to provide such indemnification under Section 9.1 (an "**Indemnifying Party**"), stating in reasonable detail the nature and basis of each allegation made in the Third Party Claim and the amount of potential Indemnified Losses with respect to each allegation, to the extent known, along with copies of the relevant documents received by the Indemnified Party evidencing the Third Party Claim and the basis for indemnification sought. Failure of the Indemnified Party to give such notice shall not relieve the Indemnifying Party from liability on account of this indemnification, except if, and only to the extent that, the Indemnifying Party is actually prejudiced by such failure or delay. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. The Indemnifying Party shall have the right to assume the defense of the Indemnified Party with respect to such Third Party Claim upon written notice to the Indemnified Party delivered within thirty (30) days after receipt of the particular notice from the Indemnified Party. So long as the Indemnifying Party has assumed the defense of the Third Party Claim in accordance herewith and notified the Indemnified Party in writing thereof, (i) the Indemnified Party may retain separate co-counsel, at its sole cost and expense, and participate in the defense of the Third Party Claim, it being understood that the Indemnifying Party shall pay all reasonable costs and expenses of counsel for the Indemnified Party after such time as the Indemnified Party has notified the Indemnifying Party of such Third Party Claim and prior to such time as the Indemnifying Party has notified the Indemnified Party that it has assumed the defense of such Third Party Claim, (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to a Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed) and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim (other than a judgment or settlement that is solely for money damages and is accompanied by a release of all indemnifiable claims against the Indemnified Party) without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed).

(b) Equitable Remedies. In the case of any Third Party Claim where the Indemnifying Party reasonably believes that it would be appropriate to settle such Third Party Claim using equitable remedies (*i.e.*, remedies involving future activity of the Indemnified Party), the Indemnifying Party and the Indemnified Party shall work together in good faith to agree to a settlement; *provided*, *however*, that no Party shall be under any obligation to agree to any such settlement.

(c) Treatment of Indemnification Payments; Insurance Recoveries. Any indemnity payment under this Agreement shall be decreased by any amounts actually recovered by the Indemnified Party under Third Party insurance policies with respect to such Indemnified Losses (net of any premiums paid by such Indemnified Party under the relevant insurance policy). Each Party agrees (i) to use all reasonable efforts to recover all available insurance proceeds and (ii) to

the extent that any indemnity payment under this Agreement has been paid by the Indemnifying Party to the Indemnified Party prior to the recovery by the Indemnified Party of such insurance proceeds, the amount of such insurance proceeds actually recovered by the Indemnified Party shall be promptly paid to the Indemnifying Party.

(d) Certain Additional Procedures. The Indemnified Party shall cooperate and assist the Indemnifying Party in determining the validity of any Third Party Claim and in otherwise resolving such matters. The Indemnified Party shall cooperate in the defense by the Indemnifying Party of each Third Party Claim (and the Indemnified Party and the Indemnifying Party agree with respect to all such Third Party Claims that a common interest privilege agreement exists between them), including: (i) permitting the Indemnifying Party to discuss the Third Party Claim with such officers, employees, consultants and representatives of the Indemnified Party as the Indemnifying Party reasonably requests; (ii) providing to the Indemnifying Party copies of documents and samples of products as the Indemnifying Party reasonably requests in connection with defending such Third Party Claim; (iii) preserving all properties, books, records, papers, documents, plans, drawings, electronic mail and databases of the Indemnifying Party and relating to matters pertinent to the conduct of the Indemnifying Party under the Indemnified Party's custody or control in accordance with such Party's corporate documents retention policies, or longer to the extent reasonably requested by the Indemnifying Party; (iv) notifying the Indemnifying Party promptly of receipt by the Indemnified Party of any subpoena or other Third Party request for documents or interviews and testimony; (v) providing to the Indemnifying Party copies of any documents produced by the Indemnified Party in response to or compliance with any subpoena or other Third Party request for documents; and (vi) except to the extent inconsistent with the Indemnified Party's obligations under Applicable Law and except to the extent that to do so would subject the Indemnified Party or its employees, agents or representatives to criminal or civil sanctions, unless ordered by a court to do otherwise, not producing documents to a Third Party until the Indemnifying Party has been provided a reasonable opportunity to review, copy and assert privileges covering such documents.

ARTICLE 10
LIMITATION OF LIABILITY

10.1 Damages Limitation. SUBJECT TO SECTION 10.2, IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR OTHER INDIRECT DAMAGES OR ANY PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER SUCH DAMAGES ARE BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.2 Exclusions. Section 10.1 shall not apply to Section 7.4(c) or to any Party's breach of Article 8.

10.3 Mitigation. Each Party shall have a duty to use commercially reasonable efforts to mitigate damages for which another Party is responsible.

ARTICLE 11
TERM AND TERMINATION;
SUPPLY OBLIGATIONS FOLLOWING TRIGGERING EVENT

11.1 Term.

(a) General. The term of this Agreement (the **"Term**") shall commence on the Effective Date and continue in effect until the third anniversary of the Effective Date, subject to potential successive one (1)-year extensions as contemplated below.

(b) Annual Process for One-Year Extension. During the month that is twenty-six (26) months prior to the end of the Term then in effect, officers appointed by the Parties shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by one (1) year, with such amendments to pricing and other terms as the Parties may mutually agree in writing. If by the first day of the month that is twenty-five (25) months prior to the end of the Term then in effect the Parties have not mutually agreed in writing to extend the Term by one (1) year, the matter shall be escalated to the president of Micron, acting on behalf of Micron and the Purchaser, and a designee of the Board of Directors of Inotera, acting on behalf of Inotera, who shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by one (1) year. The meetings contemplated by this Section 11.1(b) shall be held on dates and by means, including remote communications, as agreed by the Parties. For the avoidance of doubt, Micron and the Purchaser may condition their agreement to any extension upon the adoption by the Board of Directors of Inotera of a Business Plan acceptable to Micron and the Purchaser covering the remaining Term as it would be extended by such agreement.

(c) Purchaser Wind-Down Period. If by the first day of the month that is twenty-four (24) months prior to the end of the Term then in effect (or such other date as may be agreed in writing by the Parties) the Parties have not mutually agreed in writing to extend the Term by one (1) year, the Term shall not be extended and, commencing on the last day of the Term there shall begin a three (3)-year wind-down period (the "**Purchaser Wind-Down Period**") during which, on the pricing and other terms, and subject to the conditions, applicable under this Agreement immediately prior to the end of the Term, Inotera will supply to the Purchaser, and the Purchaser will purchase from Inotera, Conforming Wafers, Pre-Qual Engineering Wafers and Non-Conforming Wafers, except that the Committed Purchaser Manufacturing Capacity shall be modified as set forth in Sections 11.1(d) and 11.1(e).

(d) **[***]** Reductions in Aggregate Committed Purchaser Manufacturing Capacity During the Purchaser Wind-Down Period.

(i) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes

installed at Inotera shall equal **[***]** percent (**[***]**%) of Inotera's annualized aggregate Manufacturing Capacity across all Process Nodes that exists at the end of the Term (determined by annualizing the aggregate monthly Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the Term).

(ii) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera shall equal a percentage of the annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes that exists at the end of the **[***]** of the Purchaser Wind-Down Period (determined by annualizing the aggregate monthly Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the **[***]** of the Purchaser Wind-Down Period) selected by Inotera, which percentage shall be (A) equal to or less than **[***]** (**[***]**%) and (B) equal to or greater than **[***]** percent (**[***]**%) (*provided* that, if Inotera does not notify Micron and the Purchaser in writing of its selection at least **[***]** days prior to the commencement of the **[***]** of the Purchaser Wind-Down Period, such percentage shall be **[***]** percent (**[***]**%)).

(iii) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera shall equal a percentage of the annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes that exists at the end of the **[***]** of the Purchaser Wind-Down Period (determined by annualizing the aggregate monthly Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the **[***]** of the Purchaser Wind-Down Period) selected by Inotera, which percentage shall be (A) equal to or less than **[***]** (**[***]**%) and (B) equal to or greater than **[***]** percent (**[***]**%) (*provided* that, if Inotera does not notify Micron and the Purchaser in writing of its selection at least **[***]** days prior to the commencement of the **[***]** of the Purchaser Wind-Down Period, such percentage shall be **[***]** percent (**[***]**%)).

(e) Process Node Allocation of Aggregate Committed Purchaser Manufacturing Capacity During the Purchaser Wind-Down Period. Not later than **[***]** prior to the commencement of **[***]** of the Purchaser Wind-Down Period, the Purchaser shall provide a written notice (the "**Process Node Allocation Notice**") to Inotera specifying, by Process Node, the quantity of Conforming Wafers Inotera will be required to manufacture utilizing such Process Nodes pursuant to this Agreement during such **[***]**; *provided* that (i) the quantity of Conforming Wafers for a particular Process Node may not exceed the aggregate Manufacturing Capacity of such Process Node for such **[***]** as specified in the Monthly Planning Statement delivered by Inotera immediately prior to the delivery of such Process Node Allocation Notice and (ii) the aggregate quantity of Conforming Wafers specified for all Process Nodes shall be equal to the aggregate Committed Purchaser Manufacturing Capacity for such **[***]**, as determined in accordance with

Section 11.1(d). During **[***]** of the Purchaser Wind-Down Period, Inotera shall manufacture quantities of Conforming Wafers (or, if required pursuant to Section 4.3, Pre-Qual Engineering Wafers ordered in lieu thereof) in accordance with the applicable Process Node Allocation Notice, as such quantities may be modified pursuant to the terms of this Agreement.

11.2 Termination.

(a) Except as otherwise provided in this Section 11.2, this Agreement may not be terminated by any Party during either the Term or the Purchaser Wind-Down Period.

(b) Notwithstanding anything herein to the contrary, upon the occurrence of an **[***]** (as defined in the Joint Venture Agreement), if **[***]** (as defined in the Joint Venture Agreement) within **[***]** (or such other period as the Purchaser may agree in writing) following the **[***]**, **[***]** and **[***]** shall have the right to terminate this Agreement effective upon written notice to **[***]**, *provided* that **[***]**.

(c) Any **[***]** shall contemplate the **[***]** to ensure that: (i) Inotera has the ability to **[***]** (the "**[***]**") by June 1, 2013 and (ii) Inotera has the ability to **[***]** the Applicable **[***]** Target on the **[***]** (the "**[***]**") by the Applicable **[***]** Deadline. Notwithstanding anything herein to the contrary, if at any time the **[***]** is not reflected in **[***]** or it becomes reasonably apparent that the **[***]** by July 1, 2013 or the **[***]** by the Applicable **[***]** Deadline, Micron and the Purchaser shall have the right, which they may exercise by written notice to Inotera, to (A) terminate this Agreement or (B) terminate the Purchaser's **[***]**, which right shall survive the termination of such obligation; *provided*, *however*, that (I) the right of Micron and the Purchaser under this Section 11.2(c) as it relates to the **[***]** shall terminate if not exercised by written notice to Inotera prior to the earlier of (x) **[***]** and (y) the date on which the **[***]** occurs and (II) the right of Micron and the Purchaser under this Section 11.2(c) as it relates to the **[***]** shall terminate if not exercised by written notice to Inotera prior to the earlier of (x) the date that is **[***]** following the occurrence of the Applicable **[***]** Deadline and (y) the date on which the **[***]** occurs. Any written notice delivered by Micron and the Purchaser to Inotera pursuant to this Section 11.2(c) shall specify whether Micron and the Purchaser are exercising the termination right contemplated by clause (A) above or the termination right contemplated by clause (B) above and when such termination shall become effective.

(d) Notwithstanding anything herein to the contrary, Micron and the Purchaser shall have the right to terminate this Agreement, effective upon written notice to Inotera, in the event that: (i) Inotera files a petition under or otherwise seeks to take advantage of laws relating to bankruptcy, insolvency, suspension of payments, reorganization or rehabilitation, or makes a general assignment for the benefit of creditors, or otherwise acknowledges in writing insolvency, or is declared or adjudicated bankrupt or insolvent; (ii) Inotera commences a process of dissolution, liquidation or winding up; (iii) Inotera applies for or consents to the appointment of a trustee, receiver, administrator, custodian, liquidator or the like for itself or any substantial portion of its business or assets; or (iv) Inotera or any substantial portion of its business or assets involuntarily becomes the subject of any such filing, process or appointment and such involuntary filing, process

or appointment is not stayed, rescinded, removed or otherwise eliminated within sixty (60) days.

(e) Notwithstanding anything herein to the contrary, this Agreement may be terminated:

(i) by Inotera, effective upon written notice to Micron and the Purchaser, if there has been a material breach by Micron or the Purchaser of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Micron or the Purchaser within thirty (30) days after written notice thereof from Inotera or (B) waived by Inotera; or

(ii) by Micron and the Purchaser, effective upon written notice to Inotera, if there has been a material breach by Inotera of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Inotera within thirty (30) days after written notice thereof from Micron and the Purchaser or (B) waived by Micron and the Purchaser.

11.3 Inotera Requirements at Termination. Within **[***]** days after (x) the end of the Purchaser Wind-Down Period or (y) the effectiveness of any termination of this Agreement pursuant to Section 11.2, Inotera:

(a) shall deliver to Micron, or, pursuant to written instructions of Micron, destroy, all production masks obtained as contemplated by Section 2.3; and

(b) shall (i) deliver to Micron, or, pursuant to written instructions of Micron, destroy, all copies and other embodiments of any process technology or information provided to Inotera by Micron or its Affiliates, or any portion thereof, in whatever form received, reproduced or stored, (ii) if destruction is requested by Micron, certify to Micron and the Purchaser that such destruction is complete, and (iii) cease all use of the process technology or information provided to Inotera by Micron or its Affiliates.

11.4 Survival. Termination of this Agreement shall not affect any of the Parties' respective rights accrued, or obligations owed, before such termination, including any rights or obligations of the Parties in respect of any accepted Purchase Orders existing at the time of such termination. In addition, the following shall survive termination of this Agreement for any reason: Sections 2.7, 3.11, 3.13, 4.2, 4.5, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 6.4, 7.1, 7.2, 7.4(c) and 7.5, and Articles 5, 8, 9, 10, 11 and 12.

ARTICLE 12
MISCELLANEOUS

12.1 Force Majeure Events. The Parties shall be excused from any failure to perform any obligation hereunder to the extent such failure is caused by a Force Majeure Event. A Force Majeure Event shall operate to excuse a failure to perform an obligation hereunder only for the period of time during which the Force Majeure Event renders performance impossible or infeasible and only if the Party asserting Force Majeure as an excuse for its failure to perform has provided written notice to, in the event of an assertion by Micron or the Purchaser, Inotera and, in the event of an assertion by Inotera, Micron and the Purchaser specifying the obligation to be excused and describing the events or conditions constituting the Force Majeure Event.

12.2 Specific Performance. The Parties agree that irreparable damage will result if this Agreement is not performed in accordance with its terms, and the Parties agree that any damages available under the indemnification provisions or at law for a breach of this Agreement would not be an adequate remedy. Therefore, the provisions hereof and the obligations of the Parties hereunder shall be enforceable in a court of equity, or other tribunal with jurisdiction, by a decree of specific performance, and appropriate injunctive relief may be applied for and granted in connection therewith.

12.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each Party hereto; *provided*, *however*, neither this Agreement nor any right or obligation hereunder may be assigned or delegated by any Party in whole or in part to any other Person without the prior written consent of the nonassigning Parties. Any purported assignment in violation of the provisions of this Section 12.3 shall be null and void and have no effect.

12.4 Compliance with Laws and Regulations. Each of the Parties shall comply with, and shall use reasonable efforts to require that its respective subcontractors comply with, Applicable Laws relating to this Agreement and the performance of such Party's obligations hereunder.

12.5 Notice. All notices and other communications hereunder shall be in writing and shall be deemed given upon (a) transmitter's confirmation of a receipt of a facsimile transmission, (b) confirmation of delivery by a standard overnight or recognized international carrier, or (c) delivery in person, addressed at the following addresses (or at such other address for a Party as shall be specified by like notice):

In the case of Micron:

Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of the Purchaser:

Micron Semiconductor Asia Pte. Ltd.
c/o Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of Inotera:

Inotera Memories, Inc.
667, Fuhsing 3rd Road
Hwa-Ya Technology Park
Kueishan, Taoyuan
Taiwan, R.O.C.
Attn: Head of Legal & IP Office
Facsimile: 886-3-327-2988 Ext. 3385

12.6 Waiver. The failure at any time of a Party to require performance by another Party of any responsibility or obligation required by this Agreement shall in no way affect a Party's right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision of this Agreement by another Party constitute a waiver of any other breach of the same or any other provision nor constitute a waiver of the responsibility or obligation itself.

12.7 Severability. Should any provision of this Agreement be deemed in contradiction with the laws of any jurisdiction in which it is to be performed or unenforceable for any reason, such provision shall be deemed null and void, but this Agreement shall remain in full force and effect in all other respects. Should any provision of this Agreement be or become ineffective because of changes in Applicable Laws or interpretations thereof, or should this Agreement fail to include a provision that is required as a matter of law, the validity of the other provisions of this Agreement shall not be affected thereby. If such circumstances arise, the Parties shall negotiate in good faith appropriate modifications to this Agreement to reflect those changes that are required by Applicable Law.

12.8 Third Party Rights. Except as expressly provided in Article 9, nothing in this Agreement, whether express or implied, is intended, or shall be construed, to confer, directly or indirectly, upon or give to any Person, other than the Parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or other provision contained herein.

12.9 Amendment. This Agreement may not be modified or amended except by a written instrument executed by, or on behalf of, each of the Parties.

12.10 Entire Agreement. This Agreement, together with the agreements and instruments expressly provided for herein (including the Micron/Inotera Confidentiality Agreement), constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof.

12.11 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the R.O.C., without giving effect to its conflict of laws principles.

12.12 Jurisdiction; Venue. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in the Taipei District Court, located in Taipei, Taiwan, and each of the Parties hereby consents and submits to the exclusive jurisdiction of such court (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

12.13 Headings. The headings of the Articles and Sections in this Agreement are provided for convenience of reference only and shall not be deemed to constitute a part hereof.

12.14 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.15 Insurance. Without limiting or qualifying Inotera's liabilities, obligations or indemnities otherwise assumed by Inotera pursuant to this Agreement, Inotera shall at all times (except as otherwise stipulated in Schedule 12.15), for so long as this Agreement remains in effect (and notwithstanding any termination of the Joint Venture Agreement), maintain in effect insurance of the types and in the amounts set forth on Schedule 12.15 or as otherwise agreed by the Parties from time to time. Such insurance coverage may be provided through the coverage under one or more insurance policies maintained by Micron, NTC or any of their respective Affiliates.

12.16 Micron Undertaking. Micron shall unconditionally cause the Purchaser to perform its obligations under this Agreement and hereby unconditionally guarantees the due performance of all such obligations by the Purchaser, including the payment of any amounts owing by the Purchaser under this Agreement. Such guarantee is an independent obligation of Micron and upon any default by the Purchaser in the performance of its obligations, including the payment of any amounts owing by the Purchaser, under this Agreement, Inotera may immediately proceed against Micron without proceeding against the Purchaser or joining the Purchaser.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been duly executed by, and on behalf of, the Parties as of the Closing Date.

MICRON TECHNOLOGY, INC.

By: /s/ D. Mark Durcan

Name: D. Mark Durcan

Title: Chief Executive Officer

THIS IS A SIGNATURE PAGE FOR THE SUPPLY AGREEMENT ENTERED INTO BY AND AMONG MICRON, THE PURCHASER AND INOTERA

MICRON SEMICONDUCTOR ASIA PTE. LTD.

By: /s/ Brian John Shields

Name: Brian John Shields

Title: Senior Managing Director and Chairman of the Board of Directors

THIS IS A SIGNATURE PAGE FOR THE SUPPLY AGREEMENT ENTERED INTO BY AND AMONG MICRON, THE PURCHASER AND INOTERA

INOTERA MEMORIES, INC.

By: /s/ Pei-Ing Lee

Name: Pei-Ing Lee

Title: Supervisor

THIS IS A SIGNATURE PAGE FOR THE SUPPLY AGREEMENT ENTERED INTO BY AND AMONG MICRON, THE PURCHASER AND INOTERA

EXHIBIT 10.90

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

CONFIDENTIAL

2015 SUPPLY AGREEMENT

This 2015 SUPPLY AGREEMENT is made and entered into on this 10th day of February, 2015 (the "**Agreement Date**") and shall be effective as of February 10, 2015 (the "**Effective Date**"), by and among MICRON TECHNOLOGY, INC., a Delaware corporation ("**Micron**"), MICRON SEMICONDUCTOR ASIA PTE. LTD., a Singapore private limited company and wholly-owned Subsidiary (as defined hereinafter) of Micron (the "**Purchaser**"), and INOTERA MEMORIES, INC. (Inotera Memories, Inc. [Translation from Chinese]), a company incorporated under the laws of the Republic of China (the "**R.O.C.**") ("**Inotera**").

RECITALS

A. Inotera is engaged in the manufacture of DRAM Products (as defined hereinafter) in wafer form.

B. Micron, the Purchaser and Inotera (each, a "**Party**" and collectively, the "**Parties**") desire Inotera to generally supply Conforming Wafers (as defined hereinafter), Pre-Qual Engineering Wafers (as defined hereinafter), Pre-Qual Production Wafers (as defined hereinafter) and Non-Conforming Wafers (as defined hereinafter) to the Purchaser upon the terms and subject to the conditions set forth in this Agreement.

C. The Parties desire to amend and restate the First Amended and Restated Supply Agreement, dated December 19, 2013 and effective as of January 1, 2014, by and among the Parties (the "**Existing Supply Agreement**"), in order to, among other things, provide that the Term (as defined hereinafter) will expire on December 31, 2015.

D. On the Agreement Date, the Parties are also entering into a 2016 Supply Agreement (the "**2016 Supply Agreement**") providing for (i) a two (2)-year term commencing as of January 1, 2016 and continuing until, but not including, January 1, 2018, subject to extension as provided therein, and (ii) a three (3)-year wind-down period commencing immediately following such term.

E. It is the present intention of the Parties that the level of mutual cooperation and support among the Parties in connection with their performance of this Agreement be consistent with the level of mutual cooperation and support among the Parties in connection with their performance of the Existing Supply Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

ARTICLE 1
DEFINITIONS; CERTAIN INTERPRETIVE MATTERS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, capitalized terms used in this Agreement shall have the respective meanings set forth below:

"**Affiliate**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, Controls, or is Controlled by, or is under common Control with such specified Person; and the term "**affiliated**" has a meaning correlative to the foregoing.

"**Agreement**" means this 2015 Supply Agreement, together with the Schedules attached hereto (but excluding the sample calculations set forth in any attachments to such Schedules, which are provided for illustrative purposes only and shall not constitute terms hereof).

"**Agreement Date**" shall have the meaning set forth in the preamble to this Agreement.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if the **[***]** are to be included in the Final Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers delivered to the Purchaser in such Delivery Month in accordance with Section 3.7, ***the product of*** **(i)** the **[***]** for such Delivery Month, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if Inotera is required to include **[***]** in the Final Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers delivered to the Purchaser in such Delivery Month pursuant to Section 3.8(d), ***the product of*** **(i)** the **[***]** for all **[***]** required to be included in the Final Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers delivered to the Purchaser in such Delivery Month pursuant to Section 3.8(d), **multiplied by (ii)** ***the quotient of*** **(A)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**[***]**" means, for any particular Design ID in a particular Delivery Month, if the **[***]** for a particular **[***]** is to be included in the Final Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers

delivered to the Purchaser in such Delivery Month in accordance with Section 3.8(b), ***the product of*** **(i)** the **[***]** for all **[***]** for such Delivery Month, **multiplied by (ii)** ***the quotient of*** **(A)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month, **divided by (B)** the number of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers of all Design IDs delivered to the Purchaser in such Delivery Month.

"**Annual Calendar**" shall have the meaning set forth in Section 3.2.

"**Applicable Law**" means any applicable laws, statutes, rules, regulations, ordinances, orders, codes, arbitration awards, judgments, decrees or other legal requirements of any Governmental Entity.

"**Applicable [***] Deadline**" means the later to occur of (a) the date that is **[***]** months after **[***]** in the Micron Fab Network and (b) the date that is **[***]** months after **[***]** on the agreed upon representative toolset created using a **[***]** at the Inotera Fab, as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network; *provided*, *however*, that, if such **[***]** at another fab in the Micron Fab Network has not **[***]** by the end of the **[***]** month of such **[***]**-month period, such period shall be suspended until such **[***]** at another fab in the Micron Fab Network has **[***]**.

"**Applicable [***] Target**" means:

(a) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is less than **[***]**, **[***]**;

(b) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**;

(c) if the **[***]** sufficient and appropriate for **[***]** Wafer Starts per week on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**;

(d) if the **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**; and

(e) if **[***]** sufficient and appropriate for **[***]** on the **[***]**, as forecasted in good faith by Micron, is (i) equal to or greater than **[***]** and (ii) less than **[***]**, **[***]**.

"**Boundary Conditions**" means, with respect to the Inotera Fab, a requirement that, at any point in time:

(a) there shall be **[***]** in use for the manufacture of DRAM Products, *provided* that at the Inotera Fab, there also may be **[***]** in use for **[***]**;

(b) subject to clause (c) below, the Inotera Fab shall manufacture for the Purchaser DRAM Products with **[***]**; *provided*, *however*, that if at any time the Inotera Fab is manufacturing for the Purchaser DRAM Products with **[***]** (or, if and when the **[***]** at the Inotera Fab, such **[***]** as is agreed in writing by the Parties) and the Purchaser requests that the Inotera Fab manufacture for the Purchaser DRAM Products with **[***]** by the Inotera Fab, the Inotera Fab shall also manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab **[***]** to manufacture DRAM Products with **[***]**, including such new Design ID, would be **[***]** the following for **[***]** in the **[***]** the Inotera Fab **[***]** being manufactured by or for Micron and its Affiliates at such fab **[***]**, for the Inotera Fab, **[***]** being manufactured at **[***]** at the Inotera Fab, **[***]** DRAM Products (in wafer form) meeting the applicable specifications that can be manufactured by or for Micron and its Affiliates at **[***]**; *provided further*, *however*, that the foregoing shall be applied only to determine whether the Inotera Fab **[***]** manufacture DRAM Products with **[***]** manufactured by the Inotera Fab and only in the circumstance specified above and that the foregoing shall not be applied on **[***]** or otherwise **[***]** in any circumstance **[***]** the Purchaser to **[***]** the Inotera Fab to manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab;

(c) the Inotera Fab shall not manufacture DRAM Products **[***]** for the Purchaser unless, **[***]**, ***the sum of*** **(i)** the **[***]** to be delivered in such **[***]** **plus (ii)** the **[***]** delivered during such **[***]**, is **[***]**; and

(d) the Inotera Fab shall not manufacture DRAM Products **[***]** for the Purchaser unless (i) the Inotera Fab **[***]** for such **[***]**, or (ii) the Purchaser has **[***]** for such DRAM Products **[***]** and such DRAM Products have been **[***]**;

as such requirement may be altered from time to time by the Purchaser with the consent of Inotera, which shall not be unreasonably withheld, conditioned or delayed; *provided*, *however*, that, notwithstanding anything above to the contrary, DRAM Products that are manufactured **[***]** shall be deemed to be DRAM Products of a **[***]** for purposes of the **[***]** described in clauses (b) and (c) above.

"**Business Day**" means a day that is not a Saturday, Sunday or other day on which commercial banking institutions in either the R.O.C. or the State of New York are authorized or required by Applicable Law to be closed.

"**Business Plan**" means, at any particular time, the three (3) year business plan then existing for Inotera, as approved by the board of directors of Inotera.

"**Closing Date**" shall mean January 17, 2013.

"**Committed Purchaser Manufacturing Capacity**" means, at any time during the Term, 100% of the Manufacturing Capacity for each Process Node installed at the Inotera Fab.

"**Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) meets the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing and (b) has a minimum Die Yield equal to **[***]**% (or, if the minimum die yield required for conforming wafers containing such DRAM Products in other fabs in the Micron Fab Network is different than **[***]**%, then such different percentage, which shall be set forth in a written notice to Inotera from Micron or the Purchaser).

"**Control**" means the power or authority, whether exercised or not, to direct the business, management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members, shareholders or other equity holders of such Person or power to control the composition of a majority of the board of directors or like governing body of such Person; and the term "**Controlled**" has a meaning correlative to the foregoing.

"**Cycle-Time**" means the time required to process a wafer through a portion of the manufacturing process or through the manufacturing process as a whole, including Probe Testing.

"**Delivery Month**" means, with respect to any particular wafer delivered to the Purchaser pursuant to this Agreement, the Fiscal Month in which it is delivered to the Purchaser.

"**Demand Forecast**" shall have the meaning set forth in Section 3.4.

"**Design ID**" means a part number that is assigned to a unique DRAM Design of a particular DRAM Product, which may include a number or letter designating a specific device revision.

"**Die Yield**" means ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form that are manufactured on a wafer and that meet the applicable Specifications for such DRAM Products immediately after Probe Testing, **divided by (b)** the maximum number of such die that could be manufactured on such wafer to meet the applicable Specifications for such wafer using the applicable Process Node.

"**DRAM**" means a dynamic random access memory cell that functions by using a capacitor arrayed predominantly above the semiconductor substrate.

"**DRAM Design**" means all of the design elements, components, specifications and information required to manufacture the subject DRAM Product.

"**DRAM Product**" means any memory comprising DRAM, whether in die or wafer form.

"**Effective Date**" shall have the meaning set forth in the preamble to this Agreement.

"**Environmental Laws**" means any and all laws, statutes, rules, regulations, ordinances, orders, codes or binding determinations of any Governmental Entity pertaining to the environment in any and all jurisdictions in which the Inotera Fab is located, including laws pertaining to the handling of wastes or the use, maintenance and closure of pits and impoundments, and other environmental conservation or protection laws.

"**Excursion**" means a performance deviation during the production process that is outside normal behavior, as defined by historical performance or as established by the Purchaser and Inotera in writing in the applicable Specifications, which may impact performance, Quality and Reliability or the Purchaser's customer delivery commitments for DRAM Product from Conforming Wafers.

"**Existing Supply Agreement**" shall have the meaning set forth in Recital C to this Agreement.

"**Final Invoice**" shall have the meaning set forth in Section 4.9(b).

"**Final Price**" shall have the meaning set forth in Section 5.2.

"**Fiscal Month**" means any of the twelve financial accounting months within the Fiscal Year.

"**Fiscal Quarter**" means any of the four financial accounting quarters within the Fiscal Year.

"**Fiscal Year**" means the fiscal year of Inotera for financial accounting purposes.

"**[***]**" shall have the meaning set forth in Schedule 3.7.

"**[***]**" shall have the meaning set forth in Section 3.7.

"**Force Majeure Event**" means the occurrence of an event or circumstance beyond the reasonable control of the Party and includes: (a) explosions, fires, flood, earthquakes, catastrophic weather conditions, or other elements of nature or acts of God; (b) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; (c) acts of Governmental Entities; (d) labor disputes, lockouts, strikes or other industrial action, whether direct or indirect and whether lawful or unlawful; (e) failures or fluctuations in electrical power or telecommunications service or equipment; and (f) delays caused by nonperformance of Inotera, in the case of Micron or the Purchaser, or Micron or the Purchaser, in the case of Inotera, or nonperformance by a Third Party (except for delays caused by such Party's subcontractors or agents).

"**GAAP**" means generally accepted accounting principles.

"**Governmental Entity**" means any governmental authority or entity, including any agency, board, bureau, commission, court, municipality, department, subdivision or instrumentality thereof, or any arbitrator or arbitration panel.

"**Hazardous Substances**" means any asbestos, any flammable, explosive, radioactive, hazardous, toxic, contaminating, polluting matter, waste or substance, including any material defined or designated as a hazardous or toxic waste, material or substance, or other similar term, under any Environmental Laws in effect or that may be promulgated in the future.

"**HMC Conforming Wafer**" means Conforming Wafers for HMC DRAM Products.

"**HMC DRAM**" means a hybrid memory cube dynamic random access memory cell that is intended to be coupled with a controller or logic chip.

"**HMC DRAM Product**" means any memory comprising HMC DRAM, whether in die or wafer form.

"**HMC Pre-Qual Engineering Wafers**" means Pre-Qual Engineering Wafers for HMC DRAM Products.

"**HMC Pre-Qual Production Wafers**" means Pre-Qual Production Wafers for HMC DRAM Products.

"**HMC Wafer**" means a wafer containing HMC DRAM Products.

"**Indemnified Losses**" mean all direct, out-of-pocket liabilities, damages, losses, costs and expenses (including reasonable attorneys' and consultants' fees and expenses).

"**Indemnified Party**" shall have the meaning set forth in Section 9.2(a).

"**Indemnifying Party**" shall have the meaning set forth in Section 9.2(a).

"**Inotera**" shall have the meaning set forth in the preamble to this Agreement.

"**Inotera Fab**" shall have the meaning set forth in Section 1.2(c).

"**Inotera Financial Report**" shall have the meaning set forth in Section 3.11.

"**[***]**" has the meaning set forth on Schedule 3.8.

"**[***]**" has the meaning set forth in Section 3.8(e).

"**Joint Venture Agreement**" means that certain Joint Venture Agreement between MNL, Numonyx B.V., MTAP and NTC, dated as of the Closing Date, as amended, relating to Inotera.

"**Line Yield**" means, for any given period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers produced during such period of time, **divided by (b)** the number of all wafers started during such period of time.

"**Long Range Forecast**" shall have the meaning set forth in Section 3.15.

"**Manufacturing Capacity**" means, for each Process Node at the Inotera Fab for any particular period of time, the maximum number of Conforming Wafers that can be manufactured through Probe Testing and delivered to the Purchaser utilizing such Process Node at the Inotera Fab during such period of time, assuming Inotera only manufactured Conforming Wafers during such period of time.

"**Manufacturing Plan**" shall have the meaning set forth in Section 3.1.

"**Mask [***]**" has the meaning set forth in Section 2.3(b).

"**Micron**" shall have the meaning set forth in the preamble to this Agreement.

"**Micron Fab Network**" means the fabs manufacturing DRAM Products for Micron and its Affiliates, including the Inotera Fab.

"**Micron/Inotera Confidentiality Agreement**" means that certain Mutual Nondisclosure Agreement between Micron and Inotera, dated as of the Closing Date, as amended.

"**[***]**" shall have the meaning set forth in Section 3.12(e).

"**MNL**" means Micron Semiconductor B.V., a private limited liability company organized under the laws of the Netherlands.

"**Monthly Planning Statement**" shall have the meaning set forth in Section 3.3.

"**Monthly Financial Review**" shall have the meaning set forth in Section 3.14(b).

"**MTAP**" means Micron Technology Asia Pacific, Inc., an Idaho corporation.

"**Non-Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) fails to meet the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing or (b) has a minimum Die Yield below that required for a Conforming Wafer of such DRAM Products.

"**Non-HMC Conforming Wafer**" means Conforming Wafers for Non-HMC DRAM Products.

"**Non-HMC DRAM Product**" means any memory comprising DRAM and excluding HMC DRAM, whether in die or wafer form.

"**Non-HMC Pre-Qual Engineering Wafers**" means Pre-Qual Engineering Wafers for Non-HMC DRAM Products.

"**Non-HMC Pre-Qual Production Wafer**" means Pre-Qual Production Wafers for Non-HMC DRAM Products.

"**NTC**" means Nanya Technology Corporation (Nanya Technology Corporation [Translation from Chinese]), a company incorporated under the laws of the R.O.C.

"**Numonyx B.V.**" means Numonyx Holdings B.V., a private limited liability company organized under the laws of the Netherlands.

"**Operational Report**" shall have the meaning set forth in Section 3.12.

"**[***]**" shall have the meaning set forth in Section 11.2(c).

"**Party**" and "**Parties**" shall have the meanings set forth in Recital B to this Agreement.

"**Performance Criteria**" means the factors of **[***]**.

"**Permitted Disclosures**" shall have the meaning set forth in Section 3.16.

"**Person**" means any natural person, corporation, joint stock company, limited liability company, association, partnership, firm, joint venture, organization, business, trust, estate or any other entity or organization of any kind or character.

"**Preliminary Price**" means, for a particular Delivery Month, (a) with respect to Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers, Inotera's estimate, as of the time Inotera delivers the Preliminary Price Notice with respect to such Delivery Month, of the Price that Inotera will charge pursuant to Schedule 5.1 of this Agreement for such Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers, as reasonably determined by Inotera, with such estimate being based on the **[***]**, for the **[***]**, for products **[***]** to such **[***]** (or such other **[***]**, or combination or derivation therefrom, as the Parties may mutually agree in writing), (b) with respect to HMC Conforming Wafers and HMC Pre-Qual Production Wafers, **[***]** to be negotiated in good faith by the Parties pursuant to Section 5.1(c) and 5.1(d) prior to Inotera loading any HMC Wafers; (c) with respect to Pre-Qual Engineering Wafers, **[***]**, and (d) with respect to Non-Conforming Wafers, an amount **[***]** per Non-Conforming Wafer, as mutually agreed in writing by the Parties.

"**Preliminary Price Notices**" shall have the meaning set forth in Section 4.4(a).

"**Pre-Qual Engineering Wafers**" means, with respect to a particular DRAM Product, wafers of such DRAM Product requested by the Purchaser for delivery to the Purchaser in lieu of Conforming Wafers in any Purchase Order placed, or any change order to a Purchase Order issued, as contemplated by Section 4.3, that are manufactured to the full extent of the applicable process flow but prior to the qualification of such DRAM Product at the Inotera Fab; *provided, however*, that in no event shall the following be deemed Pre-Qual Engineering Wafers: (i) engineering wafers for the first iteration (excluding subsequent device revisions) with an intention to qualify of the first Design ID on any particular Process Node, which engineering wafers will not be manufactured under this Agreement but instead will be subject to a separate statement of work providing for cost sharing pricing, which statement of work and the specific cost sharing percentage shall be negotiated in good faith by the Parties prior to manufacturing of such engineering wafers; and (ii) Pre-Qual Production Wafers.

"**Pre-Qual Production Wafers**" means, with respect to a particular DRAM Product having a qualification plan, prior to the qualification of such DRAM Product at the Inotera Fab, the wafers delivered by Inotera in excess of the first two hundred (200) wafers on a particular Design ID that were deemed Pre-Qual Engineering Wafers provided that at least one fab in the Micron Fab Network has achieved 50% Probe Yield as of the beginning of the respective Delivery Month.

"**Price**" shall have the meaning set forth in Section 5.1.

"**Price True-Up Amount**" means, for a particular Delivery Month, an amount, which may be positive or negative, equal to ***the sum of*** **(i)** ***the sum of*** **(A)** the aggregate Final Price of the Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers, and HMC Pre-Qual Production Wafers delivered during such Delivery Month to the Purchaser calculated in accordance with Section 5.2, **plus (B)** the aggregate price of Pre-Qual Engineering Wafers delivered during such Delivery Month to the Purchaser pursuant to Section 5.3, **minus (ii)** the aggregate balance owing to Inotera shown on all Pro Forma Invoices accompanying the deliveries of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers, HMC Pre-Qual Production Wafers, Pre-Qual Engineering Wafers, and Non-Conforming Wafers during such Delivery Month to the Purchaser.

"**Probe Testing**" means testing, using a wafer test program as set forth in the applicable Specifications for such wafer, of a wafer that has completed all processing steps deemed necessary to complete the creation of the desired integrated circuits in the die on such wafer, the purpose of which test is to determine how many and which of the die meet the applicable criteria for such die set forth in the Specifications for such die.

"**Probe Yield**" means, with respect to any period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form meeting the applicable Specifications for such DRAM Products during such period of time, **divided by (b)** the maximum number of die on Conforming Wafers probed during such period of time.

"**Process Node**" means a collection of process technology and equipment that enables the production of DRAM Products in wafer form for a particular minimum repeatable half pitch of a device (minimum physical feature size or line width) and often designated by the size of such pitch (*e.g.*, the 42nm Process Node or the 30nm Process Node, etc.). For the avoidance of doubt, the Parties acknowledge and agree that the **[***]** Process Node utilized at the Inotera Fab is not the same Process Node as the **[***]** Process Node utilized by **[***]**.

"**Pro Forma Invoice**" shall have the meaning set forth in Section 4.9(a).

"**[***]**" shall have the meaning set forth in Section 3.8(a).

"**Purchase Order**" shall have the meaning set forth in Section 4.4(b).

"**Purchaser**" shall have the meaning set forth in the preamble to this Agreement.

"**Purchaser Indemnified Party**" means the Purchaser or any of its Affiliates, including Micron.

"**[***]**" shall have the meaning set forth in Section 3.9.

"**Purchaser Pricing Report**" shall have the meaning set forth in Section 3.13.

"**[***]**" shall have the meaning set forth in Section 3.8(b).

"**Quality and Reliability**" means the quality and reliability standards for Conforming Wafers as set forth on Schedule 1.1 and in the applicable Specifications for such Conforming Wafers or the Manufacturing Plan in effect from time to time.

"**Quarterly Business Review**" has the meaning set forth on Section 3.14(a).

"**Recoverable Taxes**" shall have the meaning set forth in Section 4.8(a).

"**[***] Notice**" shall have the meaning set forth in Section 3.8(a).

"**[***] Notice**" shall have the meaning set forth in Section 3.8(b).

"**Response to Forecast**" shall have the meaning set forth in Section 3.5.

"**Restriction Period**" means, with respect to any Segregated Employee, the period of time beginning on the date such Person becomes a Segregated Employee and ending on the date that is **[***]** months after the date such Person is no longer a Segregated Employee.

"**R.O.C.**" shall have the meaning set forth in the preamble to this Agreement.

"**[***] Payment Amount**" shall have the meaning set forth in Section 3.13.

"**Segregated Employees**" means (a) the accounting employees of Inotera that are responsible for performing, reviewing and approving the calculation of the Price for any DRAM Product sold to the Purchaser under this Agreement, and (b) the president of Inotera and the senior officer responsible for financial management of Inotera, *provided* that no **[***]**, if any, shall be permitted to be a Segregated Employee.

"**Shared Design ID Wafers**" means all wafers with the same Design ID that are produced for both the Purchaser and other Persons.

"**Ship Lot Line Yield**" means, with respect to any lot of wafers, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers manufactured from such lot, **divided by (b)** the number of Wafer Starts from such lot.

"**Specifications**" means those specifications used to describe, characterize, and define the quality and performance of a Conforming Wafer or a DRAM Product in die form, as applicable, in each case, as such specifications may be set forth on Schedule 1.1 or otherwise determined from time to time by the Purchaser and delivered in writing to Inotera; *provided, however*, that (a) with respect to specifications not in effect on the Effective Date, (i) promptly upon receipt by Inotera from the Purchaser of such specifications, Inotera shall evaluate such specifications and, without undue delay, the Purchaser and Inotera shall mutually agree upon the effective date for such specifications (which date shall in no event be more than **[***]** days following Inotera's receipt of such specifications from the Purchaser, unless a later date is agreed upon by the Purchaser and Inotera) and (ii) upon reaching such agreement, Inotera shall confirm to the Purchaser in writing the agreed effective date for such specifications and (b) specifications delivered by the Purchaser to Inotera for Conforming Wafers containing a particular DRAM Product or a DRAM Product in die form shall **[***]** specifications for wafers containing such particular DRAM Product or such DRAM Product in die form, as applicable (if any), **[***]**.

"**Subsidiary**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, is Controlled by such specified Person.

"**Swap Ratio**" means, with respect to any Pre-Qual Engineering Wafer, a ratio that will be used to **[***]** of such Pre-Qual Engineering Wafer to take into account the **[***]** required to produce such wafer compared to a Conforming Wafer generally, as such ratio is agreed by the Parties from time to time; *provided*, *however*, that, if the Parties cannot agree to such ratio for any particular Pre-Qual Engineering Wafer, the ratio for such Pre-Qual Engineering Wafer will be reasonably determined by the Purchaser.

"**Taiwan GAAP**" means GAAP used in the R.O.C., as in effect from time to time, consistently applied for all periods at issue.

"**Term**" shall have the meaning set forth in Section 11.1.

"**Third Party**" means any Person, other than Micron, Inotera or any of their respective Subsidiaries.

"**Third Party Claim**" means any claim, demand, lawsuit, complaint, cross-complaint or counter-complaint, arbitration, opposition, cancellation proceeding or other legal or arbitral proceeding of any nature brought in any court, tribunal or judicial forum anywhere in the world, regardless of the manner in which such proceeding is captioned or styled brought by any Third Party.

"**2016 Supply Agreement**" shall have the meaning set forth in Recital D to this Agreement.

"**[***]**" shall have the meaning set forth in Schedule 3.8.

"**[***]**" shall have the meaning set forth in Section 3.8(e).

"**Wafer Start**" means the initiation of manufacturing services with respect to a wafer.

"**WIP**" means work in process at the Inotera Fab, including all wafers in wafer fabrication and sort and all completed Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers not yet delivered to the Purchaser or other Persons.

"**WIP Data**" means in-line inventory data, including wafer numbers, lot numbers, unit volumes, wafer volumes, Cycle-Times, Die Yield, Line Yield, Probe Yield and Ship Lot Line Yield.

"**WSTS Forecast**" means the forecast of semiconductor prices prepared by WSTS, Inc.

1.2 Certain Interpretive Matters.

(a) Unless the context requires otherwise, (i) all references to Sections, Articles, Exhibits, Appendices or Schedules are to Sections, Articles, Exhibits, Appendices or Schedules of or to this Agreement, (ii) each accounting term not otherwise defined in this Agreement (A) with respect to Micron or the Purchaser, has the meaning commonly applied to it in accordance with GAAP used in the United States, as in effect from time to time, consistently applied for all periods at issue, and (B) with respect to Inotera, has the meaning commonly applied to it in accordance with Taiwan GAAP, (iii) words in the singular include the plural and vice versa, (iv) the term "**including**" means "including without limitation," and (v) the terms "**herein**," "**hereof**," "**hereunder**" and words of similar import shall mean references to this Agreement as a whole and not to any individual section or portion hereof. All references to "**$**" or dollar amounts will be to lawful currency of the United States of America. All references to "**day**" or "**days**" mean calendar

days, and all references to "**quarter(ly)**," "**month(ly)"** or "**year(ly)**" mean Fiscal Quarter, Fiscal Month or Fiscal Year, respectively, unless the context requires otherwise.

(b) No provision of this Agreement will be interpreted in favor of, or against, any Party by reason of the extent to which (i) such Party or its counsel participated in the drafting thereof, or (ii) such provision is inconsistent with any prior draft of this Agreement or such provision.

(c) For purposes of this Agreement, the "**Inotera Fab**" shall mean collectively the existing fabs of Inotera commonly referred to as "Fab 1," "Fab 2" and "Fab 1A" located at Hwa Ya Technology Park, Taoyuan, Taiwan.

(d) Notwithstanding anything herein to the contrary, the example calculations set forth in any attachments to the Schedules hereto shall not constitute terms of this Agreement and are provided for illustrative purposes only. In the event of any conflict between such example calculations and the terms of this Agreement, the terms of this Agreement shall govern and the Parties shall modify such example calculations to be consistent therewith.

ARTICLE 2
OBLIGATIONS OF THE PARTIES; PROCESSES AND CONTROLS

2.1 General Obligations.

(a) Inotera shall provide, develop and operate the Inotera Fab according to the Business Plan in effect from time to time and the obligations set forth herein (including the planning process set forth in Article 3).

(b) Inotera shall:

(i) manufacture Conforming Wafers for the Purchaser in accordance with (A) the applicable Boundary Conditions, (B) the applicable Specifications, (C) the Responses to Forecast developed in response to the Demand Forecasts provided by the Purchaser to Inotera in accordance with Article 3;

(ii) supply Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers to the Purchaser in accordance with the purchasing process set forth in Article 4; and

(iii) operate the Inotera Fab so that DRAM Product output from the Inotera Fab does not differ materially from that of any other fab in the Micron Fab Network as to the Specifications and Performance Criteria.

(c) The Purchaser shall purchase Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers from Inotera in accordance with the terms and conditions set forth herein.

For the avoidance of doubt, in no event shall Inotera be obligated to load any HMC Wafers unless and until the Parties have first negotiated and agreed as to how to calculate the Price of HMC Conforming Wafers as contemplated by Section 5.1(c) and the Price of HMC Pre-Qual Wafers as contemplated by Section 5.1(d).

2.2 Control; Processes. The Purchaser and Inotera shall review Inotera's control and process mechanisms, including such mechanisms that are utilized to ensure that all parameters of the Specifications and Performance Criteria are met or exceeded in Inotera's manufacture of Conforming Wafers. The Purchaser and Inotera agree to work together in good faith to define mutually agreeable control and process mechanisms, including the following: (a) e-test (also known as parametric test capability); (b) qualification methodology plan; (c) product qualification support; (d) Probe Testing capability; (e) change control process; and (f) failure analysis capability and methodology. Without limiting the generality of the foregoing, the Purchaser and Inotera agree to the control and process mechanisms set forth in Schedule 1.1.

2.3 Production Masks.

(a) Inotera shall purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]**, and Inotera may purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]** (other than **[***]** approved in writing by Micron; *provided*, *however*, that, with respect to Inotera's purchase of any **[***]**, such limitations shall not apply if **[***]**. Furthermore, **[***]** shall meet **[***]** at **[***]** for **[***]**. If Inotera elects to purchase masks from **[***]**, subject to **[***]** (such **[***]** to be determined in **[***]** sole discretion), **[***]** will provide to **[***]** the **[***]** determines, in its sole discretion, are necessary to **[***]**. To the extent **[***]** provides **[***]** as contemplated by the immediately preceding sentence, Inotera will pay to **[***]** associated with such **[***]** promptly after receiving an invoice in connection therewith. Notwithstanding anything in this Section 2.3(a) to the contrary, **[***]** shall be used for the **[***]** and any **[***]** of each **[***]** for a DRAM Product of **[***]**. Inotera shall have possession, but not ownership of any underlying copyrights, mask works or other intellectual property, of any physical production masks which Inotera obtains in accordance with this Section 2.3(a).

(b) Inotera shall promptly revise at Inotera's expense any mask set that is being utilized for the manufacture of DRAM Products by Inotera for delivery to the Purchaser under this Agreement as requested by the Purchaser or Micron from time to time; *provided*, *however*, that, if **[***]** to the initial mask set **[***]** as so revised before such mask set is **[***]**, the **[***]** such initial

mask set (the "**Mask [***]**"), excluding any **[***]** for any **[***]**, will be **[***]** in the **[***]** in the Delivery Month **[***]** in which **[***]**.

2.4 Designation of WIP.

(a) WIP Associated With Shared Design ID Wafers. Inotera shall ensure that WIP at the Inotera Fab associated with Shared Design ID Wafers is designated for the Purchaser and any other Persons for which it is produced from Wafer Start, and the Shared Design ID Wafers shall be allocated to the Purchaser and such other Persons immediately prior to Probe Testing by Design ID *pro rata* in accordance with the relative number of Wafer Starts of such Shared Design ID Wafers for each of the Purchaser and such other Persons during the Fiscal Month in which such Shared Design ID Wafers were started.

(b) Other WIP. Inotera shall ensure that WIP at the Inotera Fab associated with wafers (other than the Shared Design ID Wafers contemplated by Section 2.4(a)) to be produced for the Purchaser or any other Person is designated for the Purchaser or such other Person, as applicable, from Wafer Start.

2.5 Subcontractors. Inotera may utilize **[***]** as a subcontractor, subject to (a) the prior written approval of the Purchaser, which approval shall not be unreasonably withheld or delayed, and (b) compliance with the guidelines developed to manage the quality of such utilization in effect on the Effective Date (with such changes thereto as may from time to time be agreed in writing by the Parties). Inotera shall ensure that all contracts with **[***]** (a) shall provide Inotera with the same level of access and controls as Inotera provides to the Purchaser in this Agreement and (b) contain customary nondisclosure obligations in a form reasonably acceptable to the Purchaser.

2.6 **[***]** Notification. In addition to the Operational Report and the Quarterly Business Review, Inotera shall promptly notify the Purchaser of **[***]** affecting **[***]**.

2.7 Traceability; Data Retention. The Purchaser and Inotera shall review Inotera's (a) **[***]** and producing the WIP Data and (b) data retention policy in regards to the WIP Data. Inotera agrees to maintain the WIP Data for a minimum of **[***]** (or such other period as may be agreed in writing by the Parties).

2.8 Access to WIP Data. Inotera shall provide the Purchaser with full access to its WIP Data (including with respect to Shared Design ID Wafers) no less frequently than **[***]** under normal circumstances, which data shall be no older than **[***]** old when accessed.

2.9 Additional Customer Requirements. The Purchaser shall inform Inotera in writing of any supplier requirements of any customer of the Purchaser relating to the Inotera Fab. The Purchaser and Inotera shall work together in good faith to satisfy such requirements.

2.10 **[***]**. Inotera will continue to cooperate with Micron and the Purchaser, and work in good faith, to develop a **[***]** plan, including (a) agreeing in writing to a **[***]** for the **[***]** at the Inotera Fab, which may be updated from time to time by the Parties in writing; (b) **[***]** at the Inotera Fab that, as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network, constitutes the agreed upon **[***]** for the **[***]** at the Inotera Fab; (c) through the **[***]** the Inotera Fab and other fabs in the Micron Fab Network as necessary and appropriate, **[***]** on the agreed upon **[***]** using the **[***]** described in clause (b), as **[***]**, where necessary and appropriate, with **[***]** at other fabs in the Micron Fab Network and thereafter **[***]** necessary to complete the **[***]**; and (d) within **[***]** months after **[***]** on such **[***]** on such **[***]** on such **[***]**.

ARTICLE 3
PLANNING AND FORECASTING; PERFORMANCE REVIEWS AND REPORTS

3.1 Annual Manufacturing Plan. At least **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Fiscal Year, Inotera shall prepare, under the direction of the president of Inotera, an annual manufacturing plan (the "**Manufacturing Plan**") for the next **[***]** (or such other period or periods as may be agreed in writing by the Parties) and shall submit the Manufacturing Plan to the Purchaser for its review and comment. The Manufacturing Plan shall reflect the planning process contained in this Article 3. The Manufacturing Plan shall address various manufacturing issues, including the DRAM Products to be manufactured, a loading plan (by Design ID and Process Node for the DRAM Products to be produced, including, if applicable, a breakout of the DRAM Products, by Design ID and Process Node, to be produced for any Persons other than the Purchaser) and weekly loading and output (including, if applicable, a breakout, by Design ID and Process Node, the wafers designated for any Persons other than the Purchaser). The Manufacturing Plan covering **[***]** and in effect as of the Agreement Date has been agreed by the Parties.

3.2 Annual Calendar. Prior to the beginning of each Fiscal Year, the Parties shall establish a planning calendar for such Fiscal Year (each, an "**Annual Calendar**") that sets forth key planning and finance dates during such Fiscal Year, which may include the dates on which the Parties will (a) deliver the Monthly Planning Statements (or the components thereof), the Demand Forecasts, the Responses to Forecast, the Operational Reports, the Long Range Forecast, the Preliminary Price Notices, the Purchase Orders and any other information that may be agreed in writing by the Parties, and (b) hold the Quarterly Business Reviews and Monthly Financial Reviews described in Section 3.14, *provided* that such dates shall be consistent with this Article 3 and Article 4, as applicable, and shall generally be consistent with the Purchaser's internal planning calendar for such Fiscal Year. In addition, the Annual Calendar may reflect the dates during such Fiscal Year on which the Parties will be required by this Agreement to deliver Purchaser Pricing Reports, Inotera Financial Reports and Final Invoices. The Parties may alter the dates described in an Annual Calendar at any time, *provided* that such altered dates are consistent with this Article 3 and Article

4, as applicable, and are agreed in writing by the Parties. The Annual Calendar for 2015 and in effect as of the Agreement Date has been agreed by the Parties.

3.3 Monthly Planning Statement. Each Fiscal Month, Inotera shall deliver to the Purchaser one or more statements (collectively for each Fiscal Month, a "**Monthly Planning Statement**") setting forth (a) for each Process Node, the anticipated Committed Purchaser Manufacturing Capacity for each of the next **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) taking into account, among other things, **[***]** that were included in the Response to Forecast delivered in the prior Fiscal Month, (b) for each Design ID, the **[***]** as the Purchaser and Inotera may agree in writing for such Design ID for each of the next **[***]** Fiscal Months and (c) the Boundary Conditions applicable to the next **[***]** Fiscal Months.

3.4 Demand Forecast. Following receipt of a Monthly Planning Statement as contemplated by Section 3.3, the Purchaser shall deliver to Inotera a written non-binding forecast of the Purchaser's demand (each, a "**Demand Forecast**") for the **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) covered by such Monthly Planning Statement. Each Demand Forecast (a) shall include the total number of Conforming Wafers (broken out by Design ID and Process Node), Pre-Qual Engineering Wafers (broken out by Design ID and Process Node) and Pre-Qual Production Wafers (broken out by Design ID and Process Node) requested by the Purchaser for the period covered by such Demand Forecast (broken out weekly) and (b) shall be consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates.

3.5 Response to Forecast; Resolution of Conflicts. Following receipt of a Demand Forecast as contemplated by Section 3.4, Inotera shall deliver to the Purchaser a written response that, so long as such Demand Forecast delivered by the Purchaser is consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates, indicates Inotera commits to supply Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers based on such Demand Forecast (each, a "**Response to Forecast**"). In preparing any Response to Forecast at any time the Committed Purchaser Manufacturing Capacity is less than 100% of the Manufacturing Capacity of Inotera at the Inotera Fab, if there is a conflict with respect to the manufacture of wafers for the Purchaser pursuant to this Agreement and the manufacture of wafers or other products for any other Person, such conflict shall be resolved **[***]** and the manufacture of wafers for the **[***]**.

3.6 Changes to Demand Forecast. The Purchaser may deliver to Inotera an adjusted Demand Forecast for any purpose, including to reduce the number of Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers to be delivered to the Purchaser, to increase the number of Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers to be delivered to the Purchaser (if less than all of the Committed Purchaser Manufacturing Capacity was previously included in the Demand Forecast) and to change the Design ID mix of Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers to be manufactured utilizing a particular Process Node, at any time until **[***]** prior to the scheduled loading of the wafers affected by adjustments reflected in the adjusted Demand Forecast. In such event, Inotera shall

deliver to the Purchaser a revised Response to Forecast that, so long as such adjustments are consistent with the Committed Purchaser Manufacturing Capacity and the Boundary Conditions set forth in the most recently delivered Monthly Planning Statement, indicates Inotera commits to supply Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers based on such adjustments.

3.7 **[***]**. Notwithstanding anything herein to the contrary, if, for any particular Delivery Month, Inotera **[***]** to the Purchaser (at the Purchaser's request pursuant to a **[***]** delivered in the Fiscal Month prior to such Delivery Month) **[***]** for such Delivery Month set forth in the **[***]** delivered in the Fiscal Month prior to such Delivery Month, the **[***]** of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers delivered in such Delivery Month shall **[***]**. Any such "**[***]**" shall be calculated in accordance with Schedule 3.7.

3.8 **[***]**.

(a) Notwithstanding anything herein to the contrary, if, at any time, Inotera reasonably expects to **[***]** as a result of manufacturing Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers utilizing **[***]** for delivery to the Purchaser in a particular Delivery Month based on **[***]** of the Committed Purchaser Manufacturing Capacity for such **[***]** for such Delivery Month set forth in the most recently delivered Monthly Planning Statement, Inotera may deliver to the Purchaser a written notice (each, a "**[***]** **Notice**") setting forth the **[***]** Inotera reasonably believes it can **[***]** the Purchaser in such Delivery Month utilizing **[***]** and not cause a **[***]** (the **[***]** in its most recently delivered **[***]** for such Delivery Month and the **[***]** set forth in a **[***]** Notice, the "**[***]**").

(b) Within **[***]** of receipt of a **[***]** Notice, the Purchaser may deliver to Inotera a written notice (a "**[***]** **Notice**") setting forth (i) the **[***]** to be **[***]** utilizing **[***]** described in the **[***]** Notice that the Purchaser **[***]** in the applicable Delivery Month that are **[***]** of the **[***]** **[***]** set forth in the applicable **[***]** Notice (such **[***]**, the "**[***]**") and (ii) the Purchaser's **[***]** to Inotera the **[***]** with respect to the **[***]**. If the Purchaser delivers such a written notice, then the **[***]** with respect to the **[***]** shall be **[***]** in the Delivery Month in which such **[***]** are delivered to the Purchaser.

(c) Notwithstanding anything herein to the contrary, if Inotera has delivered a **[***]** Notice with respect to a particular **[***]** for a particular Delivery Month, Inotera shall **[***]** the Purchaser in such Delivery Month the **[***]** as are set forth in such **[***]** Notice, as adjusted for the **[***]**.

(d) For any Delivery Month after a Delivery Month for which the **[***]** for a particular **[***]** has been **[***]** of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers **[***]** the Purchaser, Inotera shall **[***]** of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers **[***]** the Purchaser **[***]** to the **[***]** for such **[***]** until the **[***]** of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers **[***]** the

Purchaser **[***]** for such **[***]** of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers **[***]** the Purchaser.

(e) "**[***]**" and "**[***]**" shall be calculated in accordance with Schedule 3.8.

3.9 **[***]** of Loading. If any Operational Report includes (a) a notification described in Section 3.12(e) with respect to DRAM Products of a particular Design ID and, during the Quarterly Business Review in which such Operational Report is discussed, the Purchaser informs Inotera that the Purchaser is **[***]** to include in **[***]** of Conforming Wafers and Pre-Qual Production Wafers of DRAM Products of such Design ID to **[***]** for such Design ID, or (b) a notification described in Section 3.12(f), then the **[***]** of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers **[***]** the Purchaser in the Delivery Month next following the Delivery Month in which such Quarterly Business Review occurs shall **[***]** (the "**[***]**") equal to ***the sum of*** **(a)** ***the product of*** **(i)** the **[***]** associated with such Design ID (**[***]** **(A)** included in the **[***]** for any **[***]** of such Design ID **[***]**, **(B)** **[***]** by Micron or the Purchaser pursuant to **[***]**, and **(C)** the **[***]**), **multiplied by (ii)** ***the quotient of*** **(A)** ***the difference of*** **(I)** **[***]**, **minus (II)** the **[***]** of such Design ID that were or will be **[***]** during such **[***]**, **divided by (B)** **[***]**, **plus (b)** the **[***]**. Notwithstanding anything above to the contrary, DRAM Products that are manufactured utilizing **[***]** shall be deemed to be **[***]** for purposes of **[***]** described in this Section 3.9.

3.10 **[***]** Statements. At least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth the number of Conforming Wafers, Pre-Qual Engineering Wafers and Pre-Qual Production Wafers (in each case, by Design ID) that are anticipated to be delivered to the Purchaser during each of the next **[***]**. In addition, at least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth:

(a) by Design ID, the number of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers that were delivered to the Purchaser in the immediately preceding **[***]**;

(b) by Design ID, the Die Yield, Line Yield and Cycle-Time in the immediately preceding **[***]**; and

(c) such other Performance Criteria as the Purchaser and Inotera may agree in writing.

3.11 Inotera Financial Report. Within **[***]** days after the end of each Delivery Month in the case of **[***]** and within **[***]** Business Days after the end of each Delivery Month in the case of **[***]** (or such other number of days as may be agreed in writing by the Parties), Inotera shall deliver to the Purchaser a report (each, a "**Inotera Financial Report**") which shall include:

(a) a detailed calculation, by Design ID, of Final Price for the Delivery Month just ended;

(b) if the Final Price for the Delivery Month just ended includes any **[***]** Payment Amount, a detailed calculation of the **[***]** Payment Amount for such Delivery Month;

(c) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation of the **[***]** for such Delivery Month;

(d) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Process Node, of any **[***]** for such Delivery Month;

(e) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Process Node, of any **[***]** for such Delivery Month;

(f) if the Final Price for the Delivery Month just ended includes any **[***]**, a detailed calculation, by Design ID, of any **[***]** for such Delivery Month;

(g) if the Final Price for the Delivery Month just ended includes **[***]**, a detailed calculation, by Design ID, of any **[***]** for such Delivery Month;

(h) if **[***]** were delivered in the Delivery Month just ended, a detailed calculation, by Design ID, of the **[***]**;

(i) if **[***]** are delivered in the Delivery Month just ended, a detailed calculation, by Design ID, of the **[***]**; and

(j) other financial information regarding Inotera for the Delivery Month just ended, consistent with the financial information regarding Inotera that has been historically provided to Micron by Inotera.

The Purchaser will not use or disclose Inotera Financial Reports, or the contents thereof, received by the Purchaser in contravention of any Applicable Law.

3.12 Operational Report. Each Fiscal Quarter, Inotera shall deliver to the Purchaser a report with respect to the Fiscal Quarter just ended (the "**Operational Report**"), which shall include:

(a) a comparison of **[***]** relative to the **[***]** delivered in the **[***]** immediately prior to the **[***]**, together with a comparison of **[***]** for the next **[***]** relative to the **[***]**;

(b) a summary of the **[***]**, a summary of **[***]**, including **[***]**, **[***]** and other indicators that may evidence or impact **[***]**, and a description of any **[***]**;

(c) a description of **[***]** or other **[***]**, including any **[***]**, **[***]** or other indicator, summarized pursuant to Section 3.12(b);

(d) a description of **[***]** (and **[***]**, if known) that are not reflected in **[***]** which may **[***]**;

(e) a notification that, since the date of the last Operational Report, the **[***]** to include Conforming Wafers and Pre-Qual Production Wafers of a particular Design ID in **[***]** such that, during **[***]**, ***the sum of*** **(i)** the **[***]** reflected in the **[***]** to be delivered **[***]** in such **[***]**, **plus (ii)** the **[***]** during such **[***]**, is **[***]** (the "**[***]**"); *provided*, *however*, that, notwithstanding anything above to the contrary, DRAM Products that are manufactured utilizing **[***]** shall be deemed to be **[***]** for purposes of **[***]** described in this Section 3.9; and

(f) a notification that, since the date of the last Operational Report, the **[***]**.

3.13 Purchaser Pricing Report. Each Fiscal Month, as soon as practicable, but no later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) after the end of the Fiscal Month just ended, the Purchaser shall deliver to Inotera a report (each, a "**Purchaser Pricing Report**"), which shall include (a) the detailed calculation of the Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Production Wafers, HMC Conforming Wafers and HMC Pre-Qual Production Wafers delivered in the Fiscal Month just ended and (b) the detailed calculation of the **[***]** Payment Amount for the Fiscal Month just ended. The "**[***] Payment Amount**" for any Fiscal Month shall be calculated in accordance with Schedule 3.13. Inotera will not use or disclose the Purchaser Pricing Reports, or the contents thereof, received by Inotera in contravention of any Applicable Law.

3.14 Periodic Performance Reviews.

(a) Inotera shall hold quarterly meetings (each, a "**Quarterly Business Review**") with the Purchaser, the primary purposes of which shall be to review and discuss the most recent Operational Report and the Performance Criteria and to mutually agree on operational adjustments if necessary.

(b) The Purchaser and Inotera shall hold monthly meetings (each, a "**Monthly Financial Review**") to review and discuss (i) at the election of the Purchaser, the Inotera Financial Reports received by the Purchaser since the last such meeting, and (ii) at the election of Inotera, the Purchaser Pricing Reports delivered by the Purchaser since the last such meeting.

3.15 Long Range Forecast. Each Fiscal Year, the Purchaser will provide Inotera, for its review and comment, with a written non-binding forecast (each, a "**Long Range Forecast**") of the Purchaser's demand for Conforming Wafers and Pre-Qual Production Wafers for the next **[***]**.

3.16 Restrictions on Access to Pricing Information; Nonsolicitation of Segregated Employees.

(a) Inotera shall prevent any Person that is not a Segregated Employee from obtaining access to the pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports), or the data from which pricing information is derived from, delivered to, or created by, Inotera under this Agreement, except (i) as the Parties may otherwise agree in writing, (ii) as may be required by legal process under Applicable Law, and (iii) that Inotera may provide (A) the Purchaser with Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices, Final Invoices and the data from which such Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices or Final Invoices are derived, (B) any independent Third Party auditor acting as contemplated by Section 6.4 with such information as such auditor may request that is reasonably relevant to the applicable inspection and audit, and (C) Inotera's independent outside auditors with such information as such auditor may reasonably request in connection with its audit of Inotera's financial statements and other statutory audit requirements (the items in clauses (i), (ii) and (iii) being referred to as the "**Permitted Disclosures**"). Without limiting the generality of the foregoing, Inotera shall (x) develop, maintain, implement and enforce policies that (A) prohibit all Segregated Employees from disclosing, or allowing disclosure of, pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) to Persons that are not Segregated Employees, other than the Permitted Disclosures and (B) require all Segregated Employees to store all physical files related to pricing (including the Purchaser Pricing Reports and the Inotera Financial Reports) in secure locations that are not accessible by non-Segregated Employees, (y) segregate the office space of the Segregated Employees from other employees of Inotera, and (z) maintain all electronic files containing pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) in confidential password protected files. The Purchaser shall not take any action that reasonably should be expected to cause Inotera to violate this Section 3.16.

(b) Even if permitted under Section 9.4 of the Joint Venture Agreement, the Purchaser shall not, and shall cause its Affiliates not to, directly or indirectly recruit, solicit or hire, or make arrangements to recruit, solicit or hire, any current or former Segregated Employee during the Restriction Period.

ARTICLE 4
PURCHASE AND SALE OF PRODUCTS

4.1 Product Quantity. The Purchaser shall purchase from Inotera all of the Conforming Wafers manufactured in response to the Purchaser's Demand Forecasts (including any adjusted Demand Forecast) in accordance with Article 3 and the Purchase Orders (including any revised or supplemented Purchase Order) accepted in accordance with this Article 4.

4.2 Non-Conforming Wafers. At the direction and option of the Purchaser, Inotera shall deliver to the Purchaser all Non-Conforming Wafers produced by Inotera (a) from wafers designated from Wafer Start for the Purchaser in accordance with Section 2.4 and (b) in the case of Shared Design ID Wafers, the portion thereof allocated to the Purchaser in accordance with Section 2.4.

4.3 Pre-Qual Engineering Wafers and Pre-Qual Production Wafers. Notwithstanding anything herein to the contrary, to the extent requested in any Purchase Order placed, or any change order to a Purchase Order issued, by the Purchaser, Inotera shall manufacture and deliver Pre-Qual Engineering Wafers and/or Pre-Qual Production Wafers in lieu of Conforming Wafers; *provided*, *however*, that in no event shall Inotera be obligated to load any HMC Pre-Qual Wafers unless and until the Parties have first negotiated and agreed as to how to calculate the Price of HMC Pre-Qual Wafers as contemplated by Section 5.1(d). Inotera shall promptly provide the Purchaser with full access to all data the Purchaser reasonably requests relating to Pre-Qual Engineering Wafers and Pre-Qual Production Wafers that are being manufactured by Inotera for the Purchaser.

4.4 Preliminary Price Notices; Placement of Purchase Orders.

(a) Prior to each Fiscal Month, Inotera shall deliver to the Purchaser a notice (each, a "**Preliminary Price Notice**"), which shall set forth the Preliminary Price for Conforming Wafers, the Preliminary Price for Pre-Qual Production Wafers, the Preliminary Price for Pre-Qual Engineering Wafers, and the Preliminary Price for Non-Conforming Wafers for such Fiscal Month. The Parties hereby acknowledge that Inotera has timely delivered to the Purchaser a Preliminary Price Notice for the Fiscal Month commencing on the Effective Date.

(b) Prior to each Fiscal Month, following receipt of the Preliminary Price Notice with respect to such Fiscal Month, the Purchaser shall place a non-cancelable blanket purchase order (each such order, a "**Purchase Order**") for the quantity, by Design ID, of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers to be supplied to it by Inotera in the upcoming Fiscal Month. The Parties hereby acknowledge that the Purchaser has timely delivered to Inotera Purchase Orders for the Fiscal Month commencing on the Effective Date. The Purchaser may issue change orders to the Purchase Orders the Purchaser delivers to reflect changes in its Demand Forecasts in accordance with Article 3. The Purchaser may also elect to place with Inotera out-of-cycle Purchase Orders of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, or Non-Conforming Wafers on an as-needed basis. Any Purchase Order placed, or change order to a Purchase Order issued, hereunder shall be in writing and delivered via e-mail or facsimile transmission. The terms and conditions of this Agreement supersede the terms and conditions contained in any sales or purchase documentation provided in connection herewith unless expressly agreed otherwise in a writing signed by the Parties. Any Purchase Order for wafers may be placed in the name of the Purchaser, Micron or any other Affiliate of the Purchaser that is a direct or indirect wholly owned Subsidiary of Micron. If a Purchase Order for wafers is placed in a name of an Affiliate of the Purchaser, the Purchaser shall be jointly and severally liable with such Affiliate for any and all responsibilities and obligations under the Purchase Order.

4.5 Content of Purchase Orders. Each Purchase Order shall specify the following items:

(a) the Purchase Order number;

(b) the Design ID of each Conforming Wafer, Pre-Qual Engineering Wafer, Pre-Qual Production Wafers and Non-Conforming Wafer;

(c) by Design ID, the forecasted quantity for the Fiscal Month of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers;

(d) the Preliminary Price for each Conforming Wafer, the Preliminary Price for each Pre-Qual Production Wafers, the Preliminary Price for each Pre-Qual Engineering Wafer, and the Preliminary Price for each Non-Conforming Wafer;

(e) the aggregate Preliminary Price for all Conforming Wafers ordered, the Preliminary Price for all Pre-Qual Production Wafers ordered, the aggregate Preliminary Price for all Pre-Qual Engineering Wafers ordered, and the aggregate Preliminary Price for all Non-Conforming Wafers ordered;

(f) special instructions for manufacturing Pre-Qual Engineering Wafers and Pre-Qual Production Wafers, if any; and

(g) other terms (if any).

Inotera shall not use or disclose the Purchaser Orders, or the contents thereof, received by Inotera in contravention of any Applicable Law.

4.6 Acceptance of Purchase Order. Each Purchase Order that (a) corresponds to the then most-recently delivered Response to Forecast (and any revised Response to Forecast) delivered in accordance with Article 3 and (b) is otherwise free of errors, shall be deemed accepted by Inotera upon receipt and shall be binding on Inotera and the Purchaser to the extent not inconsistent with the then most-recently delivered Response to Forecast (or revised Response to Forecast).

4.7 Output Shortfall; Excess Output.

(a) Inotera shall immediately notify the Purchaser in writing of any inability to meet a Purchase Order commitment to the Purchaser. In such an event, the Purchaser shall accept delivery of such lesser quantities Inotera is able to ship and issue to Inotera a revised Purchase Order to account for such shortfall.

(b) Inotera shall immediately notify the Purchaser in writing if the output to be purchased by the Purchaser under this Agreement will exceed, for any Design ID, the quantity of Conforming Wafers, Pre-Qual Production Wafers or Non-Conforming Wafers contained in the Purchaser's Purchase Order. In such an event, the Purchaser shall accept delivery of the additional quantities and issue to Inotera a supplementary Purchase Order to cover such excess.

4.8 Taxes.

(a) General. All sales, use and other transfer taxes imposed directly on or solely as a result of the supplying of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers to the Purchaser and the payments therefor provided herein shall be stated separately on Inotera's Invoices, collected from the Purchaser and shall be remitted by Inotera to the appropriate tax authority ("**Recoverable Taxes**"), unless the Purchaser provides valid proof of tax exemption prior to the effective date of the transfer of the Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers or otherwise as permitted by Applicable Law prior to the time Inotera is required to pay such taxes to the appropriate tax authority. When property is delivered and/or services are provided, or the benefit of services occurs, within jurisdictions in which collection of taxes from the Purchaser and remittance of taxes by Inotera is required by Applicable Law, Inotera shall have sole responsibility for payment of said taxes to the appropriate tax authorities. In the event such taxes are Recoverable Taxes and Inotera does not collect tax from the Purchaser, or pay such taxes to the appropriate governmental entity on a timely basis, and is subsequently audited by any tax authority, liability of the Purchaser shall be limited to the tax assessment for such Recoverable Taxes with no reimbursement for penalty or interest charges or other amounts incurred in connection therewith. Notwithstanding anything herein to the contrary, taxes other than Recoverable Taxes shall not be reimbursed by the Purchaser, and each of the Purchaser and Inotera is responsible for its own respective income taxes (including franchise and other taxes based on net income or a variation thereof), taxes based upon gross revenues or receipts and taxes with respect to general overhead, including business and occupation taxes, and such taxes shall not be Recoverable Taxes.

(b) Withholding Taxes. In the event that the Purchaser is prohibited by Applicable Law from making payments to Inotera unless the Purchaser deducts or withholds taxes therefrom and remits such taxes to the local taxing jurisdiction, then the Purchaser shall duly withhold and remit such taxes and shall pay to Inotera the remaining net amount after the taxes have been withheld. Such taxes shall not be Recoverable Taxes and the Purchaser shall not reimburse Inotera for the amount of such taxes withheld.

4.9 Invoicing; Payment.

(a) Along with each delivery of Conforming Wafers, Pre-Qual Production Wafers, Pre-Qual Engineering Wafers, or Non-Conforming Wafers to the Purchaser, Inotera shall invoice the Purchaser for the aggregate Preliminary Price of the Conforming Wafers, Pre-Qual Production Wafers, Pre-Qual Engineering Wafers, and Non-Conforming Wafers contained in such delivery (a "**Pro Forma Invoice**").

(b) No later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Delivery Month, the Purchaser shall deliver to Inotera a statement setting forth such Purchaser's estimates of the Price of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers and the **[***]** Payment Amount for such Delivery Month.

(c) Within **[***]** Business Days (or such other number of days as may be agreed in writing by the Parties) after the delivery of the Purchaser Pricing Report, Inotera shall issue to the Purchaser a final invoice (a "**Final Invoice**"), which shall include a debit equal to the Price True-Up Amount for such Delivery Month, if positive, and a credit equal to the Price True-Up Amount for such Delivery Month, if negative.

(d) Except as otherwise specified in this Agreement, (i) the Purchaser shall pay Inotera for the amounts due and owing by, and duly invoiced in a Pro Forma Invoice to, the Purchaser within **[***]** days following delivery to the Purchaser of the Final Invoice for the Delivery Month in which such Pro Forma Invoice was delivered or, if longer, within **[***]** days following the end of such Delivery Month and (ii) the Purchaser shall pay the Inotera for the amount due and owing by, and duly invoiced in a Final Invoice to, the Purchaser within **[***]** days following the delivery to the Purchaser of such Final Invoice or, if later, within **[***]** days following the end of the Delivery Month covered thereby. All amounts owed under this Agreement are stated, calculated and shall be paid in United States Dollars.

(e) If the Purchaser does not pay Inotera for the amounts due under this Agreement, interest on the unpaid invoiced amounts will be calculated and imposed at the rate of **[***]** percent (**[***]**%) per annum, on a daily basis, from the due date until the payment is made, *provided* that, if the due date falls on a day that is not a Business Day, the payment shall be due by the next succeeding Business Day. However, if the Purchaser and Inotera do not agree on the payment amount of any Pro Forma Invoice or Final Invoice, interest on the disputed amount will not be imposed and accrued under this Agreement.

(f) In the event that the Purchaser reasonably disputes any Pro Forma Invoice or Final Invoice provided hereunder, the Purchaser and Inotera will each appoint an officer who will use their best efforts to resolve such dispute within **[***]** days following the date such dispute is raised by the Purchaser. If such officers are unable to resolve the dispute in the given **[***]** days, then the dispute shall be submitted to the respective presidents of the Purchaser and Inotera for resolution.

(g) If this Agreement has terminated or is terminating so that the Purchaser will not be able to use any credits issued by Inotera to the Purchaser, Inotera will promptly pay to the Purchaser an amount equal to such credits.

4.10 Payment to Subcontractors. Inotera shall be responsible for, and shall hold the Purchaser harmless from and against, any and all payments to the vendors or subcontractors Inotera utilizes in the performance of this Agreement.

4.11 Title; Risk of Loss. Title to, and risk of loss of, Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers shall pass to the Purchaser **[***]** according to Incoterms 2010, as amended, provided that Inotera will **[***]**, and will assist the Purchaser in **[***]** of, the Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers in a manner consistent with past practices.

4.12 Packaging. All shipment packaging of the Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers shall be in conformance with the applicable Specifications, the Purchaser's reasonable instructions and general industry standards, and shall be resistant to damage that may occur during transportation. Marking on the packages shall be made by Inotera in accordance with the Purchaser's reasonable instructions.

4.13 Shipment. All Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers shall be prepared for shipment in a manner that: (a) follows good commercial practice; (b) is acceptable to common carriers for shipment at the lowest rate; and (c) is adequate to ensure safe arrival. Inotera shall mark all containers with (i) necessary lifting, handling and shipping information; (ii) Purchase Order number; (iii) date of shipment; and (iv) the name of the Purchaser. If no instructions are given, Inotera shall select the most price effective carrier, given the time constraints known to Inotera. In no event shall Inotera be obligated to maintain any significant inventory for the Purchaser.

4.14 Customs Clearance. Upon the Purchaser's request, Inotera shall promptly provide the Purchaser with a statement of origin, and applicable customs documentation, for Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Non-Conforming Wafers wholly or partially manufactured outside of the country of import.

ARTICLE 5
PRICING

5.1 Price.

(a) The "**Price**" of each Non-HMC Conforming Wafer of a particular Design ID in any particular Delivery Month shall be calculated in accordance with Schedule 5.1.

(b) The "**Price**" of each Non-HMC Pre-Qual Production Wafer delivered to the Purchaser during a Delivery Month shall be equal to the Baseline Price Per Wafer as stated in Schedule 5.1.

(c) The "**Price**" of each HMC Conforming Wafer shall be calculated on a **[***]** basis to be negotiated in good faith by the Parties prior to Inotera loading any HMC Wafers.

(d) The "**Price**" of each HMC Pre-Qual Production Wafer shall be calculated on a **[***]** basis to be negotiated in good faith by the Parties prior to Inotera loading any HMC Wafers.

5.2 Final Price. The "**Final Price**" of each Non-HMC Conforming Wafer, Non-HMC Pre-Qual Production Wafer, HMC Conforming Wafer and HMC Pre-Qual Production Wafer of a particular Design ID in any particular Delivery Month shall equal ***the quotient of*** **(i)** ***the sum of*** **(A)** the aggregate Price of all Non-HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(a), **plus (B)** the aggregate Price of all Non-HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(b), **plus (C)** the aggregate Price of all HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(c), **plus (D)** the aggregate Price of all HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(d), **[***] (E)** the **[***]** Payment Amount for such Design ID for such Delivery Month **[***]**, if any, **[***] (F)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (G)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (H)** the **[***]** for such Design ID in such Delivery Month, if any, **[***] (I)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (J)** the **[***]** for such Design ID for such Delivery Month, if any, **[***] (K)** the **[***]**, for such Design ID for such Delivery Month, **divided by (ii)** the sum of (a) the number of Non-HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month plus (b) the number of Non-HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month plus (c) the number of HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month plus (d) the number of HMC Pre-Qual Production Wafers of such Design ID delivered to the Purchaser in such Delivery Month.

5.3 Price of Pre-Qual Engineering Wafers. The price of each Pre-Qual Engineering Wafer delivered to the Purchaser during a Delivery Month shall be calculated in accordance with Schedule 5.2.

5.4 Price of Non-Conforming Wafers. Any Non-Conforming Wafers delivered to the Purchaser during a Delivery Month shall be **[***]**.

ARTICLE 6
VISITATIONS; FACTORY REPRESENTATIVES; AUDITS

6.1 Visits. Inotera shall accommodate the Purchaser's reasonable requests for visits to the Inotera Fab and for meetings for the purpose of reviewing performance of production of Conforming Wafers, including requests for further information and assistance in troubleshooting performance issues.

6.2 Factory Representatives. At Micron's or the Purchaser's request, Inotera will designate at least one (1) of its employees with sufficient knowledge of and expertise in the operation of the Inotera Fab to interface with Micron and the Purchaser in a manner consistent with past practices. This employee will be the central point of contact for communication between Micron and the Purchaser, on the one hand, and Inotera, on the other hand, in regards to operational issues at the Inotera Fab arising out of the performance of this Agreement. Such employee will enter into such confidentiality agreement as Micron or the Purchaser may reasonably require.

6.3 Audit. The Purchaser's representatives and key customer representatives, upon the Purchaser's request, shall be allowed to visit the Inotera Fab during normal working hours upon reasonable advance written notice to Inotera for the purposes of monitoring production processes and compliance with any requirements set forth in this Agreement applicable to the supply to the Purchaser and the applicable Specifications. Upon completion of the audit, Inotera and the Purchaser shall agree to an audit closure plan, to be documented in the audit report issued by the Purchaser.

6.4 Financial Audit.

(a) Micron and the Purchaser reserve the right to have Inotera's books and records related to pricing of the Conforming Wafers, Pre-Qual Production Wafers, (including each of the components of Final Price) and Pre-Qual Engineering Wafers purchased by the Purchaser during both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 3 and Article 5. Such audit shall be performed, at the expense of Micron or the Purchaser, by an independent Third Party auditor acceptable to the Parties. Micron and the Purchaser shall provide **[***]** days advance written notice to Inotera of their desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt Inotera's business operations. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the foregoing, auditor reports shall not disclose pricing, or terms of purchase, for any purchases of materials or equipment by Inotera, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by Inotera, Micron and the Purchaser may increase the frequency of such audits to **[***]** for the **[***]**.

(b) Inotera reserves the right to have the books and records of Micron and the Purchaser related to the Purchaser Pricing Reports for both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 5. Such audit shall be performed, at Inotera's expense, by an independent Third Party auditor acceptable to the Parties. Inotera shall provide **[***]** days advance written notice to Micron and the Purchaser of its desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt the business operations of Micron or the Purchaser. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the

foregoing, auditor reports shall not disclose (i) **[***]** for any **[***]** by Micron or the Purchaser, (ii) the back end **[***]** costs of Micron or the Purchaser, or (iii) the **[***]** Micron or the Purchaser, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by the Purchaser, Inotera may increase the frequency of such audits to **[***]** for the **[***]**.

(c) Information regarding the pricing of the Conforming Wafers, Pre-Qual Production Wafers, (including each of the components of Final Price) and Pre-Qual Engineering Wafers purchased by the Purchaser and the Purchaser Pricing Reports as to which audit rights under this Section 6.4 have expired shall be deemed final and conclusive for all purposes (absent fraud or willful misconduct), except to the extent that (i) an audit with respect thereto has been commenced under this Section 6.4 prior to such expiration and (ii) the process under this Section 6.4 has not been fully completed with respect to such audit. The Parties acknowledge the possibility that an audit commenced pursuant to this Section 6.4 for the then current Fiscal Year and the prior Fiscal Year may not be completed prior to **[***]**.

ARTICLE 7
WARRANTY; HAZARDOUS SUBSTANCES; DISCLAIMER

7.1 Warranties.

(a) Conforming Wafers. Inotera makes the following warranties to the Purchaser of Conforming Wafers hereunder regarding the Conforming Wafers furnished to the Purchaser hereunder, which warranties shall survive any delivery, inspection, acceptance, payment or resale of such Conforming Wafers:

(i) such Conforming Wafers conform to all applicable Specifications;

(ii) such Conforming Wafers are free from defects in materials and workmanship; and

(iii) Inotera has the necessary right, title and interest to such Conforming Wafers, and, upon the sale of such Conforming Wafers to the Purchaser, such Conforming Wafers shall be free of liens and encumbrances.

(b) Pre-Qual Production Wafers. Inotera makes the following warranties to the Purchaser of Pre-Qual Production Wafers hereunder regarding the Pre-Qual Production Wafers furnished to the Purchaser hereunder, which warranties shall survive any delivery, inspection, acceptance, payment or resale of such Pre-Qual Production Wafers:

(i) such Pre-Qual Production Wafers are free from defects in materials and workmanship based on material and end product specifications provided by Micron; and

(ii) Inotera has the necessary right, title and interest to such Pre-Qual Production Wafers, and, upon the sale of such Pre-Qual Production Wafers to the Purchaser, such Pre-Qual Production Wafers shall be free of liens and encumbrances.

(c) Pre-Qual Engineering Wafers and Non-Conforming Wafers. ALL PRE-QUAL ENGINEERING WAFERS AND NON-CONFORMING WAFERS PROVIDED HEREUNDER ARE PROVIDED ON AN "AS IS," "WHERE IS" BASIS WITH ALL FAULTS AND DEFECTS WITHOUT WARRANTY OF ANY KIND.

7.2 Warranty Claims. Within a period of time, not to exceed the lesser of the actual warranty period applicable to the end customer for the DRAM Product at issue or **[***]** months from the date of the delivery of the Conforming Wafers or Pre-Qual Production Wafers at issue to the Purchaser, the Purchaser shall notify Inotera if it believes that any Conforming Wafer or Pre-Qual Production Wafer does not meet the warranty set forth in Section 7.1. The Purchaser shall return such Conforming Wafer or Pre-Qual Production Wafer (or DRAM Product therefrom) to Inotera as directed by Inotera. If a Conforming Wafer or Pre-Qual Production Wafer is determined not to be in compliance with such warranty, then the Purchaser shall be entitled to return such Conforming Wafer or Pre-Qual Production Wafer (or DRAM Product therefrom) and receive a credit (or, if this Agreement has terminated or is terminating so that it will not be able to use such credit, a refund) equal to ***the sum of*** **(a)** any monies paid to Inotera by the Purchaser in respect of such Conforming Wafer or Pre-Qual Production Wafer **plus (b)** any out-of-pocket charges for shipping and handling reasonably incurred by the Purchaser in connection with such Conforming Wafer or Pre-Qual Production Wafer. THE FOREGOING REMEDY IS THE PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR INOTERA'S FAILURE TO MEET ANY WARRANTY OF SECTION 7.1.

7.3 Inspections. The Purchaser may, upon reasonable advance written notice, request samples of WIP designated to the Purchaser (whether individually as contemplated by Section 2.4(b) or together with others as contemplated by Section 2.4(a)) during production for purposes of determining compliance with the requirements and applicable Specification(s) hereunder, *provided* that the provision of such samples shall not materially impact Inotera's performance under the Manufacturing Plan or its ability to meet delivery requirements under any accepted Purchase Order. Any samples provided hereunder shall be: (a) limited in quantity to the amount reasonably necessary for the purposes hereunder; (b) invoiced and paid for in accordance with Section 4.9; and (c) included in any performance requirements. Inotera shall provide reasonable assistance for the safety and convenience of the Purchaser in obtaining the samples in such manner as shall not unreasonably hinder or delay Inotera's performance.

7.4 Hazardous Substances.

(a) If Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, Non-Conforming Wafers or DRAM Products provided hereunder include Hazardous Substances as determined in accordance with Applicable Law, Inotera shall ensure that its employees, agents and subcontractors actually working with such materials in providing the Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, Non-Conforming Wafers or DRAM Products hereunder to the Purchaser are trained in accordance with Applicable Law regarding the nature of, and hazards associated with, the handling, transportation and use of such Hazardous Substances.

(b) To the extent required by Applicable Law, Inotera shall provide the Purchaser with Material Safety Data Sheets (MSDS) either prior to or accompanying any delivery of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, Non-Conforming Wafers or DRAM Products to the Purchaser.

(c) Inotera shall indemnify, defend and hold harmless the Purchaser from and against any and all Indemnified Losses suffered or incurred by the Purchaser based on, relating to, or arising under any Environmental Laws and related to the manufacture of Conforming Wafers, Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, Non-Conforming Wafers or DRAM Products by Inotera.

7.5 Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE 7, INOTERA HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT OR OTHERWISE, WITH RESPECT TO THE CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, PRE-QUAL PRODUCTION WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS PROVIDED UNDER THIS AGREEMENT. NO WARRANTIES SHALL APPLY TO ANY OF THE CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, PRE-QUAL PRODUCTION WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS THAT HAVE BEEN REPAIRED OR ALTERED, EXCEPT AS AUTHORIZED BY INOTERA, OR WHICH ARE SUBJECTED TO MISUSE, NEGLIGENCE, ACCIDENT OR ABUSE. NO WARRANTIES FOR CONFORMING WAFERS, PRE-QUAL ENGINEERING WAFERS, PRE-QUAL PRODUCTION WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS DELIVERED BY INOTERA TO THE PURCHASER SHALL APPLY TO ANY WARRANTY CLAIM OR ISSUE OR DEFECT TO THE EXTENT CAUSED BY TECHNICAL MATERIALS PROVIDED OR SPECIFIED BY, THROUGH OR ON BEHALF OF THE PURCHASER, INCLUDING PRODUCT DESIGNS, TECHNOLOGY AND TEST PROGRAMS.

ARTICLE 8
CONFIDENTIALITY; OWNERSHIP

8.1 Protection and Use of Confidential Information. All information provided, disclosed or obtained by any Party in the performance of activities under this Agreement shall be subject to all applicable provisions of the Micron/Inotera Confidentiality Agreement. Furthermore, the terms and conditions of this Agreement shall be considered "Confidential Information" under the Micron/Inotera Confidentiality Agreement for which each Party is considered a "Receiving Party" under such agreement. To the extent there is a conflict between this Agreement and the Micron/Inotera Confidentiality Agreement, the terms of this Agreement shall control.

8.2 Masks for DRAM Products. Any masks used by Inotera to manufacture DRAM Products under this Agreement shall be based on DRAM Designs owned by Micron or its Affiliates and shall be treated as "Confidential Information" of Micron under the Micron/Inotera Confidentiality Agreement.

ARTICLE 9
INDEMNIFICATION

9.1 General Indemnity. Subject to Article 10:

(a) Inotera shall indemnify, defend and hold harmless the Purchaser Indemnified Parties from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, resulting from the negligence, gross negligence or willful misconduct of Inotera or any of its respective officers, directors, employees, agents or subcontractors.

(b) the Purchaser shall indemnify, defend and hold harmless Inotera from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, wherein the Third Party alleges that DRAM Products manufactured for and/or sold to the Purchaser by Inotera are infringing intellectual property rights of such Third Party.

9.2 Indemnification Procedures.

(a) Promptly after the receipt by any Purchaser Indemnified Party or Inotera (an "**Indemnified Party**") of a notice of any Third Party Claim that may be subject to indemnification under Section 9.1, such Indemnified Party shall give written notice of such Third Party Claim to the Party obligated to provide such indemnification under Section 9.1 (an "**Indemnifying Party**"), stating in reasonable detail the nature and basis of each allegation made in the Third Party Claim and the amount of potential Indemnified Losses with respect to each allegation, to the extent known, along with copies of the relevant documents received by the Indemnified Party evidencing the Third Party Claim and the basis for indemnification sought. Failure of the Indemnified Party to give such notice shall not relieve the Indemnifying Party from liability on account of this indemnification,

except if, and only to the extent that, the Indemnifying Party is actually prejudiced by such failure or delay. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. The Indemnifying Party shall have the right to assume the defense of the Indemnified Party with respect to such Third Party Claim upon written notice to the Indemnified Party delivered within thirty (30) days after receipt of the particular notice from the Indemnified Party. So long as the Indemnifying Party has assumed the defense of the Third Party Claim in accordance herewith and notified the Indemnified Party in writing thereof, (i) the Indemnified Party may retain separate co-counsel, at its sole cost and expense, and participate in the defense of the Third Party Claim, it being understood that the Indemnifying Party shall pay all reasonable costs and expenses of counsel for the Indemnified Party after such time as the Indemnified Party has notified the Indemnifying Party of such Third Party Claim and prior to such time as the Indemnifying Party has notified the Indemnified Party that it has assumed the defense of such Third Party Claim, (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to a Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed) and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim (other than a judgment or settlement that is solely for money damages and is accompanied by a release of all indemnifiable claims against the Indemnified Party) without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed).

(b) Equitable Remedies. In the case of any Third Party Claim where the Indemnifying Party reasonably believes that it would be appropriate to settle such Third Party Claim using equitable remedies (*i.e.*, remedies involving future activity of the Indemnified Party), the Indemnifying Party and the Indemnified Party shall work together in good faith to agree to a settlement; *provided*, *however*, that no Party shall be under any obligation to agree to any such settlement.

(c) Treatment of Indemnification Payments; Insurance Recoveries. Any indemnity payment under this Agreement shall be decreased by any amounts actually recovered by the Indemnified Party under Third Party insurance policies with respect to such Indemnified Losses (net of any premiums paid by such Indemnified Party under the relevant insurance policy). Each Party agrees (i) to use all reasonable efforts to recover all available insurance proceeds and (ii) to the extent that any indemnity payment under this Agreement has been paid by the Indemnifying Party to the Indemnified Party prior to the recovery by the Indemnified Party of such insurance proceeds, the amount of such insurance proceeds actually recovered by the Indemnified Party shall be promptly paid to the Indemnifying Party.

(d) Certain Additional Procedures. The Indemnified Party shall cooperate and assist the Indemnifying Party in determining the validity of any Third Party Claim and in otherwise resolving such matters. The Indemnified Party shall cooperate in the defense by the Indemnifying Party of each Third Party Claim (and the Indemnified Party and the Indemnifying Party agree with

respect to all such Third Party Claims that a common interest privilege agreement exists between them), including: (i) permitting the Indemnifying Party to discuss the Third Party Claim with such officers, employees, consultants and representatives of the Indemnified Party as the Indemnifying Party reasonably requests; (ii) providing to the Indemnifying Party copies of documents and samples of products as the Indemnifying Party reasonably requests in connection with defending such Third Party Claim; (iii) preserving all properties, books, records, papers, documents, plans, drawings, electronic mail and databases of the Indemnifying Party and relating to matters pertinent to the conduct of the Indemnifying Party under the Indemnified Party's custody or control in accordance with such Party's corporate documents retention policies, or longer to the extent reasonably requested by the Indemnifying Party; (iv) notifying the Indemnifying Party promptly of receipt by the Indemnified Party of any subpoena or other Third Party request for documents or interviews and testimony; (v) providing to the Indemnifying Party copies of any documents produced by the Indemnified Party in response to or compliance with any subpoena or other Third Party request for documents; and (vi) except to the extent inconsistent with the Indemnified Party's obligations under Applicable Law and except to the extent that to do so would subject the Indemnified Party or its employees, agents or representatives to criminal or civil sanctions, unless ordered by a court to do otherwise, not producing documents to a Third Party until the Indemnifying Party has been provided a reasonable opportunity to review, copy and assert privileges covering such documents.

ARTICLE 10
LIMITATION OF LIABILITY

10.1 Damages Limitation. SUBJECT TO SECTION 10.2, IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR OTHER INDIRECT DAMAGES OR ANY PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER SUCH DAMAGES ARE BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.2 Exclusions. Section 10.1 shall not apply to Section 7.4(c) or to any Party's breach of Article 8.

10.3 Mitigation. Each Party shall have a duty to use commercially reasonable efforts to mitigate damages for which another Party is responsible.

ARTICLE 11
TERM AND TERMINATION

11.1 Term. The term of this Agreement (the **"Term**") shall commence on the Effective Date and continue in effect until, but not including, January 1, 2016, whereupon this Agreement shall terminate.

11.2 Termination.

(a) Except as otherwise provided in this Section 11.2, this Agreement may not be terminated by any Party during the Term.

(b) Notwithstanding anything herein to the contrary, upon the occurrence of an **[***]** (as defined in the Joint Venture Agreement), if **[***]** (as defined in the Joint Venture Agreement) within **[***]** (or such other period as the Purchaser may agree in writing) following the **[***]**, **[***]** and **[***]** shall have the right to terminate this Agreement effective upon written notice to **[***]**, *provided* that **[***]**.

(c) Any **[***]** shall contemplate the **[***]** to ensure that Inotera has the ability to **[***]** the Applicable **[***]** Target **[***]** (the "**[***]**") by the Applicable **[***]** Deadline. Notwithstanding anything herein to the contrary, if at any time the **[***]** is not reflected in a **[***]** or it becomes reasonably apparent that the **[***]** will not occur by the Applicable **[***]**, Micron and the Purchaser shall have the right, which they may exercise by written notice to Inotera, to (A) terminate this Agreement or (B) terminate the Purchaser's **[***]**, which right shall survive the termination of such obligation; *provided*, *however*, that the right of Micron and the Purchaser under this Section 11.2(c) as it relates to the **[***]** shall terminate if not exercised by written notice to Inotera prior to the earlier of (x) the date that is **[***]** following the occurrence of the Applicable **[***]** Deadline and (y) the date on which the **[***]** occurs. Any written notice delivered by Micron and the Purchaser to Inotera pursuant to this Section 11.2(c) shall specify whether Micron and the Purchaser are exercising the termination right contemplated by clause (A) above or the termination right contemplated by clause (B) above and when such termination shall become effective.

(d) Notwithstanding anything herein to the contrary, Micron and the Purchaser shall have the right to terminate this Agreement, effective upon written notice to Inotera, in the event that: (i) Inotera files a petition under or otherwise seeks to take advantage of laws relating to bankruptcy, insolvency, suspension of payments, reorganization or rehabilitation, or makes a general assignment for the benefit of creditors, or otherwise acknowledges in writing insolvency, or is declared or adjudicated bankrupt or insolvent; (ii) Inotera commences a process of dissolution, liquidation or winding up; (iii) Inotera applies for or consents to the appointment of a trustee, receiver, administrator, custodian, liquidator or the like for itself or any substantial portion of its business or assets; or (iv) Inotera or any substantial portion of its business or assets involuntarily becomes the subject of any such filing, process or appointment and such involuntary filing, process or appointment is not stayed, rescinded, removed or otherwise eliminated within sixty (60) days.

(e) Notwithstanding anything herein to the contrary, this Agreement may be terminated:

(i) by Inotera, effective upon written notice to Micron and the Purchaser, if there has been a material breach by Micron or the Purchaser of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Micron or the Purchaser within thirty (30) days after written notice thereof from Inotera or (B) waived by Inotera; or

(ii) by Micron and the Purchaser, effective upon written notice to Inotera, if there has been a material breach by Inotera of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Inotera within thirty (30) days after written notice thereof from Micron and the Purchaser or (B) waived by Micron and the Purchaser.

11.3 Inotera Requirements at Termination. Within **[***]** days after the effectiveness of any termination of this Agreement pursuant to Section 11.2, Inotera:

(a) shall deliver to Micron, or, pursuant to written instructions of Micron, destroy, all production masks obtained as contemplated by Section 2.3; and

(b) shall (i) deliver to Micron, or, pursuant to written instructions of Micron, destroy, all copies and other embodiments of any process technology or information provided to Inotera by Micron or its Affiliates, or any portion thereof, in whatever form received, reproduced or stored, (ii) if destruction is requested by Micron, certify to Micron and the Purchaser that such destruction is complete, and (iii) cease all use of the process technology or information provided to Inotera by Micron or its Affiliates.

11.4 Survival. Termination of this Agreement shall not affect any of the Parties' respective rights accrued, or obligations owed, before such termination. In addition, (a) the following shall survive termination of this Agreement for any reason, insofar as they relate to DRAM Products delivered by Inotera, or otherwise relate to the Parties' respective performance of this Agreement, prior to such termination: Sections 2.7, 3.11, 3.13, 4.2, 4.5, 4.8, 4.9, 4.11, 4.12, 4.13, 4.14, 6.4, 7.1, 7.2 and 7.5 and Articles 5, 9, 10 and 11 and (b) the following shall survive termination of this Agreement for any reason without limitation: Section 3.16, 4.10 and 7.4(c) and Articles 8 and 12. For the avoidance of doubt, the Parties acknowledge and agree that the pricing terms set forth in the 2016 Supply Agreement, and not those set forth in this Agreement, shall govern with respect to any wafers that are loaded by Inotera prior to January 1, 2016 and delivered by Inotera to the Purchaser on or after January 1, 2016.

ARTICLE 12
MISCELLANEOUS

12.1 Force Majeure Events. The Parties shall be excused from any failure to perform any obligation hereunder to the extent such failure is caused by a Force Majeure Event. A Force Majeure Event shall operate to excuse a failure to perform an obligation hereunder only for the period of time during which the Force Majeure Event renders performance impossible or infeasible and only if the Party asserting Force Majeure as an excuse for its failure to perform has provided written notice to, in the event of an assertion by Micron or the Purchaser, Inotera and, in the event of an assertion by Inotera, Micron and the Purchaser specifying the obligation to be excused and describing the events or conditions constituting the Force Majeure Event.

12.2 Specific Performance. The Parties agree that irreparable damage will result if this Agreement is not performed in accordance with its terms, and the Parties agree that any damages available under the indemnification provisions or at law for a breach of this Agreement would not be an adequate remedy. Therefore, the provisions hereof and the obligations of the Parties hereunder shall be enforceable in a court of equity, or other tribunal with jurisdiction, by a decree of specific performance, and appropriate injunctive relief may be applied for and granted in connection therewith.

12.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each Party hereto; *provided*, *however*, neither this Agreement nor any right or obligation hereunder may be assigned or delegated by any Party in whole or in part to any other Person without the prior written consent of the nonassigning Parties. Any purported assignment in violation of the provisions of this Section 12.3 shall be null and void and have no effect.

12.4 Compliance with Laws and Regulations. Each of the Parties shall comply with, and shall use reasonable efforts to require that its respective subcontractors comply with, Applicable Laws relating to this Agreement and the performance of such Party's obligations hereunder.

12.5 Notice. All notices and other communications hereunder shall be in writing and shall be deemed given upon (a) transmitter's confirmation of a receipt of a facsimile transmission, (b) confirmation of delivery by a standard overnight or recognized international carrier, or (c) delivery in person, addressed at the following addresses (or at such other address for a Party as shall be specified by like notice):

In the case of Micron:

Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of the Purchaser:

Micron Semiconductor Asia Pte. Ltd.
c/o Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of Inotera:

Inotera Memories, Inc.
667, Fuhsing 3rd Road
Hwa-Ya Technology Park
Kueishan, Taoyuan
Taiwan, R.O.C.
Attn: Director of Legal & IP Office
Facsimile: 886-3-327-0037

12.6 Waiver. The failure at any time of a Party to require performance by another Party of any responsibility or obligation required by this Agreement shall in no way affect a Party's right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision of this Agreement by another Party constitute a waiver of any other breach of the same or any other provision nor constitute a waiver of the responsibility or obligation itself.

12.7 Severability. Should any provision of this Agreement be deemed in contradiction with the laws of any jurisdiction in which it is to be performed or unenforceable for any reason, such provision shall be deemed null and void, but this Agreement shall remain in full force and effect in all other respects. Should any provision of this Agreement be or become ineffective because of changes in Applicable Laws or interpretations thereof, or should this Agreement fail to include a provision that is required as a matter of law, the validity of the other provisions of this Agreement shall not be affected thereby. If such circumstances arise, the Parties shall negotiate in good faith appropriate modifications to this Agreement to reflect those changes that are required by Applicable Law.

12.8 Third Party Rights. Except as expressly provided in Article 9, nothing in this Agreement, whether express or implied, is intended, or shall be construed, to confer, directly or indirectly, upon or give to any Person, other than the Parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or other provision contained herein.

12.9 Amendment. This Agreement may not be modified or amended except by a written instrument executed by, or on behalf of, each of the Parties.

12.10 Entire Agreement. This Agreement, together with the agreements and instruments expressly provided for herein (including the Micron/Inotera Confidentiality Agreement), constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof.

12.11 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the R.O.C., without giving effect to its conflict of laws principles.

12.12 Jurisdiction; Venue. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in the Taipei District Court, located in Taipei, Taiwan, and each of the Parties hereby consents and submits to the exclusive jurisdiction of such court (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

12.13 Headings. The headings of the Articles and Sections in this Agreement are provided for convenience of reference only and shall not be deemed to constitute a part hereof.

12.14 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.15 Insurance. Without limiting or qualifying Inotera's liabilities, obligations or indemnities otherwise assumed by Inotera pursuant to this Agreement, Inotera shall at all times (except as otherwise stipulated in Schedule 12.15), for so long as this Agreement remains in effect (and notwithstanding any termination of the Joint Venture Agreement), maintain in effect insurance of the types and in the amounts set forth on Schedule 12.15 or as otherwise agreed by the Parties from time to time. Such insurance coverage may be provided through the coverage under one or more insurance policies maintained by Micron, NTC or any of their respective Affiliates.

12.16 Micron Undertaking. Micron shall unconditionally cause the Purchaser to perform its obligations under this Agreement and hereby unconditionally guarantees the due performance of all such obligations by the Purchaser, including the payment of any amounts owing by the Purchaser under this Agreement. Such guarantee is an independent obligation of Micron and upon any default by the Purchaser in the performance of its obligations, including the payment of any amounts owing by the Purchaser, under this Agreement, Inotera may immediately proceed against Micron without proceeding against the Purchaser or joining the Purchaser.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been duly executed by, and on behalf of, the Parties as of the Agreement Date.

MICRON TECHNOLOGY, INC.

By: /s/ Michael Sadler

Name: Michael Sadler

Title: VP Corp. Development

THIS IS A SIGNATURE PAGE FOR THE
2015 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA

MICRON SEMICONDUCTOR ASIA PTE. LTD.

By: /s/ Lee Kok Choy
Name: Lee Kok Choy
Title: Director

THIS IS A SIGNATURE PAGE FOR THE
2015 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA

INOTERA MEMORIES, INC.

By: /s/ Chaun Lin

Name: Chaun Lin

Title: Independent Director

THIS IS A SIGNATURE PAGE FOR THE
2015 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA

SCHEDULE 1.1 – CERTAIN SPECIFICATIONS/QUALITY AND RELIABILITY STANDARDS AND CONTROL AND PROCESS MECHANISMS

Quality Conforming Material Requirements

1) All DRAM Products shall have a lifetime of **[***]** or more as determined by reliability testing or a suitable proxy ("**Reliability Testing**"). Inotera shall conduct such Reliability Testing, which shall include, but shall not be limited to, Fast Wafer Level Reliability ("**FWLR**") tests for CHC and CHISEL and standard Slow Wafer Level Reliability ("**SWLR**") tests for EM.
2) In performing Reliability Testing, Inotera shall use specification limits and engineering limits provided by Micron and three sigma control limits with respect to measurement site level data, unless otherwise specified by Micron.
3) Inotera shall conduct, and monitor the results of, Reliability Testing in a manner consistent with the specification limits, engineering limits and control limits referred to in item 2 above and with respect to each measurement site, unless otherwise stated in Specifications. If such Reliability Testing shows a failure of any such specification limit, engineering limit or control limit, Inotera will comply with a reaction plan specified by Micron.
4) If an OOS event occurs, Inotera shall follow the OSAP procedure specified by Micron.
5) If an OOC event occurs, Inotera shall follow the OCAP procedure specified by Micron.
6) Inotera shall run corner lots through Reliability Testing, including, if applicable, any FWLR and SWLR tests, to develop, and test compliance with, specifications reasonably acceptable to Micron for inline steps that can cause degradation and will follow a disposition strategy reasonably acceptable to Micron if such specifications are not met.

Final Probe Test Reliability Conformance Criteria

In testing reliability degradation mechanisms that can be tested via final probe suite, Inotera shall conduct such tests and shall use the wafer level specification limits listed in the table below. Inotera shall monitor the results of probe testing around wafer level data, unless otherwise noted in Specifications. Wafers exceeding such specification limits will be considered to be Non-Conforming Wafers.

Wafer average cutoffs for **[***]** DRAM
(based on **[***]** Gb equivalent)

Final Test Register	Wafer Average Conformance Limit (**[***]** Gb equivalent)
rdV	**[***]**
rdB	**[***]**
rdE	**[***]**
rdD	**[***]**
rdt	**[***]**
rdT	**[***]**
rdC	**[***]**
rdf	**[***]**

SCHEDULE 3.7 – [***]

The Parties agree that the "**[***]**" for a particular Delivery Month in which **[***]** the Purchaser's request that **[***]** in such Delivery Month **[***]** for such Delivery Month set forth in the **[***]** delivered in the Fiscal Month prior to such Delivery Month as contemplated by Section 3.7 shall be calculated in the following manner:

"**[***]**" = A x (B – C)

where the components of such calculation have the meanings set forth below:

"I" = "**Total Wafers**" = includes Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Conforming Wafers,

"II" = "**[***] Wafers**" = includes **[***]**

"III" = "**Wafers Subject To [***]**" = I – II

"**A**" = "**[***] Per Wafer**" = D / B;

"**B**" = "**[***]**" = ***the sum of*** **(a)** the **[***]** for such Delivery Month, **plus (b)** the **[***]** in such Delivery Month **[***]** that (i) the Purchaser requested **[***]** for such Delivery Month set forth in the **[***]** delivered in the Fiscal Month prior to such Delivery Month and that **[***]** were **[***]** for such Delivery Month and (ii) the **[***]** for **[***]** was **[***]** for such Delivery Month;

"**C**" = "**[***]"** = the **[***]** in such Delivery Month;

"**D**" = "**[***]**" = ***the difference of*** **(a)** ***the quotient of*** **(i) [***]**, excluding **[***]**, delivered to the Purchaser in the **[***]** of such Delivery Month, calculated in accordance with **[***]**, including an **[***]** in the **[***]** of such Delivery Month **[***]** at the Purchaser's request as contemplated by Section 3.7 (but excluding any **[***]**), **divided by (ii) [***]**, **minus (b)** the **[***]** for such Delivery Month;

"**E**" = "**[***]**" = ***the product of*** **(a)** ***the quotient of*** **(i) [***]** for such Delivery Month, **divided by (ii) [***]** in such Delivery Month, **multiplied by (b)** ***the quotient of*** **(i)** the **[***]** of such Delivery Month, **divided by (ii) [***]**;

"**F**" = "**[***]**" = G + H + I + J;

"**G**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**;

"**H**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**;

"**I**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**, an example of which is set forth on Attachment 1 to Schedule 3.8; and

"**J**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**, an example of which is set forth on Attachment 1 to Schedule 3.8.

An example of the **[***]** calculation is set forth on Attachment 1 to this Schedule 3.7. Notwithstanding anything to the contrary herein, the following shall not be included in the calculation of **[***]** or **[***]**: (a) any **[***]**; (b) any **[***]**; (c) any **[***]**; or (d) any **[***]** at the Purchaser's request as contemplated by Section 3.7.

ATTACHMENT 1
TO
SCHEDULE 3.7

EXAMPLE CALCULATIONS OF
[***]

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 1 to Schedule 3.7
Example Calculation of [***]

		I		II		III	
		Total Wafers		[***] Wafers		Wafers Subject to [***]	
	[***]*		$ [***]		$ [***]		$ [***]
G	[***]	$ [***]		$ [***]		$ [***]	
H	[***]	$ [***]		$ [***]		$ [***]	
I	[***]	$ [***]		$ [***]		$ [***]	
J	[***]	$ [***]		$ [***]		$ [***]	
F	Subtotal [***]	$ [***]		$ [***]		$ [***]	
C	[***]	[***]		[***]		[***]	
	[***]	[***]		[***]		[***]	
	[***]	$ [***]		$ [***]		$ [***]	
E	[***]		$ [***]		$ [***]		$ [***]
D	[***]		$ [***]		$ [***]		$ [***]
C	[***]	[***]		[***]		[***]	
	[***]	[***]		[redacted]		[***]	
B	[***]		[***]		[***]		[***]
A=D/B	[***] per Wafer						$ [***]
A*(B-C)	[***]						$ [***]

* [***]

** [***]

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

SCHEDULE 3.8 - [***] AND [***]

1. **[***]**. The Parties agree that the "**[***]**" for a particular Delivery Month in which **[***]** manufactured utilizing **[***]** were delivered to the Purchaser, as contemplated by Section 3.8, have been delivered to the Purchaser shall be **[***]** calculated in the following manner:

"**[***]**" = (A – B) x C

where the components of such calculation have the meanings set forth below:

"I" = "**Total Wafers**" = includes Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Conforming Wafers,

"II" = "**[***] Wafers**" = includes **[***]**.

"III" = "**Wafers Subject To [***]**" = I – II

"**A**" = "**[***] Per Wafer**" = (D + E + F + G) / H;

"**B**" = "**[***] Per Wafer**" = I / H;

"**C**" = "**[***]**" = the **[***]** in such Delivery Month;

"**D**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance **[***]**;

"**E**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**;

"**F**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**, an example of which is set forth on Attachment 1 to this Schedule 3.8;

"**G**" = "**[***]**" = **[***]** for such Delivery Month, calculated in accordance with **[***]**, an example of which is set forth on Attachment 1 to this Schedule 3.8;

"**H**" = "**[***]**" = the **[***]** in such Delivery Month; and

"**I**" = "**[***]**" = **[***]** in such Delivery Month, calculated in accordance with **[***]**.

An example of the **[***]** calculation is set forth on Attachment 2 to this Schedule 3.8. Notwithstanding anything to the contrary herein, the following shall not be included in the calculation of **[***]**: (a) any **[***]**; (b) any **[***]**; (c) any **[***]**; or (d) any **[***]**.

2. **[***]**. The Parties agree that the "**[***]**" for a particular Process Node for a particular Delivery Month shall be **[***]** calculated in the following manner:

"**[***]**" = (A – B) / 2

where the components of such calculation have the meanings set forth below:

"I" = "**Total Wafers**" = includes Pre-Qual Engineering Wafers, Pre-Qual Production Wafers, and Conforming Wafers,

"II" = "**[***] Wafers**" = includes **[***]**.

"III" = "**Wafers Subject To [***]**" = I – II"**A**" = "**[***]**" = **[***]** in such Delivery Month, calculated in accordance with **[***]**; *provided*, *however*, that, if **[***]** is no longer being utilized to manufacture Conforming Wafers and Pre-Qual Production Wafers, then **[***]** shall be disregarded; and

"**B**" = "**[***]**" = ***the difference of*** **(a) [***]** in such Delivery Month, **minus (b)** the **[***]** in such Delivery Month, in each case calculated in accordance with **[***]**; *provided*, *however*, that, if **[***]** is no longer being utilized to manufacture wafers, then **[***]** shall be disregarded in both clauses (a) and (b) above."

An example of the **[***]** calculation is set forth on Attachment 3 to this Schedule 3.8. Notwithstanding anything to the contrary herein, the following shall not be included in the calculation of **[***]**: (a) any **[***]** or **[***]**; (b) any **[***]**; (c) any **[***]**; or (d) any **[***]**.

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

CONFIDENTIAL

ATTACHMENT 1
TO
SCHEDULE 3.8

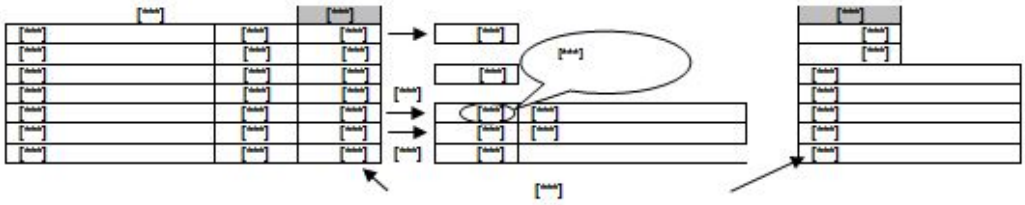
EXAMPLE CALCULATIONS OF
[***] AND [***]

See attached.

New Methodology for
[***] per Wafer Calculation

inotera memories

- **Concept:**
  1. [***]
  2. [***]
- **Calculation Methodology**



1) [***]
2) [***]
3) [***]
4) [***]

5) [***]
6) [***]

New Methodology for
[***] per Wafer Calculation

inotera memories

- **Starting Month and Result**
  1. [***]
  2. [***]

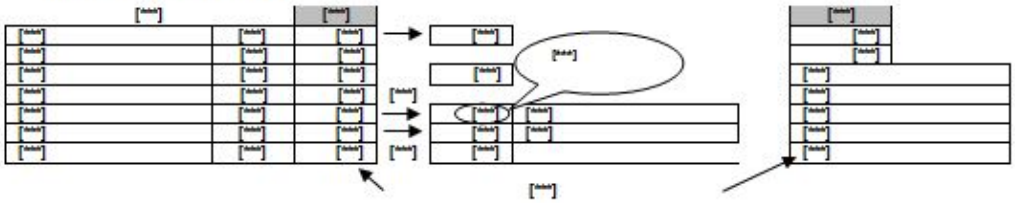
[***]		[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]			[***]	[***]
	[***]	[***]				[***]

Methodology for [***] per Wafer Calculation

- **Methodology to calculate [***] per wafer**
  - For [***] per delivery wafer
    1. [***]
    2. [***]
    3. [***]
    4. [***]

New Methodology for [***] per Wafer Calculation

- **Concept:**
  1. [***]
  2. [***]
- **Calculation Methodology**



1) [***]
2) [***]
3) [***]
4) [***]

5) [***]
6) [***]

New Methodology for
[***] per Wafer Calculation

n **Starting Month and Result**

1. **[***]**
2. **[***]**

[***]		[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]		[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]

[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]				[***]
[***]	[***]	[***]			[***]	[***]
	[***]	[***]				[***]

Methodology for [***] per Wafer Calculation

inotera memories

- **Methodology to calculate [***] per wafer**
  - For [***] per delivery wafer
    1. [***]
    2. [***]
    3. [***]
    4. [***]

ATTACHMENT 2
TO
SCHEDULE 3.8

EXAMPLE CALCULATIONS OF
[***]

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 1 to Schedule 3.8
Example Calculation of [***]

		I		II		III	
		Total Wafers		**[***] Wafers**		**Wafers Subject to [***]**	
C	**[***]**		$ [***]		$ [***]		$ [***]
D	**[***]**	$ [***]		$ [***]		$ [***]	
E	**[***]**	$ [***]		$ [***]		$ [***]	
F	**[***]**	$ [***]		$ [***]		$ [***]	
G	**[***]**	$ [***]		$ [***]		$ [***]	
	Subtotal **[***]***		$ [***]		$ [***]		$ [***]
H	**[***]**		[***]		[***]		[***]
A=(D+E+F+G)/H	**[***]** per Wafer		$ [***]		$ [***]		$ [***]
I	**[***]**	$ [***]		$ [***]		$ [***]	
B=I/H	**[***]** per Wafer						$ [***]
(A-B)*C	**[***]**						$ [***]

* **[***]**

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

CONFIDENTIAL

ATTACHMENT 3
TO
SCHEDULE 3.8

EXAMPLE CALCULATIONS OF
[***]

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 2 to Schedule 3.8
Example Calculation of [***]

		I	II	III
		Total Wafers	**[***] Wafers**	**Wafers Subject to [***]**
A	**[***]**	$ [***]	$ [***]	$ [***]
	[***]	$ [***]	$ [***]	$ [***]
	[***]	$ [***]	$ [***]	$ [***]
B	**[***]**	$ [***]	$ [***]	$ [***]
(A-B)/2	**[***]**	$ [***]	$ [***]	$ [***]

* [***]

SCHEDULE 3.13 – [***] PAYMENT AMOUNTS

1. **[***]** Payment Amount. The Parties agree that the "**[***] Payment Amount**" for any Delivery Month shall be calculated in the following manner:

"**[***] Payment Amount**" = **[***]**

where the components of such calculation, and the related terms, have the meanings set forth below. An example of the **[***]** Payment Amount calculation is set forth on Attachment 1 to this Schedule 3.13. Each accounting term used in this Schedule 3.13 shall be applied in accordance with GAAP or, if such term is not a GAAP accounting term, in accordance with Micron's general accounting policies.

"**A**" = "**[***] Revenue**" = Micron's net revenue in the Secondary Die Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding DRAM Products contained on Multi-Chip Products) produced from Secondary Die manufactured by Inotera, determined on a particular Design ID basis;

"**B**" = "**[***]**" = the **[***]** for such Delivery Month;

"**C**" = "**[***] BEOL Costs**" = the back end **[***]** costs incurred on a particular Design ID in the **[***]** Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products in packaged, module or subsequent form (but not Multi-Chip Products) **[***]**, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**; and

"**D**" = "**[***]**" = **[***]**.

2. Related Definitions.

"**[***]**" means, for a particular Design ID, any die of such Design ID that **[***]** such die **[***]**.

"**[***] Measurement Period**" means, for a particular Delivery Month, **[***]**.

ATTACHMENT 1
TO
SCHEDULE 3.13

EXAMPLE CALCULATIONS OF
[***] PAYMENT AMOUNTS

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 1 to Schedule 3.13
Example Calculation of [***] Payment Amounts

A	**[***]** Revenue	$	**[***]**
B	**[***]**		**[***]**
C	**[***]** BEOL Costs	$	**[***]**
D	**[***]**		**[***]**
[***]	**[***]** Payment Amount	$	**[***]**

SCHEDULE 5.1 - PRICE OF NON-HMC CONFORMING WAFERS AND NON-HMC PRE-QUAL PRODUCTION WAFERS

The Parties agree that the "**Price**" of each Non-HMC Conforming Wafer of a particular Design ID for any Delivery Month and the "**Price**" of each Non-HMC Pre-Qual Production Wafer of a particular Design ID for any Delivery Month shall be calculated in the following manner.

"**Price**" of each Non-HMC Conforming Wafer = Baseline Price Per Wafer **[***]**; and

"**Price**" of each Non-HMC Pre-Qual Production Wafer = Baseline Price Per Wafer

where the components of such calculation, and the related terms, have the meanings set forth below. An example of the Price calculation is set forth on Attachment 1 to this Schedule 5.1. Each accounting term used in this Schedule 5.1 shall be applied in accordance with GAAP or, if such term is not a GAAP accounting term, in accordance with Micron's general accounting policies.

1. Baseline Price Per Wafer. Baseline Price Per Wafer for any Delivery Month is (a) calculated as set forth below for each Process Node utilized by Inotera to manufacture Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers for delivery to the Purchaser in such Delivery Month and (b) used in the calculation of the Price in such Delivery Month of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers of each Design ID manufactured using such Process Node.

"**Baseline Price Per Wafer**" = (Adjusted Worldwide Revenue Per Node / Worldwide **[***]** Wafers **[***]** Per Node) – (Adjusted Worldwide BEOL Costs Per Node / Worldwide **[***]** Wafers **[***]** Per Node), ***where***

"**Adjusted Worldwide Revenue Per Node**" = ((A x (1 - C)) + (B x (1 - C - D))) x (1 + I)

"**Adjusted Worldwide BEOL Costs Per Node**" = E x F

"**Worldwide [***] Wafers [***] Per Node**" = G

"**Worldwide [***] Wafers [***] Per Node**" = H

where the components of such calculation have the meanings set forth below:

"**A**" = "**Worldwide DRAM Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**B**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = B1 - B2;

"**B1**" = "**Worldwide Multi-Chip Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis,

"**B2**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** ***the difference of*** **(A)** Micron's net revenue in the Measurement Period associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis, **minus (B)** the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**C**" = "**Applicable DRAM Discount**" = the Applicable DRAM Discount for such Delivery Month as set forth in Section 4 of this Schedule 5.1;

"**D**" = "**[***]**" = **[***]**, unless, for a particular Process Node, the **[***]** is **[***]** for such Process Node, then **[***]**;

"**E**" = "**Worldwide DRAM BEOL Costs Per Node**" = the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products and Multi-Chip Products that contain such Non-HMC DRAM Products in packaged, module or subsequent form using the Prime Die manufactured using such Process Node, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**;

"**F**" = "**[***]**" = **[***]**;

"**G**" = "**Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates in the Measurement Period, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***]**, **divided by (c)** **[***]** for such Non-HMC DRAM Products in the Measurement Period;

"**G1**" = "**[***]**" = 1 – (G2 / (G2 + G3 + G4));

"**G2**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** of Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period **plus (b) [***]** during the Measurement Period, **plus (c) [***]** during the Measurement Period;

"**G3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**G4**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**H**" = "**Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** ***the sum of*** **(i)** the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (ii)** the aggregate number of Prime Die of such Design ID contained on Multi-Chip Products **[***]** for Micron and its consolidated Affiliates during the Measurement Period, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***] [***] divided by (c) [***]** for such Non-HMC DRAM Products in the Measurement Period;

"**I**" = "**Worldwide Revenue [***] Factor Per Node**" = ((J / G) – (K / N)) / (K / N);

"**J**" = "**Worldwide Revenue Per Node**" = A + B;

"**K**" = "**[***] Worldwide Revenue Per Node**" = L + M;

"**L**" = "**[***] Worldwide DRAM Revenue Per Node**" = Micron's net revenue **[***]** associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**M**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = M1 - M2;

"**M1**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis,

"**M2**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** ***the difference of*** **(A)** Micron's net revenue **[***]** associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis **minus (B)** the aggregate back end **[***]** costs incurred **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**;

"**N**" = "**[***] Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (c)** **[***]** for such Non-HMC DRAM Products **[***]**;

"**N1**" = "**[***]**" = 1 – (N2 / (N2 + N3 + N4));

"**N2**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** for Micron and its consolidated Affiliates **[***]**, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** **plus (b)** **[***]**, **plus (c)** **[***]**;

"**N3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**; and

"**N4**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products **[***]**.

2. **[***]** Per Wafer. **[***]** Per Wafer for any Delivery Month is calculated for each Design ID as described below; *provided*, *however*, that the **[***]** Per Wafer will be **[***]** for a particular Design ID for a particular Delivery Month if either (i) the Inotera Average **[***]** Wafers Probed for such

Design ID for such Delivery Month is **[***]**, (ii) the Micron Average **[***]** Wafers Probed for such Design ID for such Delivery Month is **[***]**, or (iii) the Inotera Average **[***]** Wafers Probed for such Design ID for such Delivery Month is **[***]** for such Design ID for such Delivery Month.

"**[***] Per Wafer**" = **[***]** Per Wafer – **[***]** Per Wafer, ***where***

"**[***] Per Wafer**" = ((Adjusted Worldwide Revenue Per Design ID / Worldwide Die **[***]** Per Design ID) – (Adjusted Worldwide BEOL Costs Per Design ID / Worldwide Die **[***]** Per Design ID)) x **[***]** Prime Die Per **[***]** Wafer **[***]**

"**[***] Per Wafer**" = ((Adjusted Worldwide Revenue Per Design ID / Worldwide Die **[***]** Per Design ID) – (Adjusted Worldwide BEOL Costs Per Design ID / Worldwide Die **[***]** Per Design ID) x **[***]** Prime Die Per **[***]** Wafer **[***]**

"**Adjusted Worldwide Revenue Per Design ID**" = ((A x (1 - C)) + (B x (1 - C - D))) x (1 + M)

"**Adjusted Worldwide BEOL Costs Per Design ID**" = E x F

"**Worldwide Die [***] Per Design ID**" = I

"**Worldwide Die [***] Per Design ID**" = J

"**[***] Prime Die Per [***] Wafer [***]**" = K x G

"**[***] Prime Die Per [***] Wafer [***]**" = L x H

where the components of such calculation have the meanings set forth below.

"**A**" = "**Worldwide DRAM Revenue Per Design ID**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die of such Design ID, determined on a consolidated basis;

"**B**" = "**[***] Worldwide Multi-Chip Revenue Per Design ID**" = B1 - B2;

"**B1**" = "**Worldwide Multi-Chip Revenue Per Design ID**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die of such Design ID, determined on a consolidated basis,

"**B2**" = "**[***] Worldwide Multi-Chip Revenue Per Design ID**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die of such Design ID: ***the product of*** **(a)** ***the quotient of*** **(i)** ***the difference of*** **(A)** Micron's net revenue in the Measurement Period associated with the sale **[***]** of **[***]** (whether sold in die,

wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis **minus (B)** the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**C**" = "**Applicable DRAM Discount**" = the Applicable DRAM Discount for such Delivery Month as set forth in Section 4 of this Schedule 5.1;

"**D**" = "**[***]**" = **[***]**, unless, for a particular Process Node, the **[***]** is **[***]**, then **[***]**;

"**E**" = "**Worldwide DRAM BEOL Costs Per Design ID**" = the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products and Multi-Chip Products that contain such Non-HMC DRAM Products in packaged, module or subsequent form using the Prime Die of such Design ID, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**;

"**F**" = "**[***]**" = **[***]**;

"**G**" = "**[***]**" = 1 – (G1 / (G1 + G2 + G3));

"**G1**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (b)** **[***]** during the Measurement Period, **plus (c)** **[***]** during the Measurement Period;

"**G2** = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID **[***]** contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**G3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**H**" = "**[***]**" = 1 – (H1 / (H1 + H2 + H3));

"**H1**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period **plus (b) [***]** during the Measurement Period, **plus (c) [***]** during the Measurement Period;

"**H2**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**H3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**I**" = "**Worldwide Die [***] Per Design ID**" = the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period;

"**J**" = "**Worldwide Die [***] Per Design ID**" = ***the sum of*** **(i)** the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (ii)** the aggregate number of Prime Die of such Design ID contained on Multi-Chip Products **[***]** for Micron and its consolidated Affiliates during the Measurement Period;

"**K**" = "**[***] Average Prime Die Per [***] Wafer**" = the average number of Prime Die per Non-HMC Conforming Wafer of such Design ID **[***]** the Purchaser in the Measurement Period **[***]**, **[***]**;

"**L**" = "**[***] Average Prime Die Per [***] Wafer**" = the average number of Prime Die per wafer of such Design ID **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***]**;

"**M**" = "**Worldwide Revenue [***] Factor Per Node**" = ((N / T) – (Q / U)) / (Q / U);

"**N**" = "**Worldwide Revenue Per Node**" = O + P;

"**O**" = "**Worldwide DRAM Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**P**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = P1 – P2;

"**P1**" = "**Worldwide Multi-Chip Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis,

"**P2**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** ***the difference of*** **(A)** Micron's net revenue in the Measurement Period associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis, **minus (B)** the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** or **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**Q**" = "**[***] Worldwide Revenue Per Node**" = R + S;

"**R**" = "**[***] Worldwide [***] Revenue Per Node**" = Micron's net revenue **[***]** associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**S**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = S1 - S2;

"**S1**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis,

"**S2**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** ***the difference of*** **(A)** Micron's net revenue **[***]** associated with the sale **[***]** of **[***]** (whether sold in die, wafer,

packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis **minus (B)** the aggregate back end **[***]** costs incurred **[***]** by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**;

"**T**" = "**Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates in the Measurement Period, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***]**, **divided by (c) [***]** for such Non-HMC DRAM Products in the Measurement Period;

"**U**" = "**[***] Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (c) [***]** for such Non-HMC DRAM Products **[***]**;

"**U1**" = "**[***]**" = 1 – (U2 / (U2 + U3 + U4));

"**U2**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** for Micron and its consolidated Affiliates **[***]**, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** **plus (b) [***]**, **plus (c) [***]**;

"**U3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**; and

"**U4**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products **[***]**.

3. Related Definitions.

"Inotera Average [***] Wafers Probed" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of Non-HMC Conforming Wafers**[***]** of such Design ID delivered to the Purchaser by Inotera that are subjected to Probe Testing **[***]**, **divided by (b)** the **[***]**.

"**Measurement Period**" means, for a particular Delivery Month, the three most recently completed fiscal months of the Purchaser including such Delivery Month.

"**Micron Average [***] Wafers Probed**" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of conforming wafers**[***]** containing Non-HMC DRAM Products of such Design ID manufactured by or for Micron and its Affiliates **[***]** that are subjected to probe testing **[***]**, **divided by (b)** the **[***]**.

"Micron Fab Network Average [***] Wafers Probed" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of conforming wafers **[***]** containing Non-HMC DRAM Products of such Design ID manufactured **[***]** Micron and its Affiliates that are subjected to probe testing **[***]**, **divided by (b)** the **[***]**.

"**Multi-Chip Product**" means **[***]**.

"**[***]**" means **[***]**.

"**[***]**" means **[***]**.

"**[***]**" means **[***]**.

"**Prime Die**" means, for a particular Design ID, a die that meets the applicable Specifications for such Design ID immediately after Probe Testing and immediately after final back-end testing.

"**[***]**" means, for a particular Delivery Month, **[***]**.

4. Applicable DRAM Discount. The "**Applicable DRAM Discount**" for each Delivery Month shall be as follows:

	Applicable DRAM Discount
Unless Inotera's EBITDA (as defined below) for **[***]** was:	**[***]**%
• $**[***]** or higher	**[***]**%
• between $**[***]** and $**[***]**	**[***]**%
• between $**[***]** and $**[***]**	**[***]**%
• between $**[***]** and $**[***]**	**[***]**%
• between **[***]** $**[***]** and **[***]** $**[***]**	**[***]**%
• less than **[***]** $**[***]**	**[***]**%

"**EBITDA**" means, for any particular **[***]**, ***the sum of*** **(a)** the consolidated net income of Inotera and its subsidiaries for such **[***]**, **plus**, without duplication and only to the extent deducted in calculating consolidated net income, **(b)** ***the sum of*** **(i)** total interest expense for such **[***]**, **plus (ii)** the aggregate federal, state, local and foreign income taxes accrued or paid in cash during such **[***]**, **plus (iii)** the amount of depreciation and amortization expense for such **[***]**, **plus (iv)** any **[***]** for such **[***]**, **plus (v)** any **[***]** for such **[***]**, **minus**, without duplication and only to the extent included in calculating consolidated net income **(c)** ***the sum of*** **(i)** any **[***]** for such **[***]**, **plus (ii)** any **[***]** for such **[***]**.

5. Adjustments to Price Calculation.

(a) Use of Proxy for First **[***]** of a New Non-HMC DRAM Product. In connection with the calculation of the Price of a Non-HMC Conforming Wafer and Non HMC Pre-Qual Production Wafer of a particular Design ID for a particular Delivery Month, if any Non-HMC DRAM Product of a particular Design ID affecting such calculation has not generated revenue (in the case of Non-HMC DRAM Products) for all or a portion of the **[***]** immediately preceding Delivery Months, then the Parties shall work together in good faith to determine the adjustments, based on the use of the best available proxy consistent with historical practices of the Parties, as are necessary or appropriate to accomplish the intent and purpose of the inclusion of the "Measurement Period" and "**[***]**" concepts in this Schedule 5.1.

(b) Grace Period for First Non-HMC DRAM Product on a New Process Node. With respect to the first Design ID of Non-HMC DRAM Product to be manufactured on a newly installed Process Node at the Inotera Fab, the Price of Non-HMC Conforming Wafers and Non HMC Pre-Qual Production Wafers of such Design ID for the first **[***]** after qualification of such Design ID shall be the Baseline Price Per Wafer for such Design ID, and the **[***]** for such **[***]** period shall be disregarded and deemed not to exist in calculating Price of Non-HMC Conforming Wafers and Non HMC Pre-Qual Production Wafers of such Design ID after such **[***]** period.

(c) Use of Proxy Where Data Not Available for **[***]**. In connection with the calculation of the Price of a Non-HMC Conforming Wafer and Non HMC Pre-Qual Production Wafer of a particular Design ID for a particular Delivery Month, if any **[***]** affecting such calculation has not generated revenue for all or a portion of the **[***]** immediately preceding Delivery Months, then the Parties shall work together in good faith to determine the adjustments, based on the use of the best available proxy, as are necessary or appropriate to accomplish the intent and purpose of the calculation of **[***]** Worldwide Multi-Chip Revenue Per Node, **[***]** Worldwide Multi-Chip Revenue Per Node, **[***]** Worldwide Multi-Chip Revenue Per Design ID **[***]** and **[***]** Worldwide Multi-Chip Revenue Per Design ID **[***]** in this Schedule 5.1.

(d) Adjustment for **[***]** of Non-HMC DRAM Products. Notwithstanding anything herein to the contrary, if (i) Micron and its consolidated Affiliates are unable to sell into any particular premium market a proportion of the Non-HMC DRAM Products contained on Non-HMC Conforming Wafers delivered to the Purchaser by Inotera under this Agreement at least equal to the proportion of Non-HMC DRAM Products contained on wafers manufactured by or for Micron and its consolidated Affiliates at other fabs in the Micron Fab Network that are sold into such premium market, and (ii) Inotera is **[***]**, then sales into such premium market by Micron and its consolidated Affiliates will be excluded from the calculation of Price of Non-HMC Conforming Wafers, including the net revenue associated therewith, the number of Prime Die of such Non-HMC DRAM Products sold and a proportionate share of the back end **[***]** costs associated therewith **[***]**.

(e) If by **[***]** the Parties have not reached an agreement with respect to **[***]** pricing for HMC Conforming Wafers and HMC Pre-Qual Production Wafers as contemplated by Sections 5.1(c) and (d), then from **[***]** forward, the Parties agree that a proportion of HMC DRAM Product for any particular Process Node shall be included into the detailed calculation of the Price of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers for such Process Node stated in this Schedule 5.1; *provided, however*, such proportion of HMC DRAM Product to be included shall be limited to **[***]**.

Statement of Intent and Agreement:

The purpose of the above Section 5(e) is to memorialize the fundamental intent and agreement of the Parties that when this Section 5(e) is applicable, the calculation components of a proportion of HMC DRAM Product for any particular Process Node shall be included in determining the Price of Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers for such Process Node. Apart from when and how much HMC DRAM Product revenue to include in the Price

calculation (about which the Parties hereby acknowledge they have reached complete agreement and for which no further negotiation is necessary or appropriate), the Parties also recognize that other portions of the Non-HMC Conforming Wafers and Non-HMC Pre-Qual Production Wafers Price calculation (for example, ***[***]*** *and* ***[***]*** *) cannot be finally concluded until the exact nature of the HMC DRAM Products is known. Therefore, the Parties hereby agree that before the time this Section 5(e) becomes applicable, they will negotiate in good faith such portions of the Price formula not already definitely agreed. Given that* ***[***]****, the Parties hereby agree the negotiation referenced in the previous sentence will be guided by and consistent with the pricing methodology already agreed with respect to Multi-Chip Products.*

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

ATTACHMENT 1
TO SCHEDULE 5.1

EXAMPLE CALCULATIONS OF
NON-HMC CONFORMING WAFER PRICE

See attached.

Micron Technology, Inc. & Inotera Memories, Inc
Wafer Supply Agreement
Attachment 1 to Schedule 5.1
Example Calculation of Price of Non-HMC Conforming and Non-HMC Pre-Qual Production Wafers

			[***]			[***]				
A	WW DRAM Revenue per Node	$	[***]		$	[***]				
C	Applicable DRAM Discount		[***]			[***]				
A * (1 - C)	Discounted WW DRAM Revenue per Node	$	[***]		$	[***]				
B1	Worldwide MCP Revenue per Node	$	[***]		$	[***]				
	[***]	$	[***]		$	[***]				
	[***]	$	[***]		$	[***]				
B2	[***] WW MCP Revenue per Node	$	[***]		$	[***]				
B = B1-B2	[***] WW MCP Revenue per Node	$	[***]		$	[***]				
C	Applicable DRAM Discount		[***]			[***]				
D	[***]		[***]			[***]				
B * (1 - C - D)	Discounted [***] WW MCP Revenue per Node	$	[***]			[***]				
	Discounted WW Revenue per Node	$	[***]		$	[***]				
I	WW Revenue [***] Factor per Node		[***]			[***]				
((A*(1-C))+(B*(1-C-D)))*(1+I)	Adj WW Revenue per Node	$	[***]		$	[***]				
G	WW [***] Wafer [***] per Node		[***]			[***]				
E*F/G	Adjusted Revenue per Wafer	$	[***]			[***]				
E	WW BE Cost per Node	$	[***]		$	[***]				
F	[***]		[***]			[***]				
E*F	Adjusted WW BE Cost per Node	$	[***]		$	[***]				
H	WW [***] Wafers to [***] per Node		[***]			[***]				
E*F/H	Adjusted BEOL Costs per Wafer		[***]		$	[***]				
	Baseline Price per Wafer	$	[***]		$	[***]				
			[***]	**[***]**		**[***]**		**[***]**	**[***]**	**[***]**
	[***] per Wafer	$	[***]	[***]	$	[***]	[***]	[***]	[***]	[***]
	Price	**$**	**[***]**	**[***]**	**$**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 1 to Schedule 5.1
Example Calculation of Worldwide Revenue [***] Factor per Node

			[***]		[***]
J=A+B	WW Revenue per Node	$	[***]	$	[***]
G	WW [***] Wafer [***] per Node		[***]		[***]
	WW Revenue per Wafer [***]	$	[***]	$	[***]
K=[***]	[***] WW Revenue per Node	$	[***]	$	[***]
N=[***]	[***] WW [***] Wafer [***] per Node		[***]		[***]
	[***] WW Revenue per Wafer [***]	$	[***]	$	[***]
I=((J/G)-(K/N))/(K/N)	**WW Revenue [***] Factor per Node**		**[***]**		**[***]**

Micron Technology, Inc. & Inotera Memories, Inc
First Amended and Restated Wafer Supply Agreement
Attachment 1 to Schedule 5.1
Example Calculation of [***] per Wafer

			[***]			[***]			
		[***]	[***]		[***]	[***]	[***]	[***]	
A	WW DRAM Revenue by DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
C	Applicable DRAM Discount	[***]	[***]		[***]	[***]	[***]	[***]	[***]
A* (1-C)	Discounted WW DRAM Revenue per DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
B1	Worldwide MCP Revenue by DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
	[***]	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
	[***]	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
B2	**[***]** WW MCP Revneue by DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
B-B1.B2	**[***]** WW MCP Revenue by DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
C	Applicable DRAM Discount	[***]	[***]		[***]	[***]	[***]	[***]	[***]
D	**[***]**	[***]	[***]		[***]	[***]	[***]	[***]	[***]
B*(1-C-D)	Discounted **[***]** WW MCP Revenue per Node	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
	WW Revenue Per Design ID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
M	WW Revenue **[***]** Factor per Node	[***]	[***]		[***]	[***]	[***]	[***]	[***]
((A*(1-C))+(B*(1-C-D)))*(1+M)	Adjusted WW Revenue per DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
E	WW BE Cost by DID	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
F	**[***]**	[***]	[***]		[***]	[***]	[***]	[***]	[***]
E*F	Adjusted Total BEOL Costs	$ [***]	% [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
I	WW Die **[***]** per DID	[***]	[***]		[***]	[***]	[***]	[***]	[***]
J	WW Die **[***]** per DID	[***]	[***]		[***]	[***]	[***]	[***]	[***]
K	**[***]** Average Prime Die per **[***]** Wafer	[***]	[***]		[***]	[***]	[***]	[***]	[***]
G	**[***]**	[***]	[***]		[***]	[***]	[***]	[***]	[***]
	[***] per Wafer	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
L	**[***]** Average Prime Die per **[***]** Wafer	[***]	[***]		[***]	[***]	[***]	[***]	[***]
H	**[***]**	[***]	[***]		[***]	[***]	[***]	[***]	[***]
	[***] per Wafer	$ [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]
	[***] per Wafer	**$** [***]	$ [***]	$	[***]	$ [***]	$ [***]	$ [***]	$ [***]

SCHEDULE 5.2 – PRICE OF PRE-QUAL ENGINEERING WAFERS

The Parties agree that the price of each Pre-Qual Engineering Wafer of a particular Design ID delivered in a particular Delivery Month shall be equal to *the quotient of* (a) the **[***]** in such Delivery Month, divided by (b) the number of Pre-Qual Engineering Wafers of such Design ID delivered by Inotera in such Delivery Month. Notwithstanding anything to the contrary herein, the following shall not be included in the calculation of the price for Pre-Qual Engineering Wafers: (i) any **[***]**; (ii) any **[***]**.

SCHEDULE 12.15 - INSURANCE

1. **Property Insurance:** All risk property insurance, including earth movement and flood insurance, insuring against physical damage on a replacement cost basis for assets, and insuring against resultant business interruption from physical damage on an actual-loss sustained basis. Such property insurance limit will be not less than **[***]** million for **[***]** and not less than **[***]** for other covered losses. (Note: limits shared with NTC). It is acknowledged that: (1) such coverage for "production related equipment" is based on Replacement Cost Basis; and (2) non-production related assets (such as buildings, facilities, and other non-production equipment) are insured under Actual Cash Value and such coverage is subject to monthly adjustment depending on the actual cash value.

2. **Liability Insurance**:

A. Commercial general liability insurance (also known as public liability insurance) coverage for bodily injury and property damage liability, with a limit of not less than **[***]** for each loss occurrence and not less than **[***]** million in annual aggregate coverage.

B. Automobile liability coverage for bodily injury and property damage liability with a limit of not less than **[***]** for each loss occurrence and not less than **[***]** million in annual aggregate coverage for owned, hired, and non-owned automobiles.

3. **Employers Liability**: Employers' liability coverage that is included in the Labor Insurance Program or other equivalent program required under the Applicable Laws of the R.O.C.

EXHIBIT 10.91

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

CONFIDENTIAL

2016 SUPPLY AGREEMENT

This 2016 SUPPLY AGREEMENT is made and entered into on this 10th day of February, 2015 (the "**Agreement Date**") and shall be effective as of January 1, 2016 (the "**Effective Date**"), by and among MICRON TECHNOLOGY, INC., a Delaware corporation ("**Micron**"), MICRON SEMICONDUCTOR ASIA PTE. LTD., a Singapore private limited company and wholly-owned Subsidiary (as defined hereinafter) of Micron (the "**Purchaser**"), and INOTERA MEMORIES, INC. (Inotera Memories, Inc. [Translation from Chinese]), a company incorporated under the laws of the Republic of China (the "**R.O.C.**") ("**Inotera**").

RECITALS

A. Inotera is engaged in the manufacture of DRAM Products (as defined hereinafter) in wafer form.

B. Micron, the Purchaser and Inotera (each, a "**Party**" and collectively, the "**Parties**") desire Inotera to generally supply Conforming Wafers (as defined hereinafter), Pre-Qual Wafers (as defined hereinafter) and Non-Conforming Wafers (as defined hereinafter) to the Purchaser upon the terms and subject to the conditions set forth in this Agreement.

C. On the Agreement Date, the Parties have made and entered into the 2015 Supply Agreement, dated the Agreement Date and effective as of the Agreement Date, by and among the Parties (the "**2015 Supply Agreement**"), to amend and restate the First Amended and Restated Supply Agreement, dated December 19, 2013 and effective as of January 1, 2014, by and among the Parties (the "**Existing Supply Agreement**").

D. The Parties desire to replace the 2015 Supply Agreement, which continues in effect through December 31, 2015, with this Agreement commencing January 1, 2016.

E. It is the present intention of the Parties that the level of mutual cooperation and support among the Parties in connection with their performance of this Agreement be consistent with the level of mutual cooperation and support among the Parties in connection with their performance of the Existing Supply Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound do hereby agree as follows:

ARTICLE 1DEFINITIONS; CERTAIN INTERPRETIVE MATTERS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, capitalized terms used in this Agreement shall have the respective meanings set forth below:

"**Affiliate**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, Controls, or is Controlled by, or is under common Control with such specified Person; and the term "**affiliated**" has a meaning correlative to the foregoing.

"**Agreement**" means this 2016 Supply Agreement, together with the Schedules attached hereto (but excluding the sample calculations set forth in any attachments to such Schedules, which are provided for illustrative purposes only and shall not constitute terms hereof).

"**Agreement Date**" shall have the meaning set forth in the preamble to this Agreement.

"**Annual Calendar**" shall have the meaning set forth in Section 3.2.

"**Applicable Law**" means any applicable laws, statutes, rules, regulations, ordinances, orders, codes, arbitration awards, judgments, decrees or other legal requirements of any Governmental Entity.

"**Boundary Conditions**" means, with respect to the Inotera Fab, a requirement that, at any point in time:

(a) there shall be **[***]** in use for the manufacture of DRAM Products, *provided* that at the Inotera Fab, there also may be **[***]** in use for **[***]**;

(b) the Inotera Fab shall manufacture for the Purchaser DRAM Products with **[***]**; *provided*, *however*, that if at any time the Inotera Fab is manufacturing for the Purchaser DRAM Products with **[***]** (or, if and when the **[***]** at the Inotera Fab, such **[***]** as is agreed in writing by the Parties) and the Purchaser requests that the Inotera Fab manufacture for the Purchaser DRAM Products with **[***]** by the Inotera Fab, the Inotera Fab shall also manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab **[***]** to manufacture DRAM Products with **[***]**, including such **[***]**, would be **[***]** the following for **[***]** in the **[***]** the Inotera Fab **[***]** being manufactured by or for Micron and its Affiliates at such fab **[***]** for the Inotera Fab, **[***]** being manufactured at **[***]** at the Inotera Fab **[***]** DRAM Products (in wafer form) meeting the applicable specifications that can be manufactured by or for Micron and its Affiliates at **[***]**; *provided further*, *however*, that the foregoing shall be applied only to determine whether the Inotera Fab **[***]** manufacture DRAM Products with **[***]** manufactured by the Inotera Fab and only in the circumstance specified above and that the foregoing shall not be applied **[***]** or otherwise **[***]** in any circumstance **[***]** the Purchaser to **[***]** the Inotera Fab to manufacture for the Purchaser DRAM Products with **[***]** manufactured by the Inotera Fab; and

(c) whenever new DRAM Products of a particular Design ID are introduced by a lead fab into the Inotera Fab (as a receiving fab), Inotera **[***]** manufacture such DRAM Products for the Purchaser **[***]** that have been mutually agreed in writing by the Parties prior to the introduction of such DRAM Products;

as such requirement may be altered from time to time by the Purchaser with the consent of Inotera, which shall not be unreasonably withheld, conditioned or delayed; *provided*, *however*, that, notwithstanding anything above to the contrary, DRAM Products that are manufactured **[***]** shall be deemed to be DRAM Products of a **[***]** for purposes of the **[***]** described in clause (b) above.

"**Business Day**" means a day that is not a Saturday, Sunday or other day on which commercial banking institutions in either the R.O.C. or the State of New York are authorized or required by Applicable Law to be closed.

"**Business Plan**" means, at any particular time, the three (3) year business plan then existing for Inotera, as approved by the board of directors of Inotera.

"**Closing Date**" shall mean January 17, 2013.

"**Committed Purchaser Manufacturing Capacity**" means:

(a) at any time during the Term, 100% of the Manufacturing Capacity for each Process Node installed at the Inotera Fab; and

(b) at any time during the Purchaser Wind-Down Period, the portion of the Manufacturing Capacity for each Process Node installed at the Inotera Fab as determined in accordance with Sections 11.1(e) and 11.1(f).

"**Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) meets the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing and (b) has a minimum Die Yield equal to **[***]**% (or, if the minimum die yield required for conforming wafers containing such DRAM Products in other fabs in the Micron Fab Network is different than **[***]**%, then such different percentage, which shall be set forth in a written notice to Inotera from Micron or the Purchaser).

"**Control**" means the power or authority, whether exercised or not, to direct the business, management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members, shareholders or other equity holders of such Person or power to control the composition of a majority of the board of directors or like governing body of such Person; and the term "**Controlled**" has a meaning correlative to the foregoing.

"**Cycle-Time**" means the time required to process a wafer through a portion of the manufacturing process or through the manufacturing process as a whole, including Probe Testing.

"**Delivery Month**" means, with respect to any particular wafer delivered to the Purchaser pursuant to this Agreement, the Fiscal Month in which it is delivered to the Purchaser.

"**Demand Forecast**" shall have the meaning set forth in Section 3.4.

"**Design ID**" means a part number that is assigned to a unique DRAM Design of a particular DRAM Product, which may include a number or letter designating a specific device revision.

"**Die Yield**" means ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form that are manufactured on a wafer and that meet the applicable Specifications for such DRAM Products immediately after Probe Testing, **divided by (b)** the maximum number of such die that could be manufactured on such wafer to meet the applicable Specifications for such wafer using the applicable Process Node.

"**DRAM**" means a dynamic random access memory cell that functions by using a capacitor arrayed predominantly above the semiconductor substrate.

"**DRAM Design**" means all of the design elements, components, specifications and information required to manufacture the subject DRAM Product.

"**DRAM Product**" means any memory comprising DRAM, whether in die or wafer form.

"**Effective Date**" shall have the meaning set forth in the preamble to this Agreement.

"**Environmental Laws**" means any and all laws, statutes, rules, regulations, ordinances, orders, codes or binding determinations of any Governmental Entity pertaining to the environment in any and all jurisdictions in which the Inotera Fab is located, including laws pertaining to the handling of wastes or the use, maintenance and closure of pits and impoundments, and other environmental conservation or protection laws.

"**Excursion**" means a performance deviation during the production process that is outside normal behavior, as defined by historical performance or as established by the Purchaser and Inotera in writing in the applicable Specifications, which may impact performance, Quality and Reliability or the Purchaser's customer delivery commitments for DRAM Product from Conforming Wafers.

"**Existing Supply Agreement**" shall have the meaning set forth in Recital C to this Agreement.

"**Final Conforming Wafer Price**" shall have the meaning set forth in Section 5.1(c).

"**Final Invoice**" shall have the meaning set forth in Section 4.9(b).

"**Fiscal Month**" means any of the twelve financial accounting months within the Fiscal Year.

"**Fiscal Quarter**" means any of the four financial accounting quarters within the Fiscal Year.

"**Fiscal Year**" means the fiscal year of Inotera for financial accounting purposes.

"**Force Majeure Event**" means the occurrence of an event or circumstance beyond the reasonable control of the Party and includes: (a) explosions, fires, flood, earthquakes, catastrophic weather conditions, or other elements of nature or acts of God; (b) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; (c) acts of Governmental Entities; (d) labor disputes, lockouts, strikes or other industrial action, whether direct or indirect and whether lawful or unlawful; (e) failures or fluctuations in electrical power or telecommunications service or equipment; and (f) delays caused by nonperformance of Inotera, in the case of Micron or the Purchaser, or Micron or the Purchaser, in the case of Inotera, or nonperformance by a Third Party (except for delays caused by such Party's subcontractors or agents).

"**GAAP**" means generally accepted accounting principles.

"**Governmental Entity**" means any governmental authority or entity, including any agency, board, bureau, commission, court, municipality, department, subdivision or instrumentality thereof, or any arbitrator or arbitration panel.

"**Hazardous Substances**" means any asbestos, any flammable, explosive, radioactive, hazardous, toxic, contaminating, polluting matter, waste or substance, including any material defined or designated as a hazardous or toxic waste, material or substance, or other similar term, under any Environmental Laws in effect or that may be promulgated in the future.

"**HMC Conforming Wafer**" means Conforming Wafers for HMC DRAM Products.

"**HMC DRAM**" means a hybrid memory cube dynamic random access memory cell that is intended to be coupled with a controller or logic chip.

"**HMC DRAM Product**" means any memory comprising HMC DRAM, whether in die or wafer form.

"**HMC Pre-Qual Wafers**" means Pre-Qual Wafers for HMC DRAM Products.

"**HMC Wafer**" means a wafer containing HMC DRAM Products.

"**Indemnified Losses**" mean all direct, out-of-pocket liabilities, damages, losses, costs and expenses (including reasonable attorneys' and consultants' fees and expenses).

"**Indemnified Party**" shall have the meaning set forth in Section 9.2(a).

"**Indemnifying Party**" shall have the meaning set forth in Section 9.2(a).

"**Inotera**" shall have the meaning set forth in the preamble to this Agreement.

"**Inotera Fab**" shall have the meaning set forth in Section 1.2(c).

"**Inotera Financial Report**" shall have the meaning set forth in Section 3.8.

"**Joint Venture Agreement**" means that certain Joint Venture Agreement between MNL, Numonyx B.V., MTAP and NTC, dated as of the Closing Date, as amended, relating to Inotera.

"**Line Yield**" means, for any given period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers and Pre-Qual Wafers produced during such period of time, **divided by (b)** the number of all wafers started during such period of time.

"**Long Range Forecast**" shall have the meaning set forth in Section 3.12.

"**Manufacturing Capacity**" means, for each Process Node at the Inotera Fab for any particular period of time, the maximum number of Conforming Wafers that can be manufactured through Probe Testing and delivered to the Purchaser utilizing such Process Node at the Inotera Fab during such period of time, assuming Inotera only manufactured Conforming Wafers during such period of time.

"**Manufacturing Plan**" shall have the meaning set forth in Section 3.1.

"**Micron**" shall have the meaning set forth in the preamble to this Agreement.

"**Micron Fab Network**" means the fabs manufacturing DRAM Products for Micron and its Affiliates, including the Inotera Fab.

"**Micron/Inotera Confidentiality Agreement**" means that certain Mutual Nondisclosure Agreement between Micron and Inotera, dated as of the Closing Date, as amended.

"**MNL**" means Micron Semiconductor B.V., a private limited liability company organized under the laws of the Netherlands.

"**Monthly Planning Statement**" shall have the meaning set forth in Section 3.3.

"**Monthly Financial Review**" shall have the meaning set forth in Section 3.11(b).

"**MTAP**" means Micron Technology Asia Pacific, Inc., an Idaho corporation.

"**Non-Conforming Wafer**" means a wafer containing DRAM Products produced by Inotera for delivery to the Purchaser under this Agreement following the qualification of such DRAM Products that (a) fails to meet the applicable Specifications for a Conforming Wafer containing such DRAM Products immediately after Probe Testing or (b) has a minimum Die Yield below that required for a Conforming Wafer of such DRAM Products.

"**Non-HMC Conforming Wafer**" means Conforming Wafers for Non-HMC DRAM Products.

"**Non-HMC DRAM Product**" means any memory comprising DRAM and excluding HMC DRAM, whether in die or wafer form.

"**Non-HMC Pre-Qual Wafers**" means Pre-Qual Wafers for Non-HMC DRAM Products.

"**NTC**" means Nanya Technology Corporation (Nanya Technology Corporation [Translation from Chinese]), a company incorporated under the laws of the R.O.C.

"**Numonyx B.V.**" means Numonyx Holdings B.V., a private limited liability company organized under the laws of the Netherlands.

"**Operational Report**" shall have the meaning set forth in Section 3.9.

"**Party**" and "**Parties**" shall have the meanings set forth in Recital B to this Agreement.

"**Performance Criteria**" means the factors of **[***]**.

"**Permitted Disclosures**" shall have the meaning set forth in Section 3.13.

"**Person**" means any natural person, corporation, joint stock company, limited liability company, association, partnership, firm, joint venture, organization, business, trust, estate or any other entity or organization of any kind or character.

"**Preliminary Price**" means, for a particular Delivery Month, (a) with respect to Non-HMC Conforming Wafers, Inotera's estimate, as of the time Inotera delivers the Preliminary Price Notice with respect to such Delivery Month, of the Price that Inotera will charge pursuant to Section 5.1(a) for such Non-HMC Conforming Wafers, as reasonably determined by Inotera, with such estimate being based on the Price of such Non-HMC Conforming Wafers **[***]** or, if there is no **[***]**, **[***]** consistent with the historical practices of the Parties, (b) with respect to Non-HMC Pre-Qual Wafers, Inotera's estimate, as of the time Inotera delivers the Preliminary Price Notice with respect to such

Delivery Month, of the Price that Inotera will charge pursuant to Section 5.2(a) for such Non-HMC Pre-Qual Wafers, (c) with respect to HMC Conforming Wafers and HMC Pre-Qual Wafers, Inotera's estimate of **[***]** to be negotiated in good faith by the Parties pursuant to Section 5.1(b) and 5.2(b) prior to Inotera loading any HMC Wafers; and (d) with respect to Non-Conforming Wafers, an amount **[***]** per Non-Conforming Wafer, as mutually agreed in writing by the Parties.

"**Preliminary Price Notices**" shall have the meaning set forth in Section 4.4(a).

"**Pre-Qual Engineering Wafers**" means Pre-Qual Wafers that are not Pre-Qual Production Wafers.

"**Pre-Qual Production Wafers**" means, with respect to a particular DRAM Product, the Pre-Qual Wafers having a qualification plan and delivered by Inotera **[***]** of a particular Design ID *provided* that **[***]** has **[***]** as of the beginning of the respective Delivery Month.

"**Pre-Qual Wafers**" means, with respect to a particular DRAM Product, wafers of such DRAM Product requested by the Purchaser for delivery to the Purchaser in lieu of Conforming Wafers in any Purchase Order placed, or any change order to a Purchase Order issued, as contemplated by Section 4.3, that are manufactured to the full extent of the applicable process flow but prior to the qualification of such DRAM Product at the Inotera Fab.

"**Price**" shall have the meaning set forth in Article 5.

"**Price True-Up Amount**" means, for a particular Delivery Month, an amount, which may be positive or negative, equal to ***the sum of*** **(i)** ***the sum of*** **(A)** the aggregate Final Conforming Wafer Price of the Non-HMC Conforming Wafers and HMC Conforming Wafers delivered during such Delivery Month to the Purchaser calculated in accordance with Section 5.1(c), **plus (B)** the aggregate Price of the Non-HMC Pre-Qual Wafers and HMC Pre-Qual Wafers delivered during such Delivery Month to the purchaser calculated in accordance with Section 5.2, **minus (ii)** the aggregate balance owing to Inotera shown on all Pro Forma Invoices accompanying the deliveries of Non-HMC Conforming Wafers, HMC Conforming Wafers, Non-HMC Pre-Qual Wafers, HMC Pre-Qual Wafers and Non-Conforming Wafers during such Delivery Month to the Purchaser.

"**Probe Testing**" means testing, using a wafer test program as set forth in the applicable Specifications for such wafer, of a wafer that has completed all processing steps deemed necessary to complete the creation of the desired integrated circuits in the die on such wafer, the purpose of which test is to determine how many and which of the die meet the applicable criteria for such die set forth in the Specifications for such die.

"**Probe Yield**" means, with respect to any period of time, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of DRAM Products in die form meeting the applicable Specifications for such DRAM Products during such period of time, **divided by (b)** the maximum number of die on Conforming Wafers probed during such period of time.

"**Process Node**" means a collection of process technology and equipment that enables the production of DRAM Products in wafer form for a particular minimum repeatable half pitch of a device (minimum physical feature size or line width) and often designated by the size of such pitch (*e.g.*, the 42nm Process Node or the 30nm Process Node, etc.). For the avoidance of doubt, the Parties acknowledge and agree that the **[***]** Process Node utilized at the Inotera Fab is not the same Process Node as the **[***]** Process Node utilized by **[***]**.

"**Process Node Allocation Notice**" shall have the meaning set forth in Section 11.1(f).

"**Pro Forma Invoice**" shall have the meaning set forth in Section 4.9(a).

"**Purchase Order**" shall have the meaning set forth in Section 4.4(b).

"**Purchaser**" shall have the meaning set forth in the preamble to this Agreement.

"**Purchaser Indemnified Party**" means the Purchaser or any of its Affiliates, including Micron.

"**Purchaser Pricing Report**" shall have the meaning set forth in Section 3.10.

"**Purchaser Wind-Down Period**" shall have the meaning set forth in Section 11.1(d).

"**Quality and Reliability**" means the quality and reliability standards for Conforming Wafers as set forth in Schedule 1.1 and the applicable Specifications for such Conforming Wafers or the Manufacturing Plan in effect from time to time.

"**Quarterly Business Review**" has the meaning set forth on Section 3.11(a).

"**Recoverable Taxes**" shall have the meaning set forth in Section 4.8(a).

"**Response to Forecast**" shall have the meaning set forth in Section 3.5.

"**Restriction Period**" means, with respect to any Segregated Employee, the period of time beginning on the date such Person becomes a Segregated Employee and ending on the date that is **[***]** months after the date such Person is no longer a Segregated Employee.

"**R.O.C.**" shall have the meaning set forth in the preamble to this Agreement.

"**[***] Payment Amount**" shall have the meaning set forth in Section 3.10.

"**Segregated Employees**" means (a) the accounting employees of Inotera that are responsible for performing, reviewing and approving the calculation of the Price for any DRAM Product sold to the Purchaser under this Agreement, and (b) the president of Inotera and the senior officer responsible for financial management of Inotera, *provided* that no **[***]**, if any, shall be permitted to be a Segregated Employee.

"**Shared Design ID Wafers**" means all wafers with the same Design ID that are produced for both the Purchaser and other Persons.

"**Ship Lot Line Yield**" means, with respect to any lot of wafers, ***the quotient***, expressed as a percentage, ***of*** **(a)** the number of Conforming Wafers manufactured from such lot, **divided by (b)** the number of Wafer Starts from such lot.

"**Specifications**" means those specifications used to describe, characterize, and define the quality and performance of a Conforming Wafer or a DRAM Product in die form, as applicable, in each case, as such specifications may be set forth on Schedule 1.1 or otherwise determined from time to time by the Purchaser and delivered in writing to Inotera ; *provided, however*, that (a) with respect to specifications not in effect on the Effective Date, (i) promptly upon receipt by Inotera from the Purchaser of such specifications, Inotera shall evaluate such specifications and, without undue delay, the Purchaser and Inotera shall mutually agree upon the effective date for such specifications (which date shall in no event be more than **[***]** days following Inotera's receipt of such specifications from the Purchaser, unless a later date is agreed upon by the Purchaser and Inotera) and (ii) upon reaching such agreement, Inotera shall confirm to the Purchaser in writing the agreed effective date for such specifications and (b) specifications delivered by the Purchaser to Inotera for Conforming Wafers containing a particular DRAM Product or a DRAM Product in die form shall **[***]** specifications for wafers containing such particular DRAM Product or such DRAM Product in die form, as applicable (if any), **[***]**.

"**Subsidiary**" means, with respect to any specified Person, any other Person that directly or indirectly, including through one or more intermediaries, is Controlled by such specified Person.

"**Taiwan GAAP**" means GAAP used in the R.O.C., as in effect from time to time, consistently applied for all periods at issue.

"**Term**" shall have the meaning set forth in Section 11.1(a).

"**Third Party**" means any Person, other than Micron, Inotera or any of their respective Subsidiaries.

"**Third Party Claim**" means any claim, demand, lawsuit, complaint, cross-complaint or counter-complaint, arbitration, opposition, cancellation proceeding or other legal or arbitral proceeding of any nature brought in any court, tribunal or judicial forum anywhere in the world, regardless of the manner in which such proceeding is captioned or styled brought by any Third Party.

"**2015 Supply Agreement**" shall have the meaning set forth in Recital C to this Agreement.

"**Wafer Start**" means the initiation of manufacturing services with respect to a wafer.

"**WIP**" means work in process at the Inotera Fab, including all wafers in wafer fabrication and sort and all completed Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers not yet delivered to the Purchaser or other Persons.

"**WIP Data**" means in-line inventory data, including wafer numbers, lot numbers, unit volumes, wafer volumes, Cycle-Times, Die Yield, Line Yield, Probe Yield and Ship Lot Line Yield.

1.2 Certain Interpretive Matters.

(a) Unless the context requires otherwise, (i) all references to Sections, Articles, Exhibits, Appendices or Schedules are to Sections, Articles, Exhibits, Appendices or Schedules of or to this Agreement, (ii) except as otherwise provided in Schedule 5.1(a) or Schedule 5.2(a), each accounting term not otherwise defined in this Agreement (A) with respect to Micron or the Purchaser, has the meaning commonly applied to it in accordance with GAAP used in the United States, as in effect from time to time, consistently applied for all periods at issue, and (B) with respect to Inotera, has the meaning commonly applied to it in accordance with Taiwan GAAP, (iii) words in the singular include the plural and vice versa, (iv) the term "**including**" means "including without limitation," and (v) the terms "**herein**," "**hereof**," "**hereunder**" and words of similar import shall mean references to this Agreement as a whole and not to any individual section or portion hereof. All references to "**$**" or dollar amounts will be to lawful currency of the United States of America. All references to "**day**" or "**days**" mean calendar days, and all references to "**quarter(ly)**," "**month(ly)"** or "**year(ly)**" mean Fiscal Quarter, Fiscal Month or Fiscal Year, respectively, unless the context requires otherwise.

(b) No provision of this Agreement will be interpreted in favor of, or against, any Party by reason of the extent to which (i) such Party or its counsel participated in the drafting thereof, or (ii) such provision is inconsistent with any prior draft of this Agreement or such provision.

(c) For purposes of this Agreement, the "**Inotera Fab**" shall mean collectively the existing fabs of Inotera commonly referred to as "Fab 1," "Fab 2" and "Fab 1A" located at Hwa Ya Technology Park, Taoyuan, Taiwan.

(d) Notwithstanding anything herein to the contrary, the example calculations set forth in any attachments to the Schedules hereto shall not constitute terms of this Agreement and are provided for illustrative purposes only. In the event of any conflict between such example calculations and the terms of this Agreement, the terms of this Agreement shall govern and the Parties shall modify such example calculations to be consistent therewith.

ARTICLE 2
OBLIGATIONS OF THE PARTIES; PROCESSES AND CONTROLS

2.1 General Obligations.

(a) Inotera shall provide, develop and operate the Inotera Fab according to the Business Plan in effect from time to time and the obligations set forth herein (including the planning process set forth in Article 3).

(b) Inotera shall:

(i) manufacture Conforming Wafers for the Purchaser in accordance with (A) the applicable Boundary Conditions, (B) the applicable Specifications, (C) the Responses to Forecast developed in response to the Demand Forecasts provided by the Purchaser to Inotera in accordance with Article 3;

(ii) supply Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers to the Purchaser in accordance with the purchasing process set forth in Article 4; and

(iii) operate the Inotera Fab so that DRAM Product output from the Inotera Fab does not differ materially from that of any other fab in the Micron Fab Network as to the Specifications and Performance Criteria.

(c) The Purchaser shall purchase Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers from Inotera in accordance with the terms and conditions set forth herein.

For the avoidance of doubt, in no event shall Inotera be obligated to load any HMC Wafers unless and until the Parties have first negotiated and agreed as to how to calculate the Price of HMC Conforming Wafers as contemplated by Section 5.1(b) and the Price of HMC Pre-Qual Wafers as contemplated by Section 5.2(b).

2.2 Control; Processes. The Purchaser and Inotera shall review Inotera's control and process mechanisms, including such mechanisms that are utilized to ensure that all parameters of the Specifications and Performance Criteria are met or exceeded in Inotera's manufacture of Conforming Wafers. The Purchaser and Inotera agree to work together in good faith to define mutually agreeable control and process mechanisms, including the following: (a) e-test (also known as parametric test capability); (b) qualification methodology plan; (c) product qualification support; (d) Probe Testing capability; (e) change control process; and (f) failure analysis capability and methodology. Without limiting the generality of the forgoing, the Purchaser and Inotera agree to the control and process mechanisms set forth in Schedule 1.1.

2.3 Production Masks.

(a) Inotera shall purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]**, and Inotera may purchase masks required to manufacture **[***]** for DRAM Products manufactured by Inotera under this Agreement from **[***]** (other than **[***]**) approved in writing by Micron; *provided*, *however*, that, with respect to Inotera's purchase of any **[***]**, such limitations shall not apply if **[***]** by **[***]**. Furthermore, **[***]** shall meet **[***]** at **[***]** for **[***]**. If Inotera elects to purchase masks from **[***]**, (i) subject to **[***]** (such **[***]** to be determined in **[***]** sole discretion), **[***]** will provide to **[***]** the **[***]** determines, in its sole discretion, are necessary to **[***]** (which **[***]** will not be provided under this Agreement but will instead be subject to a separate statement of work to be entered into by **[***]** and **[***]** prior to the provision of such **[***]** by **[***]**), and (ii) **[***]** will pay to **[***]** associated with such **[***]** on the terms specified in such statement of work (which amounts shall constitute **[***]**). Notwithstanding anything in this Section 2.3(a) to the contrary, **[***]** shall be used for the **[***]** and any **[***]** of each **[***]** for a DRAM Product **[***]**. Inotera shall have possession, but not ownership of any underlying copyrights, mask works or other intellectual property, of any physical production masks which Inotera obtains in accordance with this Section 2.3(a).

(b) Inotera shall promptly revise any mask set that is qualified for the manufacture of DRAM Products by Inotera for delivery to the Purchaser under this Agreement as requested **[***]** by the Purchaser or Micron from time to time.

2.4 Designation of WIP.

(a) WIP Associated With Shared Design ID Wafers. Inotera shall ensure that WIP at the Inotera Fab associated with Shared Design ID Wafers is designated for the Purchaser and any other Persons for which it is produced from Wafer Start, and the Shared Design ID Wafers shall be allocated to the Purchaser and such other Persons immediately prior to Probe Testing by Design ID *pro rata* in accordance with the relative number of Wafer Starts of such Shared Design ID Wafers for each of the Purchaser and such other Persons during the Fiscal Month in which such Shared Design ID Wafers were started.

(b) Other WIP. Inotera shall ensure that WIP at the Inotera Fab associated with wafers (other than the Shared Design ID Wafers contemplated by Section 2.4(a)) to be produced for the Purchaser or any other Person is designated for the Purchaser or such other Person, as applicable, from Wafer Start.

2.5 Subcontractors. Inotera may utilize **[***]** as a subcontractor, subject to (a) the prior written approval of the Purchaser, which approval shall not be unreasonably withheld or delayed, and (b) compliance with the guidelines developed to manage the quality of such utilization in effect on the Effective Date (with such changes thereto as may from time to time be agreed in writing by the Parties). Inotera shall ensure that all contracts with **[***]** (a) shall provide Inotera with the same

level of access and controls as Inotera provides to the Purchaser in this Agreement and (b) contain customary nondisclosure obligations in a form reasonably acceptable to the Purchaser.

2.6 **[***]** Notification. In addition to the Operational Report and the Quarterly Business Review, Inotera shall promptly notify the Purchaser of **[***]** affecting **[***]**.

2.7 Traceability; Data Retention. The Purchaser and Inotera shall review Inotera's (a) **[***]** and producing the WIP Data and (b) data retention policy in regards to the WIP Data. Inotera agrees to maintain the WIP Data for a minimum of **[***]** (or such other period as may be agreed in writing by the Parties).

2.8 Access to WIP Data. Inotera shall provide the Purchaser with full access to its WIP Data (including with respect to Shared Design ID Wafers) no less frequently than **[***]** under normal circumstances, which data shall be no older than **[***]** old when accessed.

2.9 Additional Customer Requirements. The Purchaser shall inform Inotera in writing of any supplier requirements of any customer of the Purchaser relating to the Inotera Fab. The Purchaser and Inotera shall work together in good faith to satisfy such requirements.

ARTICLE 3
PLANNING AND FORECASTING; PERFORMANCE REVIEWS AND REPORTS

3.1 Annual Manufacturing Plan. At least **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Fiscal Year, Inotera shall prepare, under the direction of the president of Inotera, an annual manufacturing plan (the "**Manufacturing Plan**") for the next **[***]** (or such other period or periods as may be agreed in writing by the Parties) and shall submit the Manufacturing Plan to the Purchaser for its review and comment. The Manufacturing Plan shall reflect the planning process contained in this Article 3. The Manufacturing Plan shall address various manufacturing issues, including the DRAM Products to be manufactured, a loading plan (by Design ID and Process Node for the DRAM Products to be produced, including, if applicable, a breakout of the DRAM Products, by Design ID and Process Node, to be produced for any Persons other than the Purchaser) and weekly loading and output (including, if applicable, a breakout, by Design ID and Process Node, the wafers designated for any Persons other than the Purchaser). The Manufacturing Plan covering **[***]** shall be agreed by the Parties prior to the Effective Date.

3.2 Annual Calendar. Prior to the beginning of each Fiscal Year, the Parties shall establish a planning calendar for such Fiscal Year (each, an "**Annual Calendar**") that sets forth key planning and finance dates during such Fiscal Year, which may include the dates on which the Parties will (a) deliver the Monthly Planning Statements (or the components thereof), the Demand Forecasts, the Responses to Forecast, the Operational Reports, the Long Range Forecast, the Preliminary Price Notices, the Purchase Orders and any other information that may be agreed in writing by the Parties, and (b) hold the Quarterly Business Reviews and Monthly Financial Reviews

described in Section 3.11, *provided* that such dates shall be consistent with this Article 3 and Article 4, as applicable, and shall generally be consistent with the Purchaser's internal planning calendar for such Fiscal Year. In addition, the Annual Calendar may reflect the dates during such Fiscal Year on which the Parties will be required by this Agreement to deliver Purchaser Pricing Reports, Inotera Financial Reports and Final Invoices. The Parties may alter the dates described in an Annual Calendar at any time, *provided* that such altered dates are consistent with this Article 3 and Article 4, as applicable, and are agreed in writing by the Parties. The Parties will agree to the Annual Calendar for 2016 prior to the Effective Date.

3.3 Monthly Planning Statement. Each Fiscal Month, Inotera shall deliver to the Purchaser one or more statements (collectively for each Fiscal Month, a "**Monthly Planning Statement**") setting forth (a) for each Process Node, the anticipated Committed Purchaser Manufacturing Capacity for each of the next **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) taking into account, among other things, **[***]** that were included in the Response to Forecast delivered in the prior Fiscal Month, (b) for each Design ID, the **[***]** as the Purchaser and Inotera may agree in writing for such Design ID for each of the next **[***]** Fiscal Months and (c) the Boundary Conditions applicable to the next **[***]** Fiscal Months.

3.4 Demand Forecast. Following receipt of a Monthly Planning Statement as contemplated by Section 3.3, the Purchaser shall deliver to Inotera a written non-binding forecast of the Purchaser's demand (each, a "**Demand Forecast**") for the **[***]** Fiscal Months (or such other period as may be agreed in writing by the Parties) covered by such Monthly Planning Statement. Each Demand Forecast (a) shall include the total number of Conforming Wafers (broken out by Design ID and Process Node) and Pre-Qual Wafers (broken out by Design ID and Process Node) requested by the Purchaser for the period covered by such Demand Forecast (broken out weekly) and (b) shall be consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates.

3.5 Response to Forecast; Resolution of Conflicts. Following receipt of a Demand Forecast as contemplated by Section 3.4, Inotera shall deliver to the Purchaser a written response that, so long as such Demand Forecast delivered by the Purchaser is consistent with the Committed Purchaser Manufacturing Capacity and Boundary Conditions set forth in the Monthly Planning Statement to which it relates, indicates Inotera commits to supply Conforming Wafers and Pre-Qual Wafers based on such Demand Forecast (each, a "**Response to Forecast**"). In preparing any Response to Forecast at any time the Committed Purchaser Manufacturing Capacity is less than 100% of the Manufacturing Capacity of Inotera at the Inotera Fab, if there is a conflict with respect to the manufacture of wafers for the Purchaser pursuant to this Agreement and the manufacture of wafers or other products for any other Person, such conflict shall be resolved **[***]** and the manufacture of wafers for the **[***]**.

3.6 Changes to Demand Forecast. The Purchaser may deliver to Inotera an adjusted Demand Forecast for any purpose, including to reduce the number of Conforming Wafers and Pre-Qual Wafers to be delivered to the Purchaser, to increase the number of Conforming Wafers and Pre-Qual Wafers to be delivered to the Purchaser (if less than all of the Committed Purchaser

Manufacturing Capacity was previously included in the Demand Forecast) and to change the Design ID mix of Conforming Wafers and Pre-Qual Wafers to be manufactured utilizing a particular Process Node, at any time until **[***]** prior to the scheduled loading of the wafers affected by adjustments reflected in the adjusted Demand Forecast. In such event, Inotera shall deliver to the Purchaser a revised Response to Forecast that, so long as such adjustments are consistent with the Committed Purchaser Manufacturing Capacity and the Boundary Conditions set forth in the most recently delivered Monthly Planning Statement, indicates Inotera commits to supply Conforming Wafers and Pre-Qual Wafers based on such adjustments.

3.7 **[***]** Statements. At least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth the number of Conforming Wafers and Pre-Qual Wafers (in each case, by Design ID) that are anticipated to be delivered to the Purchaser during each of the next **[***]**. In addition, at least **[***]**, Inotera shall deliver to the Purchaser a statement setting forth:

(a) by Design ID, the number of Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers that were delivered to the Purchaser in the immediately preceding **[***]**;

(b) by Design ID, the Die Yield, Line Yield and Cycle-Time in the immediately preceding **[***]**; and

(c) such other Performance Criteria as the Purchaser and Inotera may agree in writing.

3.8 Inotera Financial Report. Within **[***]** days after the end of each Delivery Month in the case of **[***]** and within **[***]** Business Days after the end of each Delivery Month in the case of **[***]** (or such other number of days as may be agreed in writing by the Parties), Inotera shall deliver to the Purchaser a report (each, a "**Inotera Financial Report**") which shall include:

(a) a detailed calculation, by Design ID, of Final Conforming Wafer Price for the Delivery Month just ended;

(b) a detailed calculation, by Process Node, of JVC Per Design ID, Conforming Wafers JVC Per Design ID and Conforming Wafers JVC Per Wafer Per Node (as each such term is defined in Schedule 5.1(a)) for the Delivery Month just ended;

(c) if Non-HMC Pre-Qual Wafers were delivered in the Delivery Month just ended, a detailed calculation, by Design ID, of the Price of such Non-HMC Pre-Qual Wafers;

(d) if HMC Conforming Wafers and/or HMC Pre-Qual Wafers were delivered in the Delivery Month just ended, a detailed calculation, by Design ID, of the "cost" (as determined in accordance with Section 5.1(b) and/or Section 5.2 (b), as applicable) of such HMC Conforming Wafers and/or HMC Pre-Qual Wafers; and

(e) other financial information regarding Inotera for the Delivery Month just ended, consistent with the financial information regarding Inotera that has been historically provided to Micron by Inotera.

The Purchaser will not use or disclose Inotera Financial Reports, or the contents thereof, received by the Purchaser in contravention of any Applicable Law.

3.9 Operational Report. Each Fiscal Quarter, Inotera shall deliver to the Purchaser a report with respect to the Fiscal Quarter just ended (the "**Operational Report**"), which shall include:

(a) a comparison of **[***]** relative to the **[***]** delivered in the **[***]** immediately prior to the **[***]**, together with a comparison of **[***]** for the next **[***]** relative to the **[***]**;

(b) a summary of **[***]**, a summary of **[***]**, including **[***]** and other indicators that may evidence or impact the **[***]**, and a description of any **[***]**;

(c) a description of **[***]** or other **[***]**, including any **[***]** or other indicator, summarized pursuant to Section 3.9(b); and

(d) a description of **[***]** (and **[***]**, if known) that are not reflected in **[***]** which may **[***]**.

3.10 Purchaser Pricing Report. Each Fiscal Month, as soon as practicable, but no later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) after the end of the Fiscal Month just ended, the Purchaser shall deliver to Inotera a report (each, a "**Purchaser Pricing Report**"), which shall include (a) the detailed calculation of the Price of Non-HMC Conforming Wafers, Non-HMC Pre-Qual Wafers, HMC Conforming Wafers and HMC Pre-Qual Wafers delivered in the Fiscal Month just ended and (b) the detailed calculation of the **[***]** Payment Amount for the Fiscal Month just ended. The "**[***] Payment Amount**" for any Fiscal Month shall be calculated in accordance with Schedule 3.10. Inotera will not use or disclose the Purchaser Pricing Reports, or the contents thereof, received by Inotera in contravention of any Applicable Law.

3.11 Periodic Performance Reviews.

(a) Inotera shall hold quarterly meetings (each, a "**Quarterly Business Review**") with the Purchaser, the primary purposes of which shall be to review and discuss the most recent Operational Report and the Performance Criteria and to mutually agree on operational adjustments if necessary.

(b) The Purchaser and Inotera shall hold monthly meetings (each, a "**Monthly Financial Review**") to review and discuss (i) at the election of the Purchaser, the Inotera Financial Reports received by the Purchaser since the last such meeting, and (ii) at the election of Inotera, the Purchaser Pricing Reports delivered by the Purchaser since the last such meeting.

3.12 Long Range Forecast. Each Fiscal Year, the Purchaser will provide Inotera, for its review and comment, with a written non-binding forecast (each, a "**Long Range Forecast**") of the Purchaser's demand for Conforming Wafers and Pre-Qual Wafers for the next **[***]** or, if the Purchaser Wind-Down Period has commenced, for the remaining duration of the Purchaser Wind-Down Period.

3.13 Restrictions on Access to Pricing Information; Nonsolicitation of Segregated Employees.

(a) Inotera shall prevent any Person that is not a Segregated Employee from obtaining access to the pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports), or the data from which pricing information is derived from, delivered to, or created by, Inotera under this Agreement, except (i) as the Parties may otherwise agree in writing, (ii) as may be required by legal process under Applicable Law, and (iii) that Inotera may provide (A) the Purchaser with Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices, Final Invoices and the data from which such Inotera Financial Reports, Preliminary Price Notices, Pro Forma Invoices or Final Invoices are derived, (B) any independent Third Party auditor acting as contemplated by Section 6.4 with such information as such auditor may request that is reasonably relevant to the applicable inspection and audit, and (C) Inotera's independent outside auditors with such information as such auditor may reasonably request in connection with its audit of Inotera's financial statements and other statutory audit requirements (the items in clauses (i), (ii) and (iii) being referred to as the "**Permitted Disclosures**"). Without limiting the generality of the foregoing, Inotera shall (x) develop, maintain, implement and enforce policies that (A) prohibit all Segregated Employees from disclosing, or allowing disclosure of, pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) to Persons that are not Segregated Employees, other than the Permitted Disclosures and (B) require all Segregated Employees to store all physical files related to pricing (including the Purchaser Pricing Reports and the Inotera Financial Reports) in secure locations that are not accessible by non-Segregated Employees, (y) segregate the office space of the Segregated Employees from other employees of Inotera, and (z) maintain all electronic files containing pricing information (including the Purchaser Pricing Reports and the Inotera Financial Reports) in confidential password protected files. The Purchaser shall not take any action that reasonably should be expected to cause Inotera to violate this Section 3.13.

(b) Even if permitted under Section 9.4 of the Joint Venture Agreement, the Purchaser shall not, and shall cause its Affiliates not to, directly or indirectly recruit, solicit or hire, or make arrangements to recruit, solicit or hire, any current or former Segregated Employee during the Restriction Period.

ARTICLE 4
PURCHASE AND SALE OF PRODUCTS

4.1 Product Quantity. The Purchaser shall purchase from Inotera all of the Conforming Wafers manufactured in response to the Purchaser's Demand Forecasts (including any adjusted Demand Forecast) in accordance with Article 3 and the Purchase Orders (including any revised or supplemented Purchase Order) accepted in accordance with this Article 4.

4.2 Non-Conforming Wafers. At the direction and option of the Purchaser, Inotera shall deliver to the Purchaser all Non-Conforming Wafers produced by Inotera (a) from wafers designated from Wafer Start for the Purchaser in accordance with Section 2.4 and (b) in the case of Shared Design ID Wafers, the portion thereof allocated to the Purchaser in accordance with Section 2.4.

4.3 Pre-Qual Wafers. Notwithstanding anything herein to the contrary, to the extent requested in any Purchase Order placed, or any change order to a Purchase Order issued, by the Purchaser, Inotera shall manufacture and deliver Pre-Qual Wafers in lieu of Conforming Wafers; *provided*, *however*, that in no event shall Inotera be obligated to load any HMC Pre-Qual Wafers unless and until the Parties have first negotiated and agreed as to how to calculate the Price of HMC Pre-Qual Wafers as contemplated by Section 5.2(b). Inotera shall promptly provide the Purchaser with full access to all data the Purchaser reasonably requests relating to Pre-Qual Wafers that are being manufactured by Inotera for the Purchaser.

4.4 Preliminary Price Notices; Placement of Purchase Orders.

(a) Prior to each Fiscal Month, Inotera shall deliver to the Purchaser a notice (each, a "**Preliminary Price Notice**"), which shall set forth the Preliminary Price for Conforming Wafers, the Preliminary Price for Pre-Qual Wafers and the Preliminary Price for Non-Conforming Wafers for such Fiscal Month. For the avoidance of doubt, prior to the Effective Date, Inotera shall deliver to the Purchaser a Preliminary Price Notice for the Fiscal Month commencing on the Effective Date.

(b) Prior to each Fiscal Month, following receipt of the Preliminary Price Notice with respect to such Fiscal Month, the Purchaser shall place a non-cancelable blanket purchase order (each such order, a "**Purchase Order**") for the quantity, by Design ID, of Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers to be supplied to it by Inotera in the upcoming Fiscal Month. The Purchaser shall deliver to Inotera prior to the Effective Date Purchase Orders for the Fiscal Month commencing on the Effective Date. The Purchaser may issue change orders to the Purchase Orders the Purchaser delivers to reflect changes in its Demand Forecasts in accordance with Article 3. The Purchaser may also elect to place with Inotera out-of-cycle Purchase Orders of Conforming Wafers, Pre-Qual Wafers or Non-Conforming Wafers on an as-needed basis. Any Purchase Order placed, or change order to a Purchase Order issued, hereunder shall be in writing and delivered via e-mail or facsimile transmission. The terms and conditions of this Agreement supersede the terms and conditions contained in any sales or purchase documentation provided in connection herewith unless expressly agreed otherwise in a writing signed by the Parties. Any

Purchase Order for wafers may be placed in the name of the Purchaser, Micron or any other Affiliate of the Purchaser that is a direct or indirect wholly owned Subsidiary of Micron. If a Purchase Order for wafers is placed in a name of an Affiliate of the Purchaser, the Purchaser shall be jointly and severally liable with such Affiliate for any and all responsibilities and obligations under the Purchase Order.

4.5 Content of Purchase Orders. Each Purchase Order shall specify the following items:

(a) the Purchase Order number;

(b) the Design ID of each Conforming Wafer, Pre-Qual Wafer and Non-Conforming Wafer;

(c) by Design ID, the forecasted quantity for the Fiscal Month of Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers;

(d) the Preliminary Price for each Conforming Wafer, the Preliminary Price for each Pre-Qual Wafer and the Preliminary Price for each Non-Conforming Wafer;

(e) the aggregate Preliminary Price for all Conforming Wafers ordered, the aggregate Preliminary Price for all Pre-Qual Wafers ordered and the aggregate Preliminary Price for all Non-Conforming Wafers ordered;

(f) special instructions for manufacturing Pre-Qual Wafers, if any; and

(g) other terms (if any).

Inotera shall not use or disclose the Purchaser Orders, or the contents thereof, received by Inotera in contravention of any Applicable Law.

4.6 Acceptance of Purchase Order. Each Purchase Order that (a) corresponds to the then most-recently delivered Response to Forecast (and any revised Response to Forecast) delivered in accordance with Article 3 and (b) is otherwise free of errors, shall be deemed accepted by Inotera upon receipt and shall be binding on Inotera and the Purchaser to the extent not inconsistent with the then most-recently delivered Response to Forecast (or revised Response to Forecast).

4.7 Output Shortfall; Excess Output.

(a) Inotera shall immediately notify the Purchaser in writing of any inability to meet a Purchase Order commitment to the Purchaser. In such an event, the Purchaser shall accept delivery of such lesser quantities Inotera is able to ship and issue to Inotera a revised Purchase Order to account for such shortfall.

(b) Inotera shall immediately notify the Purchaser in writing if the output to be purchased by the Purchaser under this Agreement will exceed, for any Design ID, the quantity of Conforming Wafers, Pre-Qual Wafers or Non-Conforming Wafers contained in the Purchaser's Purchase Order. In such an event, the Purchaser shall accept delivery of the additional quantities and issue to Inotera a supplementary Purchase Order to cover such excess.

4.8 Taxes.

(a) General. All sales, use and other transfer taxes imposed directly on or solely as a result of the supplying of Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers to the Purchaser and the payments therefor provided herein shall be stated separately on Inotera's Invoices, collected from the Purchaser and shall be remitted by Inotera to the appropriate tax authority ("**Recoverable Taxes**"), unless the Purchaser provides valid proof of tax exemption prior to the effective date of the transfer of the Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers or otherwise as permitted by Applicable Law prior to the time Inotera is required to pay such taxes to the appropriate tax authority. When property is delivered and/or services are provided, or the benefit of services occurs, within jurisdictions in which collection of taxes from the Purchaser and remittance of taxes by Inotera is required by Applicable Law, Inotera shall have sole responsibility for payment of said taxes to the appropriate tax authorities. In the event such taxes are Recoverable Taxes and Inotera does not collect tax from the Purchaser, or pay such taxes to the appropriate governmental entity on a timely basis, and is subsequently audited by any tax authority, liability of the Purchaser shall be limited to the tax assessment for such Recoverable Taxes with no reimbursement for penalty or interest charges or other amounts incurred in connection therewith. Notwithstanding anything herein to the contrary, taxes other than Recoverable Taxes shall not be reimbursed by the Purchaser, and each of the Purchaser and Inotera is responsible for its own respective income taxes (including franchise and other taxes based on net income or a variation thereof), taxes based upon gross revenues or receipts and taxes with respect to general overhead, including business and occupation taxes, and such taxes shall not be Recoverable Taxes.

(b) Withholding Taxes. In the event that the Purchaser is prohibited by Applicable Law from making payments to Inotera unless the Purchaser deducts or withholds taxes therefrom and remits such taxes to the local taxing jurisdiction, then the Purchaser shall duly withhold and remit such taxes and shall pay to Inotera the remaining net amount after the taxes have been withheld. Such taxes shall not be Recoverable Taxes and the Purchaser shall not reimburse Inotera for the amount of such taxes withheld.

4.9 Invoicing; Payment.

(a) Along with each delivery of Conforming Wafers, Pre-Qual Wafers or Non-Conforming Wafers to the Purchaser, Inotera shall invoice the Purchaser for the aggregate Preliminary Price of the Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers contained in such delivery (a "**Pro Forma Invoice**").

(b) No later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Delivery Month, Inotera shall deliver to the Purchaser a statement setting forth Inotera's estimates of JVC Per Design ID, Conforming Wafers JVC Per Design ID and Conforming Wafers JVC Per Wafer Per Node (as such terms are defined in Schedule 5.1(a)) for such Delivery Month. No later than **[***]** days (or such other number of days as may be agreed in writing by the Parties) prior to the end of each Delivery Month, the Purchaser shall deliver to Inotera a statement setting forth the Purchaser's estimates of the Price of Non-HMC Conforming Wafers for such Delivery Month and **[***]** Payment Amounts for such Delivery Month.

(c) Within **[***]** Business Days (or such other number of days as may be agreed in writing by the Parties) after the delivery of the Purchaser Pricing Report, Inotera shall issue to the Purchaser a final invoice (a "**Final Invoice**"), which shall include a debit equal to the Price True-Up Amount for such Delivery Month, if positive, and a credit equal to the Price True-Up Amount for such Delivery Month, if negative.

(d) Except as otherwise specified in this Agreement, (i) the Purchaser shall pay Inotera for the amounts due and owing by, and duly invoiced in a Pro Forma Invoice to, the Purchaser within **[***]** days following delivery to the Purchaser of the Final Invoice for the Delivery Month in which such Pro Forma Invoice was delivered or, if longer, within **[***]** days following the end of such Delivery Month and (ii) the Purchaser shall pay Inotera for the amount due and owing by, and duly invoiced in a Final Invoice to, the Purchaser within **[***]** days following the delivery to the Purchaser of such Final Invoice or, if later, within **[***]** days following the end of the Delivery Month covered thereby. All amounts owed under this Agreement are stated, calculated and shall be paid in United States Dollars.

(e) If the Purchaser does not pay Inotera for the amounts due under this Agreement, interest on the unpaid invoiced amounts will be calculated and imposed at the rate of **[***]** percent (**[***]**%) per annum, on a daily basis, from the due date until the payment is made, *provided* that, if the due date falls on a day that is not a Business Day, the payment shall be due by the next succeeding Business Day. However, if the Purchaser and Inotera do not agree on the payment amount of any Pro Forma Invoice or Final Invoice, interest on the disputed amount will not be imposed and accrued under this Agreement.

(f) In the event that the Purchaser reasonably disputes any Pro Forma Invoice or Final Invoice provided hereunder, the Purchaser and Inotera will each appoint an officer who will use their best efforts to resolve such dispute within **[***]** days following the date such dispute is raised by the Purchaser. If such officers are unable to resolve the dispute in the given **[***]** days, then the dispute shall be submitted to the respective presidents of the Purchaser and Inotera for resolution.

(g) If this Agreement has terminated or is terminating so that the Purchaser will not be able to use any credits issued by Inotera to the Purchaser, Inotera will promptly pay to the Purchaser an amount equal to such credits.

4.10 Payment to Subcontractors. Inotera shall be responsible for, and shall hold the Purchaser harmless from and against, any and all payments to the vendors or subcontractors Inotera utilizes in the performance of this Agreement.

4.11 Title; Risk of Loss. Title to, and risk of loss of, Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers shall pass to the Purchaser **[***]** according to Incoterms 2010, as amended, *provided* that Inotera will **[***]**, and will assist the Purchaser in **[***]** of, the Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers in a manner consistent with past practices.

4.12 Packaging. All shipment packaging of the Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers shall be in conformance with the applicable Specifications, the Purchaser's reasonable instructions and general industry standards, and shall be resistant to damage that may occur during transportation. Marking on the packages shall be made by Inotera in accordance with the Purchaser's reasonable instructions.

4.13 Shipment. All Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers shall be prepared for shipment in a manner that: (a) follows good commercial practice; (b) is acceptable to common carriers for shipment at the lowest rate; and (c) is adequate to ensure safe arrival. Inotera shall mark all containers with (i) necessary lifting, handling and shipping information; (ii) Purchase Order number; (iii) date of shipment; and (iv) the name of the Purchaser. If no instructions are given, Inotera shall select the most price effective carrier, given the time constraints known to Inotera. In no event shall Inotera be obligated to maintain any significant inventory for the Purchaser.

4.14 Customs Clearance. Upon the Purchaser's request, Inotera shall promptly provide the Purchaser with a statement of origin, and applicable customs documentation, for Conforming Wafers, Pre-Qual Wafers and Non-Conforming Wafers wholly or partially manufactured outside of the country of import.

ARTICLE 5
PRICING

5.1 Price of Conforming Wafers.

(a) The "**Price**" of each Non-HMC Conforming Wafer of a particular Design ID in any particular Delivery Month shall be calculated in accordance with Schedule 5.1(a).

(b) The "**Price**" of each HMC Conforming Wafer shall be calculated on a **[***]** basis to be negotiated in good faith by the Parties prior to Inotera loading any HMC Wafers.

(c) The "**Final Conforming Wafer Price**" of each Non-HMC Conforming Wafer and HMC Conforming Wafer of a particular Design ID in any particular Delivery Month shall equal ***the quotient of*** **(i)** ***the sum of*** **(A)** the aggregate Price of all Non-HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(a), **plus (B)** the aggregate Price of all HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month calculated in accordance with Section 5.1(b), **plus (C)** the **[***]** Payment Amount for such Design ID for such Delivery Month, if any, **minus (D)** the **[***]** for such Design ID for such Delivery Month, **divided by (ii)** ***the sum of*** **(A)** the number of Non-HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month **plus (B)** the number of HMC Conforming Wafers of such Design ID delivered to the Purchaser in such Delivery Month.

5.2 Price of Pre-Qual Wafers.

(a) The "**Price**" of each Non-HMC Pre-Qual Wafer delivered to the Purchaser during a Delivery Month shall be calculated in accordance with Schedule 5.2 (a).

(b) The "**Price**" of each HMC Pre-Qual Wafer shall be calculated on a **[***]** basis to be negotiated in good faith by the Parties prior to Inotera loading any HMC Wafers.

5.3 Price of Non-Conforming Wafers. Any Non-Conforming Wafers delivered to the Purchaser during a Delivery Month shall be **[***]**.

ARTICLE 6
VISITATIONS; FACTORY REPRESENTATIVES; AUDITS

6.1 Visits. Inotera shall accommodate the Purchaser's reasonable requests for visits to the Inotera Fab and for meetings for the purpose of reviewing performance of production of Conforming Wafers, including requests for further information and assistance in troubleshooting performance issues.

6.2 Factory Representatives. At Micron's or the Purchaser's request, Inotera will designate at least one (1) of its employees with sufficient knowledge of and expertise in the operation of the Inotera Fab to interface with Micron and the Purchaser in a manner consistent with past practices. This employee will be the central point of contact for communication between Micron and the Purchaser, on the one hand, and Inotera, on the other hand, in regards to operational issues at the Inotera Fab arising out of the performance of this Agreement. Such employee will enter into such confidentiality agreement as Micron or the Purchaser may reasonably require.

6.3 Audit. The Purchaser's representatives and key customer representatives, upon the Purchaser's request, shall be allowed to visit the Inotera Fab during normal working hours upon reasonable advance written notice to Inotera for the purposes of monitoring production processes and compliance with any requirements set forth in this Agreement applicable to the supply to the Purchaser and the applicable Specifications. Upon completion of the audit, Inotera and the Purchaser shall agree to an audit closure plan, to be documented in the audit report issued by the Purchaser.

6.4 Financial Audit.

(a) Micron and the Purchaser reserve the right to have Inotera's books and records related to pricing of the Conforming Wafers (including each of the components of Final Conforming Wafer Price) and Pre-Qual Wafers purchased by the Purchaser during both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 3 and Article 5. Such audit shall be performed, at the expense of Micron or the Purchaser, by an independent Third Party auditor acceptable to the Parties. Micron and the Purchaser shall provide **[***]** days advance written notice to Inotera of their desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt Inotera's business operations. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the foregoing, auditor reports shall not disclose pricing, or terms of purchase, for any purchases of materials or equipment by Inotera, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by Inotera, Micron and the Purchaser may increase the frequency of such audits to **[***]** for the **[***]**.

(b) Inotera reserves the right to have the books and records of Micron and the Purchaser related to the Purchaser Pricing Reports for both the then current Fiscal Year and the prior Fiscal Year inspected and audited not more than **[***]** during any Fiscal Year to ensure compliance with Article 5. Such audit shall be performed, at Inotera's expense, by an independent Third Party auditor acceptable to the Parties. Inotera shall provide **[***]** days advance written notice to Micron and the Purchaser of its desire to initiate an audit, and the audit shall be scheduled so that it does not adversely impact or interrupt the business operations of Micron or the Purchaser. If the audit reveals any material discrepancies, the Purchaser or Inotera shall reimburse the other, as applicable, for any material discrepancies within **[***]** days after completion of the audit. The nature and extent of the discrepancies identified by the audit shall be reported to the Parties. Notwithstanding the foregoing, auditor reports shall not disclose (i) **[***]** for **[***]** by Micron or the Purchaser, (ii) the back end **[***]** costs of Micron or the Purchaser, or (iii) the **[***]** (**[***]**) by Micron or the Purchaser, absent written agreement from the respective legal counsel of the Parties. If any audit reveals a material discrepancy requiring a payment by the Purchaser, Inotera may increase the frequency of such audits to **[***]** for the **[***]**.

(c) Information regarding the pricing of the Conforming Wafers (including each of the components of Final Conforming Wafer Price) and Pre-Qual Wafers purchased by the Purchaser and the Purchaser Pricing Reports as to which audit rights under this Section 6.4 have expired shall be deemed final and conclusive for all purposes (absent fraud or willful misconduct), except to the extent that (i) an audit with respect thereto has been commenced under this Section 6.4 prior to such expiration and (ii) the process under this Section 6.4 has not been fully completed with respect to such audit. The Parties acknowledge the possibility that an audit commenced pursuant to this Section 6.4 for the then current Fiscal Year and the prior Fiscal Year may not be completed prior to **[***]**.

ARTICLE 7
WARRANTY; HAZARDOUS SUBSTANCES; DISCLAIMER

7.1 Warranties.

(a) Conforming Wafers. Inotera makes the following warranties to the Purchaser of Conforming Wafers hereunder regarding the Conforming Wafers furnished to the Purchaser hereunder, which warranties shall survive any delivery, inspection, acceptance, payment or resale of such Conforming Wafers:

(i) such Conforming Wafers conform to all applicable Specifications;

(ii) such Conforming Wafers are free from defects in materials and workmanship; and

(iii) Inotera has the necessary right, title and interest to such Conforming Wafers, and, upon the sale of such Conforming Wafers to the Purchaser, such Conforming Wafers shall be free of liens and encumbrances.

(b) Pre-Qual Production Wafers. Inotera makes the following warranties to the Purchaser of Pre-Qual Production Wafers hereunder regarding the Pre-Qual Production Wafers furnished to the Purchaser hereunder, which warranties shall survive any delivery, inspection, acceptance, payment or resale of such Pre-Qual Production Wafers:

(i) such Pre-Qual Production Wafers are free from defects in materials and workmanship based on material and end product specifications provided by Micron; and

(ii) Inotera has the necessary right, title and interest to such Pre-Qual Production Wafers, and, upon the sale of such Pre-Qual Production Wafers to the Purchaser, such Pre-Qual Production Wafers shall be free of liens and encumbrances.

(c) Pre-Qual Engineering Wafers and Non-Conforming Wafers. ALL PRE-QUAL ENGINEERING WAFERS AND NON-CONFORMING WAFERS PROVIDED HEREUNDER ARE PROVIDED ON AN "AS IS," "WHERE IS" BASIS WITH ALL FAULTS AND DEFECTS WITHOUT WARRANTY OF ANY KIND.

7.2 Warranty Claims. Within a period of time, not to exceed the lesser of the actual warranty period applicable to the end customer for the DRAM Product at issue or **[***]** months from the date of the delivery of the Conforming Wafers or Pre-Qual Production Wafers at issue to the Purchaser, the Purchaser shall notify Inotera if it believes that any Conforming Wafer or Pre-Qual Production Wafer does not meet the warranty set forth in Section 7.1. The Purchaser shall return such Conforming Wafer or Pre-Qual Production Wafer (or DRAM Product therefrom) to Inotera as directed by Inotera. If a Conforming Wafer or Pre-Qual Production Wafer is determined not to be in compliance with such warranty, then the Purchaser shall be entitled to return such Conforming Wafer or Pre-Qual Production Wafer (or DRAM Product therefrom) and receive a credit (or, if this Agreement has terminated or is terminating so that it will not be able to use such credit, a refund) equal to ***the sum of*** **(a)** any monies paid to Inotera by the Purchaser in respect of such Conforming Wafer or Pre-Qual Production Wafer **plus (b)** any out-of-pocket charges for shipping and handling reasonably incurred by the Purchaser in connection with such Conforming Wafer or Pre-Qual Production Wafer. THE FOREGOING REMEDY IS THE PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR INOTERA'S FAILURE TO MEET ANY WARRANTY OF SECTION 7.1.

7.3 Inspections. The Purchaser may, upon reasonable advance written notice, request samples of WIP designated to the Purchaser (whether individually as contemplated by Section 2.4(b) or together with others as contemplated by Section 2.4(a)) during production for purposes of determining compliance with the requirements and applicable Specification(s) hereunder, *provided* that the provision of such samples shall not materially impact Inotera's performance under the Manufacturing Plan or its ability to meet delivery requirements under any accepted Purchase Order. Any samples provided hereunder shall be: (a) limited in quantity to the amount reasonably necessary for the purposes hereunder; (b) invoiced and paid for in accordance with Section 4.9; and (c) included in any performance requirements. Inotera shall provide reasonable assistance for the safety and convenience of the Purchaser in obtaining the samples in such manner as shall not unreasonably hinder or delay Inotera's performance.

7.4 Hazardous Substances.

(a) If Conforming Wafers, Pre-Qual Wafers, Non-Conforming Wafers or DRAM Products provided hereunder include Hazardous Substances as determined in accordance with Applicable Law, Inotera shall ensure that its employees, agents and subcontractors actually working with such materials in providing the Conforming Wafers, Pre-Qual Wafers, Non-Conforming Wafers or DRAM Products hereunder to the Purchaser are trained in accordance with Applicable Law regarding the nature of, and hazards associated with, the handling, transportation and use of such Hazardous Substances.

(b) To the extent required by Applicable Law, Inotera shall provide the Purchaser with Material Safety Data Sheets (MSDS) either prior to or accompanying any delivery of Conforming Wafers, Pre-Qual Wafers, Non-Conforming Wafers or DRAM Products to the Purchaser.

(c) Inotera shall indemnify, defend and hold harmless the Purchaser from and against any and all Indemnified Losses suffered or incurred by the Purchaser based on, relating to, or arising under any Environmental Laws and related to the manufacture of Conforming Wafers, Pre-Qual Wafers, Non-Conforming Wafers or DRAM Products by Inotera.

7.5 Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE 7, INOTERA HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, NON-INFRINGEMENT OR OTHERWISE, WITH RESPECT TO THE CONFORMING WAFERS, PRE-QUAL WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS PROVIDED UNDER THIS AGREEMENT. NO WARRANTIES SHALL APPLY TO ANY OF THE CONFORMING WAFERS, PRE-QUAL WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS THAT HAVE BEEN REPAIRED OR ALTERED, EXCEPT AS AUTHORIZED BY INOTERA, OR WHICH ARE SUBJECTED TO MISUSE, NEGLIGENCE, ACCIDENT OR ABUSE. NO WARRANTIES FOR CONFORMING WAFERS, PRE-QUAL WAFERS, NON-CONFORMING WAFERS OR DRAM PRODUCTS DELIVERED BY INOTERA TO THE PURCHASER SHALL APPLY TO ANY WARRANTY CLAIM OR ISSUE OR DEFECT TO THE EXTENT CAUSED BY TECHNICAL MATERIALS PROVIDED OR SPECIFIED BY, THROUGH OR ON BEHALF OF THE PURCHASER, INCLUDING PRODUCT DESIGNS, TECHNOLOGY AND TEST PROGRAMS.

ARTICLE 8
CONFIDENTIALITY; OWNERSHIP

8.1 Protection and Use of Confidential Information. All information provided, disclosed or obtained by any Party in the performance of activities under this Agreement shall be subject to all applicable provisions of the Micron/Inotera Confidentiality Agreement. Furthermore, the terms and conditions of this Agreement shall be considered "Confidential Information" under the Micron/Inotera Confidentiality Agreement for which each Party is considered a "Receiving Party" under such agreement. To the extent there is a conflict between this Agreement and the Micron/Inotera Confidentiality Agreement, the terms of this Agreement shall control.

8.2 Masks for DRAM Products. Any masks used by Inotera to manufacture DRAM Products under this Agreement shall be based on DRAM Designs owned by Micron or its Affiliates and shall be treated as "Confidential Information" of Micron under the Micron/Inotera Confidentiality Agreement.

ARTICLE 9
INDEMNIFICATION

9.1 General Indemnity. Subject to Article 10:

(a) Inotera shall indemnify, defend and hold harmless the Purchaser Indemnified Parties from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, resulting from the negligence, gross negligence or willful misconduct of Inotera or any of its respective officers, directors, employees, agents or subcontractors.

(b) the Purchaser shall indemnify, defend and hold harmless Inotera from and against any and all Indemnified Losses based on, or attributable to, any Third Party Claim, or threatened Third Party Claim, wherein the Third Party alleges that DRAM Products manufactured for and/or sold to the Purchaser by Inotera are infringing intellectual property rights of such Third Party.

9.2 Indemnification Procedures.

(a) Promptly after the receipt by any Purchaser Indemnified Party or Inotera (an "**Indemnified Party**") of a notice of any Third Party Claim that may be subject to indemnification under Section 9.1, such Indemnified Party shall give written notice of such Third Party Claim to the Party obligated to provide such indemnification under Section 9.1 (an "**Indemnifying Party**"), stating in reasonable detail the nature and basis of each allegation made in the Third Party Claim and the amount of potential Indemnified Losses with respect to each allegation, to the extent known, along with copies of the relevant documents received by the Indemnified Party evidencing the Third Party Claim and the basis for indemnification sought. Failure of the Indemnified Party to give such notice shall not relieve the Indemnifying Party from liability on account of this indemnification, except if, and only to the extent that, the Indemnifying Party is actually prejudiced by such failure or delay. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. The Indemnifying Party shall have the right to assume the defense of the Indemnified Party with respect to such Third Party Claim upon written notice to the Indemnified Party delivered within thirty (30) days after receipt of the particular notice from the Indemnified Party. So long as the Indemnifying Party has assumed the defense of the Third Party Claim in accordance herewith and notified the Indemnified Party in writing thereof, (i) the Indemnified Party may retain separate co-counsel, at its sole cost and expense, and participate in the defense of the Third Party Claim, it being understood that the Indemnifying Party shall pay all reasonable costs and expenses of counsel for the Indemnified Party after such time as the Indemnified Party has notified the Indemnifying Party of such Third Party Claim and prior to such time as the Indemnifying Party has notified the Indemnified Party that it has assumed the defense of such Third Party Claim, (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to a Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed)

and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim (other than a judgment or settlement that is solely for money damages and is accompanied by a release of all indemnifiable claims against the Indemnified Party) without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed).

(b) Equitable Remedies. In the case of any Third Party Claim where the Indemnifying Party reasonably believes that it would be appropriate to settle such Third Party Claim using equitable remedies (*i.e.*, remedies involving future activity of the Indemnified Party), the Indemnifying Party and the Indemnified Party shall work together in good faith to agree to a settlement; *provided*, *however*, that no Party shall be under any obligation to agree to any such settlement.

(c) Treatment of Indemnification Payments; Insurance Recoveries. Any indemnity payment under this Agreement shall be decreased by any amounts actually recovered by the Indemnified Party under Third Party insurance policies with respect to such Indemnified Losses (net of any premiums paid by such Indemnified Party under the relevant insurance policy). Each Party agrees (i) to use all reasonable efforts to recover all available insurance proceeds and (ii) to the extent that any indemnity payment under this Agreement has been paid by the Indemnifying Party to the Indemnified Party prior to the recovery by the Indemnified Party of such insurance proceeds, the amount of such insurance proceeds actually recovered by the Indemnified Party shall be promptly paid to the Indemnifying Party.

(d) Certain Additional Procedures. The Indemnified Party shall cooperate and assist the Indemnifying Party in determining the validity of any Third Party Claim and in otherwise resolving such matters. The Indemnified Party shall cooperate in the defense by the Indemnifying Party of each Third Party Claim (and the Indemnified Party and the Indemnifying Party agree with respect to all such Third Party Claims that a common interest privilege agreement exists between them), including: (i) permitting the Indemnifying Party to discuss the Third Party Claim with such officers, employees, consultants and representatives of the Indemnified Party as the Indemnifying Party reasonably requests; (ii) providing to the Indemnifying Party copies of documents and samples of products as the Indemnifying Party reasonably requests in connection with defending such Third Party Claim; (iii) preserving all properties, books, records, papers, documents, plans, drawings, electronic mail and databases of the Indemnifying Party and relating to matters pertinent to the conduct of the Indemnifying Party under the Indemnified Party's custody or control in accordance with such Party's corporate documents retention policies, or longer to the extent reasonably requested by the Indemnifying Party; (iv) notifying the Indemnifying Party promptly of receipt by the Indemnified Party of any subpoena or other Third Party request for documents or interviews and testimony; (v) providing to the Indemnifying Party copies of any documents produced by the Indemnified Party in response to or compliance with any subpoena or other Third Party request for documents; and (vi) except to the extent inconsistent with the Indemnified Party's obligations under Applicable Law and except to the extent that to do so would subject the Indemnified Party or its employees, agents or representatives to criminal or civil sanctions, unless ordered by a court to do

otherwise, not producing documents to a Third Party until the Indemnifying Party has been provided a reasonable opportunity to review, copy and assert privileges covering such documents.

ARTICLE 10
LIMITATION OF LIABILITY

10.1 Damages Limitation. SUBJECT TO SECTION 10.2, IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL OR OTHER INDIRECT DAMAGES OR ANY PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER SUCH DAMAGES ARE BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.2 Exclusions. Section 10.1 shall not apply to Section 7.4(c) or to any Party's breach of Article 8.

10.3 Mitigation. Each Party shall have a duty to use commercially reasonable efforts to mitigate damages for which another Party is responsible.

ARTICLE 11
TERM AND TERMINATION

11.1 Term.

(a) General. The term of this Agreement (the **"Term**") shall commence on the Effective Date and continue in effect until the second anniversary of the Effective Date, subject to potential extensions as contemplated below. For the avoidance of doubt, in the event that the initial Term is not extended as contemplated below, the last day of the Term will be December 31, 2017, the first day of the Purchaser Wind-Down Period will be January 1, 2018 and the last day of the Purchaser Wind-Down Period will be December 31, 2020.

(b) Process for Two-Year Extension. During November 2016, officers appointed by the Parties shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by two (2) years, with such amendments to pricing and other terms as the Parties may mutually agree in writing. If by the first day of December 2016 the Parties have not mutually agreed in writing to extend the Term by two (2) years, the matter shall be escalated to the president of Micron, acting on behalf of Micron and the Purchaser, and a designee of the Board of Directors of Inotera, acting on behalf of Inotera, who shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by two (2) years. The meetings contemplated by this Section 11.1(b) shall be held on dates and by means, including remote communications, as agreed by the Parties. For the avoidance of doubt, Micron and the Purchaser may condition their agreement to any extension contemplated by this Section 11.1(b) upon the adoption by the Board of Directors

of Inotera of a Business Plan acceptable to Micron and the Purchaser covering the remaining Term as it would be extended by such agreement.

(c) Process for Subsequent Extensions. In the event that the Term is extended as contemplated by Section 11.1(b), during the month that is twenty-six (26) months prior to the end of the Term then in effect, officers appointed by the Parties shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by one (1) year, with such amendments to pricing and other terms as the Parties may mutually agree in writing. If by the first day of the month that is twenty-five (25) months prior to the end of the Term then in effect the Parties have not mutually agreed in writing to extend the Term by one (1) year, the matter shall be escalated to the president of Micron, acting on behalf of Micron and the Purchaser, and a designee of the Board of Directors of Inotera, acting on behalf of Inotera, who shall hold one (1) or more meetings to discuss in good faith the potential extension of the Term by one (1) year. The meetings contemplated by this Section 11.1(c) shall be held on dates and by means, including remote communications, as agreed by the Parties. For the avoidance of doubt, Micron and the Purchaser may condition their agreement to any extension contemplated by this Section 11.1(c) upon the adoption by the Board of Directors of Inotera of a Business Plan acceptable to Micron and the Purchaser covering the remaining Term as it would be extended by such agreement.

(d) Purchaser Wind-Down Period. If (i) the Parties have not agreed to the two-year extension contemplated by Section 11.1(b) by first day of January 2017 or (ii) the Parties have not agreed to a one-year extension contemplated by Section 11.1(c) by the first day of the month that is twenty-four (24) months prior to the end of the Term then in effect (or, in each case, such other date as may be agreed in writing by the Parties), the Term shall not be extended and, commencing immediately following the end of the Term there shall begin a three (3)-year wind-down period (the "**Purchaser Wind-Down Period**") during which, on the pricing and other terms, and subject to the conditions, applicable under this Agreement immediately prior to the end of the Term, Inotera will supply to the Purchaser, and the Purchaser will purchase from Inotera, Conforming Wafers, Pre-Qual Wafers, and Non-Conforming Wafers, except that the Committed Purchaser Manufacturing Capacity shall be modified as set forth in Sections 11.1(e) and 11.1(f). The Parties acknowledge that, during the Purchaser Wind-Down Period, Inotera may manufacture wafers or other products for one or more Persons other than the Purchaser, subject to Section 3.5.

(e) **[***]** Reductions in Aggregate Committed Purchaser Manufacturing Capacity During the Purchaser Wind-Down Period.

(i) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera shall equal **[***]** percent (**[***]**%) of Inotera's annualized aggregate Manufacturing Capacity across all Process Nodes that exists at the end of the Term (determined by annualizing the aggregate monthly Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the Term).

(ii) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera shall equal a percentage of the annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes that exists at the end of the **[***]** of the Purchaser Wind-Down Period (determined by annualizing the aggregate monthly Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the **[***]** of the Purchaser Wind-Down Period) selected by Inotera, which percentage shall be (A) equal to or less than **[***]** (**[***]**%) and (B) equal to or greater than **[***]** percent (**[***]**%) (*provided* that, if Inotera does not notify Micron and the Purchaser in writing of its selection at least **[***]** prior to the commencement of the **[***]** of the Purchaser Wind-Down Period, such percentage shall be **[***]** percent (**[***]**%)).

(iii) During the **[***]** of the Purchaser Wind-Down Period, annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera shall equal a percentage of the annualized aggregate Committed Purchaser Manufacturing Capacity across all Process Nodes that exists at the end of the **[***]** of the Purchaser Wind-Down Period (determined by annualizing the aggregate monthly Committed Purchaser Manufacturing Capacity across all Process Nodes installed at Inotera for the final Delivery Month of the **[***]** of the Purchaser Wind-Down Period) selected by Inotera, which percentage shall be (A) equal to or less than **[***]** (**[***]**%) and (B) equal to or greater than **[***]** percent (**[***]**%) (*provided* that, if Inotera does not notify Micron and the Purchaser in writing of its selection at least **[***]** prior to the commencement of the **[***]** of the Purchaser Wind-Down Period, such percentage shall be **[***]** percent (**[***]**%)).

(f) Process Node Allocation of Aggregate Committed Purchaser Manufacturing Capacity During the Purchaser Wind-Down Period. Not later than **[***]** prior to the commencement of **[***]** of the Purchaser Wind-Down Period, the Purchaser shall provide a written notice (the "**Process Node Allocation Notice**") to Inotera specifying, by Process Node, the quantity of Conforming Wafers Inotera will be required to manufacture utilizing such Process Nodes pursuant to this Agreement during such **[***]**; *provided* that (i) the quantity of Conforming Wafers for a particular Process Node may not exceed the aggregate Manufacturing Capacity of such Process Node for such **[***]** as specified in the Monthly Planning Statement delivered by Inotera immediately prior to the delivery of such Process Node Allocation Notice and (ii) the aggregate quantity of Conforming Wafers specified for all Process Nodes shall be equal to the aggregate Committed Purchaser Manufacturing Capacity for such **[***]**, as determined in accordance with Section 11.1(e). During **[***]** of the Purchaser Wind-Down Period, Inotera shall manufacture quantities of Conforming Wafers (or, if required pursuant to Section 4.3, Pre-Qual Wafers ordered in lieu thereof) in accordance with the applicable Process Node Allocation Notice, as such quantities may be modified pursuant to the terms of this Agreement.

11.2 Termination.

(a) Except as otherwise provided in this Section 11.2, this Agreement may not be terminated by any Party during either the Term or the Purchaser Wind-Down Period.

(b) Notwithstanding anything herein to the contrary, upon the occurrence of an **[***]** (as defined in the Joint Venture Agreement), if **[***]** (as defined in the Joint Venture Agreement) within **[***]** (or such other period as the Purchaser may agree in writing) following the **[***]** and **[***]** shall have the right to terminate this Agreement effective upon written notice to **[***]**, *provided* that **[***]**.

(c) Notwithstanding anything herein to the contrary, Micron and the Purchaser shall have the right to terminate this Agreement, effective upon written notice to Inotera, in the event that: (i) Inotera files a petition under or otherwise seeks to take advantage of laws relating to bankruptcy, insolvency, suspension of payments, reorganization or rehabilitation, or makes a general assignment for the benefit of creditors, or otherwise acknowledges in writing insolvency, or is declared or adjudicated bankrupt or insolvent; (ii) Inotera commences a process of dissolution, liquidation or winding up; (iii) Inotera applies for or consents to the appointment of a trustee, receiver, administrator, custodian, liquidator or the like for itself or any substantial portion of its business or assets; or (iv) Inotera or any substantial portion of its business or assets involuntarily becomes the subject of any such filing, process or appointment and such involuntary filing, process or appointment is not stayed, rescinded, removed or otherwise eliminated within sixty (60) days.

(d) Notwithstanding anything herein to the contrary, this Agreement may be terminated:

(i) by Inotera, effective upon written notice to Micron and the Purchaser, if there has been a material breach by Micron or the Purchaser of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Micron or the Purchaser within thirty (30) days after written notice thereof from Inotera or (B) waived by Inotera; or

(ii) by Micron and the Purchaser, effective upon written notice to Inotera, if there has been a material breach by Inotera of any material covenant or agreement contained in this Agreement and such breach has not been (A) cured by Inotera within thirty (30) days after written notice thereof from Micron and the Purchaser or (B) waived by Micron and the Purchaser.

(e) Notwithstanding anything herein to the contrary, if prior to the Effective Date, the 2015 Supply Agreement is terminated other than as a result of the expiration of the term thereof on December 31, 2015, this Agreement shall automatically terminate and shall not become effective.

11.3 Inotera Requirements at Termination. Within **[***]** days after (x) the end of the Purchaser Wind-Down Period or (y) the effectiveness of any termination of this Agreement pursuant to Section 11.2 (other than sub-section (e) thereof), Inotera:

(a) shall deliver to Micron, or, pursuant to written instructions of Micron, destroy, all production masks obtained as contemplated by Section 2.3; and

(b) shall (i) deliver to Micron, or, pursuant to written instructions of Micron, destroy, all copies and other embodiments of any process technology or information provided to Inotera by Micron or its Affiliates, or any portion thereof, in whatever form received, reproduced or stored, (ii) if destruction is requested by Micron, certify to Micron and the Purchaser that such destruction is complete, and (iii) cease all use of the process technology or information provided to Inotera by Micron or its Affiliates.

11.4 Survival. Termination of this Agreement shall not affect any of the Parties' respective rights accrued, or obligations owed, before such termination. In addition, (a) the following shall survive termination of this Agreement for any reason (other than termination pursuant to Section 11.2(e)), insofar as they relate to DRAM Products delivered by Inotera, or otherwise relate to the Parties' respective performance of this Agreement, prior to such termination: Sections 2.7, 3.8, 3.10, 4.2, 4.5, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 6.4, 7.1, 7.2, 7.4(c) and 7.5 and Articles 5, 8, 9, 10 and 11 and (b) the following shall survive termination of this Agreement for any reason without limitation: Sections 3.13, 4.10 and 7.4(c) and Articles 8 and 12.

ARTICLE 12
MISCELLANEOUS

12.1 Force Majeure Events. The Parties shall be excused from any failure to perform any obligation hereunder to the extent such failure is caused by a Force Majeure Event. A Force Majeure Event shall operate to excuse a failure to perform an obligation hereunder only for the period of time during which the Force Majeure Event renders performance impossible or infeasible and only if the Party asserting Force Majeure as an excuse for its failure to perform has provided written notice to, in the event of an assertion by Micron or the Purchaser, Inotera and, in the event of an assertion by Inotera, Micron and the Purchaser specifying the obligation to be excused and describing the events or conditions constituting the Force Majeure Event.

12.2 Specific Performance. The Parties agree that irreparable damage will result if this Agreement is not performed in accordance with its terms, and the Parties agree that any damages available under the indemnification provisions or at law for a breach of this Agreement would not be an adequate remedy. Therefore, the provisions hereof and the obligations of the Parties hereunder shall be enforceable in a court of equity, or other tribunal with jurisdiction, by a decree of specific performance, and appropriate injunctive relief may be applied for and granted in connection therewith.

12.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each Party hereto; *provided*, *however*, neither this Agreement nor any right or obligation hereunder may be assigned or delegated by any Party in whole or in part to any other Person without the prior written consent of the nonassigning Parties. Any purported assignment in violation of the provisions of this Section 12.3 shall be null and void and have no effect.

12.4 Compliance with Laws and Regulations. Each of the Parties shall comply with, and shall use reasonable efforts to require that its respective subcontractors comply with, Applicable Laws relating to this Agreement and the performance of such Party's obligations hereunder.

12.5 Notice. All notices and other communications hereunder shall be in writing and shall be deemed given upon (a) transmitter's confirmation of a receipt of a facsimile transmission, (b) confirmation of delivery by a standard overnight or recognized international carrier, or (c) delivery in person, addressed at the following addresses (or at such other address for a Party as shall be specified by like notice):

In the case of Micron:

Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of the Purchaser:

Micron Semiconductor Asia Pte. Ltd.
c/o Micron Technology, Inc.
8000 S. Federal Way
Mail Stop 1-507
Boise, ID 83716
Attn: General Counsel
Facsimile: (208) 368-1309

In the case of Inotera:

Inotera Memories, Inc.
667, Fuhsing 3rd Road
Hwa-Ya Technology Park
Kueishan, Taoyuan
Taiwan, R.O.C.
Attn: Director of Legal & IP Office
Facsimile: 886-3-327-0037

12.6 Waiver. The failure at any time of a Party to require performance by another Party of any responsibility or obligation required by this Agreement shall in no way affect a Party's right to require such performance at any time thereafter, nor shall the waiver by a Party of a breach of any provision of this Agreement by another Party constitute a waiver of any other breach of the same or any other provision nor constitute a waiver of the responsibility or obligation itself.

12.7 Severability. Should any provision of this Agreement be deemed in contradiction with the laws of any jurisdiction in which it is to be performed or unenforceable for any reason, such provision shall be deemed null and void, but this Agreement shall remain in full force and effect in all other respects. Should any provision of this Agreement be or become ineffective because of changes in Applicable Laws or interpretations thereof, or should this Agreement fail to include a provision that is required as a matter of law, the validity of the other provisions of this Agreement shall not be affected thereby. If such circumstances arise, the Parties shall negotiate in good faith appropriate modifications to this Agreement to reflect those changes that are required by Applicable Law.

12.8 Third Party Rights. Except as expressly provided in Article 9, nothing in this Agreement, whether express or implied, is intended, or shall be construed, to confer, directly or indirectly, upon or give to any Person, other than the Parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or other provision contained herein.

12.9 Amendment. This Agreement may not be modified or amended except by a written instrument executed by, or on behalf of, each of the Parties.

12.10 Entire Agreement. This Agreement, together with the agreements and instruments expressly provided for herein (including the Micron/Inotera Confidentiality Agreement), constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof.

12.11 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the R.O.C., without giving effect to its conflict of laws principles.

12.12 Jurisdiction; Venue. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in the Taipei District Court, located in Taipei, Taiwan, and each of the Parties hereby consents and submits to the exclusive jurisdiction of such court (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum.

12.13 Headings. The headings of the Articles and Sections in this Agreement are provided for convenience of reference only and shall not be deemed to constitute a part hereof.

12.14 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.15 Insurance. Without limiting or qualifying Inotera's liabilities, obligations or indemnities otherwise assumed by Inotera pursuant to this Agreement, Inotera shall at all times (except as otherwise stipulated in Schedule 12.15), for so long as this Agreement remains in effect (and notwithstanding any termination of the Joint Venture Agreement), maintain in effect insurance of the types and in the amounts set forth on Schedule 12.15 or as otherwise agreed by the Parties from time to time. Such insurance coverage may be provided through the coverage under one or more insurance policies maintained by Micron, NTC or any of their respective Affiliates.

12.16 Micron Undertaking. Micron shall unconditionally cause the Purchaser to perform its obligations under this Agreement and hereby unconditionally guarantees the due performance of all such obligations by the Purchaser, including the payment of any amounts owing by the Purchaser under this Agreement. Such guarantee is an independent obligation of Micron and upon any default by the Purchaser in the performance of its obligations, including the payment of any amounts owing by the Purchaser, under this Agreement, Inotera may immediately proceed against Micron without proceeding against the Purchaser or joining the Purchaser.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been duly executed by, and on behalf of, the Parties as of the Agreement Date.

MICRON TECHNOLOGY, INC.

By: /s/ Michael Sadler

Name: Michael Sadler

Title: VP Corp. Development

THIS IS A SIGNATURE PAGE FOR THE
2016 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA

MICRON SEMICONDUCTOR ASIA PTE. LTD.

By: /s/ Lee Kok Choy
Name: Lee Kok Choy
Title: Director

**THIS IS A SIGNATURE PAGE FOR THE
2016 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA**

INOTERA MEMORIES, INC.

By: /s/ Chuan Lin

Name: Chuan Lin

Title: Independent Director

THIS IS A SIGNATURE PAGE FOR THE
2016 SUPPLY AGREEMENT
ENTERED INTO BY AND AMONG
MICRON, THE PURCHASER AND INOTERA

SCHEDULE 1.1 – CERTAIN SPECIFICATIONS/QUALITY AND RELIABILITY STANDARDS AND CONTROL AND PROCESS MECHANISMS

Quality Conforming Material Requirements

1) All DRAM Products shall have a lifetime of **[***]** or more as determined by reliability testing or a suitable proxy ("**Reliability Testing**"). Inotera shall conduct such Reliability Testing, which shall include, but shall not be limited to, Fast Wafer Level Reliability ("**FWLR**") tests for CHC and CHISEL and standard Slow Wafer Level Reliability ("**SWLR**") tests for EM.
2) In performing Reliability Testing, Inotera shall use specification limits and engineering limits provided by Micron and three sigma control limits with respect to measurement site level, unless otherwise specified by Micron.
3) Inotera shall conduct, and monitor the results of, Reliability Testing in a manner consistent with the specification limits, engineering limits and control limits referred to in item 2 above and with respect to each measurement site, unless otherwise stated in Specifications. If such Reliability Testing shows a failure of any such specification limit, engineering limit or control limit, Inotera will comply with a reaction plan specified by Micron.
4) If an OOS event occurs, Inotera shall follow the OSAP procedure specified by Micron.
5) If an OOC event occurs, Inotera shall follow the OCAP procedure specified by Micron.
6) Inotera shall run corner lots through Reliability Testing, including, if applicable, any FWLR and SWLR tests, to develop, and test compliance with, specifications reasonably acceptable to Micron for inline steps that can cause degradation and will follow a disposition strategy reasonably acceptable to Micron if such specifications are not met.

Final Probe Test Reliability Conformance Criteria

In testing reliability degradation mechanisms that can be tested via final probe suite, Inotera shall conduct such tests and shall use the wafer level specification limits listed in the table below. Inotera shall monitor the results of probe testing around wafer level data, unless otherwise noted in Specifications. Wafers exceeding such specification limits will be considered to be Non-Conforming Wafers.

Wafer average cutoffs for **[***]** DRAM
(based on **[***]** Gb equivalent)

Final Test Register	Wafer Average Conformance Limit (**[***]** Gb equivalent)
rdV	**[***]**
rdB	**[***]**
rdE	**[***]**
rdD	**[***]**
Rdt	**[***]**
rdT	**[***]**
rdC	**[***]**
Rdf	**[***]**

SCHEDULE 3.10 – [***] PAYMENT AMOUNTS

1. **[***]** Payment Amount. The Parties agree that the "**[***] Payment Amount**" with respect to a particular Design ID for any Delivery Month shall be calculated in the following manner:

"**[***] Payment Amount**" (D) = **[***]**;

where the components of such calculation, and the related terms, have the meanings set forth below. An example of the **[***]** Payment Amount calculation is set forth on Attachment 1 to this Schedule 3.10. Each accounting term used in this Schedule 3.10 shall be applied in accordance with GAAP used in the United States or, if such term is not a GAAP accounting term, in accordance with Micron's general accounting policies.

"**A**" = "**[***] Revenue**" = Micron's consolidated net revenue in the Secondary Die Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding DRAM Products contained on Multi-Chip Products) **[***]**, determined on a particular Design ID basis;

"**B**" = "**Purchaser Operating Expense Percentage**" = for a Delivery Month that is the first, second or third fiscal month of Inotera commencing at least twenty (20) days following the end of a fiscal quarter of Micron, ***the quotient (expressed as a percentage and rounded to the nearest one-tenth) of (a) the sum of (i)*** Micron's consolidated selling, general and administrative expense for such fiscal quarter of Micron, **plus (ii)** Micron's consolidated research and development expense for such fiscal quarter of Micron, **minus (iii)** any **[***]** for such fiscal quarter of Micron, **minus (iv)** any **[***]** for such fiscal quarter of Micron, **divided by (b)** Micron's consolidated net revenue for such fiscal quarter of Micron;

"**C**" = "**[***] BEOL Costs**" = the back end **[***]** costs incurred on a particular Design ID in the **[***]** Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products in packaged, module or subsequent form (but not Multi-Chip Products) **[***]**, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**; and

"**D**" = "**[***] Payment Amount**" = **[***]**.

Related Definitions.

"**Micron SOW Expense**" means, to the extent specified in a statement of work issued or entered into pursuant to arrangements between Inotera and Micron or one of its Affiliates not governed by this Agreement, any amounts for which Inotera invoices Micron or one of its Affiliates in connection with such statement of work.

"**Micron SOW Revenue**" means, to the extent specified in a statement of work issued or entered into pursuant to arrangements between Inotera and Micron or one of its Affiliates not governed by this Agreement, any amounts for which Micron or its Affiliates invoices or is permitted to invoice Inotera in connection with such statement of work.

"**[***]**" means, for a particular Design ID, any die of such Design ID that **[***]** such die **[***]**.

"**[***] Measurement Period**" means, for a particular Delivery Month, **[***]**.

ATTACHMENT 1
TO
SCHEDULE 3.10

EXAMPLE CALCULATION OF
[***] PAYMENT AMOUNTS

See attached.

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 3.10
Example Calculation of [***]

		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
A	**[***]** Revenue **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**
B	OPEX %	**[***]**%	**[***]%**	**[***]%**	**[***]**%	**[***]**%	**[***]**%	**[***]**%	**[***]**%	**[***]**%	**[***]**%
[***]	Discounted **[***]** Revenue	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**
C	**[***]** BEOL Costs	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**
[***]	Net **[***]** Revenue	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**
D[***]	**[***]** Payment Amount	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**	$ **[***]**

SCHEDULE 5.1(a) - PRICE OF NON-HMC CONFORMING WAFERS

The Parties agree that the "**Price**" of each Non-HMC Conforming Wafer of a particular Design ID for any Delivery Month shall be calculated in the following manner.

"**Price**" of each Non-HMC Conforming Wafer (V) = Baseline Price Per Wafer Per Node (T) **[***]**;

where the components of such calculation, and the related terms, have the meanings set forth below. An example of the Price calculation is set forth on Attachment 1 to this Schedule 5.1. Except as otherwise expressly provided herein, (a) each accounting term used in this Schedule 5.1 with respect to Micron shall be applied in accordance with GAAP used in the United States or if such term is not a GAAP accounting term, in accordance with Micron's general accounting policies, and (b) each accounting term used in this Schedule 5.1 with respect to Inotera shall be applied in accordance with Taiwan GAAP or, if such term is not a Taiwan GAAP accounting term, in accordance with Inotera's general accounting policies. The calculation shall be made, and the Price shall be stated, in United States Dollars, with any components of such calculation that are initially stated in New Taiwan Dollars being converted to United States Dollars using the average during the applicable Delivery Month of the exchange rate quoted by such source as is regularly used by Inotera and identified by Inotera to Micron in writing.

1. Baseline Price Per Wafer Per Node. Baseline Price Per Wafer Per Node for any Delivery Month is (a) calculated as set forth below for each Process Node utilized by Inotera to manufacture Non-HMC Conforming Wafers for delivery to the Purchaser in such Delivery Month and (b) used in the calculation of the Price in such Delivery Month of Non-HMC Conforming Wafers of each Design ID manufactured using such Process Node.

"**Baseline Price Per Wafer Per Node**" (T) = Conforming Wafers JVC Per Wafer Per Node (Q) + Shared Margin Per Wafer Per Node (S) ***where*** the components of such calculation have the meanings set forth below:

"**A**" = "**Worldwide DRAM Revenue Per Node**" = Micron's consolidated net revenue in the Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**B**" = "**Worldwide Multi-Chip Revenue Per Node**" = Micron's consolidated net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**C**" = "**[***] Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** Micron's consolidated net revenue in the Measurement Period associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**D**" = "**[***] Multi-Chip BEOL Costs Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**E**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = C - D;

"**F**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = B - E;

"**G**" = "**Worldwide Revenue Per Node**" = A + F;

"**H**" = "**Worldwide Revenue [***] Factor Per Node**" = (W-Z)/Z;

"**I**" = "**Adjusted Worldwide Revenue Per Node**" = G x (1 + H);

"**J**" = "**Purchaser Operating Expense Percentage**" = for a Delivery Month that is the first, second or third fiscal month of Inotera commencing at least twenty (20) days following the end of a fiscal quarter of Micron, ***the quotient (expressed as a percentage and rounded to the nearest one-tenth) of*** **(a)** ***the sum of*** **(i)** Micron's consolidated selling, general and administrative expense for such fiscal quarter of Micron, **plus (ii)** Micron's consolidated research and development expense for such fiscal quarter of Micron, **minus (iii)** any **[***]** for such fiscal quarter of Micron, **minus (iv)** any **[***]** for such fiscal quarter of Micron, **divided by (b)** Micron's consolidated net revenue for such fiscal quarter of Micron;

"**K**" = "**Purchaser Operating Expense Per Node**" = I x J;

"**L**" = "**Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates in the Measurement Period, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***]**, **divided by (c) [***]** for such Non-HMC DRAM Products in the Measurement Period;

"**L1**" = "**[***]**" = 1 – (L2 / (L2 + L3 + L4));

"**L2**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period **plus (b) [***]** during the Measurement Period, **plus (c) [***]** during the Measurement Period;

"**L3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**L4**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**M**" = "**Adjusted Revenue Per Wafer Per Node**" = (I-K)/L;

"**N**" = "**Worldwide DRAM BEOL Costs Per Node**" = the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products and Multi-Chip Products that contain such Non-HMC DRAM Products in packaged, module or subsequent form using the Prime Die manufactured using such Process Node, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**;

"**O**" = "**Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** ***the sum of*** **(i)** the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (ii)** the aggregate number of Prime Die of such Design ID contained on

Multi-Chip Products **[***]** for Micron and its consolidated Affiliates during the Measurement Period, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***] divided by (c) [***]** in the Measurement Period;

"**P**" = "**BEOL Costs Per Wafer Per Node**" = N/O;

"**Q**" = "**[***] JVC Per Wafer Per Node**" = for a particular Delivery Month, with respect to such Process Node, ***the quotient of*** **(a)** the sum of the **[***]** JVC Per Design ID **(Q2)** for each Design ID for which **[***]** manufactured using such Process Node were delivered to the Purchaser by Inotera in such Delivery Month, **divided by (b)** the number of **[***]** manufactured using such Process Node delivered to the Purchaser by Inotera in such Delivery Month.

"**Q1**" = "**JVC Per Design ID**" = for a particular Delivery Month, with respect to such Design ID, an amount equal to ***the sum of*** **(a)** the COGS **[***]** of such Design ID delivered to the Purchaser by Inotera in such Delivery Month, **plus (b)** ***the sum of*** **(i) [***]** such Design ID **plus (ii) [***]** such Design ID, in each case for such Delivery Month, **plus (c)** an amount equal to **[***]** with respect to such Design ID **[***]** in such Delivery Month **[***]**, **minus (d)** ***the sum of*** **(i)** an amount equal to **[***]** with respect to such Design ID **[***]**, **plus (ii)** any **[***]** such Design ID for such Delivery Month, **plus (iii)** any **[***]** such Design ID for such Delivery Month.

"**Q2**" = "**[***] JVC Per Design ID**" = for a particular Delivery Month, with respect to a particular Design ID, an amount equal to ***the difference of*** **(a)** the JVC Per Design ID **(Q1)** for such Delivery Month for such Design ID, **minus (b)** ***the sum of*** **(i) [***]** of Non-HMC Pre-Qual Wafers of such Design ID delivered to the Purchaser by Inotera in such Delivery Month **plus (ii) [***]** of HMC Wafers of such Design ID delivered to the Purchaser by Inotera in such Delivery Month.

"**R**" = "**Margin Per Wafer Per Node**" = M - P - Q;

"**S**" = "**Shared Margin Per Wafer Per Node**" = 0.5 x R;

"**T**" = "**Baseline Price Per Wafer Per Node**" = Q + S;

"**U**" = "**[***] Per Wafer Per Design ID**" = AY – AZ;

"**V**" = "**Price of each Non-HMC Conforming Wafer**"= T **[***]**;

"**W**" = "**Worldwide Revenue Per Wafer [***]**" = G/L;

"**X**" = "**[***] Worldwide Revenue Per Node**" = X1 + X6;

"**X1**" = "**[***] Worldwide DRAM Revenue Per Node**" = Micron's consolidated net revenue **[***]** associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, but excluding Non-HMC DRAM Products contained

on Multi-Chip Products) produced from Prime Die manufactured using such Process Node, determined on a consolidated basis;

"**X2**" = "**[***] Revenue Per Node**" = Micron's consolidated net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node, determined on a consolidated basis,

"**X3**" = "**[***] Multi-Chip Revenue Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** Micron's consolidated net revenue **[***]** associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**, determined on a consolidated basis, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**;

"**X4**" = "**[***] BEOL Costs Per Node**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die manufactured using such Process Node: ***the product of*** **(a)** ***the quotient of*** **(i)** the aggregate back end **[***]** costs incurred **[***]** by Micron and its consolidated Affiliates **[***]** including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**;

"**X5**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = X3 - X4;

"**X6**" = "**[***] Worldwide Multi-Chip Revenue Per Node**" = X2 - X5;

"**Y**" = "**[***] Worldwide [***] Wafers [***] Per Node**" = ***the sum of*** the following for each Design ID manufactured using such Process Node: ***the quotient of*** **(a)** the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (b)** the average number of Prime Die per wafer of such Design ID manufactured **[***]** Micron and its consolidated Affiliates **[***]**, **divided by (c)** **[***]** for such Non-HMC DRAM Products **[***]**;

"**Y1**" = "**[***]**" = 1 – (Y2 / (Y2 + Y3 + Y4));

"**Y2**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** for Micron and its consolidated Affiliates **[***]**, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***] plus (b) [***] plus (c) [***]**;

"**Y3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]**;

"**Y4**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products **[***]**; and

"**Z**" = "**[***] Worldwide Revenue Per Wafer [***]**" = X/Y.

2. **[***]** Per Wafer Per Design ID. **[***]** Per Wafer Per Design ID for any Delivery Month is calculated for each Design ID as described below; *provided*, *however*, that the **[***]** Per Wafer Per Design ID will be **[***]** for a particular Design ID for a particular Delivery Month if either (i) the Inotera Average **[***]** Wafers Probed for such Design ID for such Delivery Month is **[***]**, (ii) the Micron Average **[***]** Wafers Probed for such Design ID for such Delivery Month is **[***]**, or (iii) the Inotera Average **[***]** Wafers Probed for such Design ID for such Delivery Month is **[***]** for such Design ID for such Delivery Month.

"**[***] Per Wafer Per Design ID**" (U) = **[***]** Per Wafer (AY) – **[***]** Per Wafer (AZ);

where the components of such calculation have the meanings set forth below.

"**AA**" = "**Worldwide DRAM Revenue Per Design ID**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Non-HMC DRAM Products (whether sold in die, wafer, packaged, module or subsequent form, **[***]**) produced from Prime Die of such Design ID, determined on a consolidated basis;

"**AB**" = "**Worldwide Multi-Chip Revenue Per Design ID**" = Micron's net revenue in the Measurement Period associated with the sale **[***]** of Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die of such Design ID, determined on a consolidated basis;

"**AC**" = "**[***] Multi-Chip Revenue Per Design ID**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die of such Design ID: ***the product of*** **(a)** ***the quotient of*** **(i)** Micron's net revenue in the Measurement Period associated with the sale **[***]** of **[***]** (whether sold in die, wafer, packaged, module or subsequent form, but excluding **[***]** Multi-Chip Products) produced from prime die **[***]**

determined on a consolidated basis, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**AD**" = "**[***] Multi-Chip BEOL Costs Per Design ID**" = ***the sum of*** the following for each **[***]** Multi-Chip Products that contain Non-HMC DRAM Products produced from Prime Die of such Design ID: ***the product of*** **(a)** ***the quotient of*** **(i)** the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates **[***]**, including (I) **[***]** back end **[***]** and (II) **[***]** back end **[***]**, **divided by (ii)** the number of prime die **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period (but excluding **[***]** Multi-Chip Products), **multiplied by (b)** the number of prime die **[***]** on such Multi-Chip Products **[***]** Micron and its consolidated Affiliates during the Measurement Period;

"**AE**" = "**[***] Worldwide Multi-Chip Revenue Per Design ID**" = AC - AD;

"**AF**" = "**[***] Worldwide Multi-Chip Revenue Per Design ID**" = AB - AE;

"**AG**" = "**Worldwide Revenue Per Design ID**" = AA + AF;

"**AH**" = "**Adjusted Worldwide Revenue Per Design ID**" = AG x (1 + H);

"**AI**" = "**Purchaser Operating Expense Per Design ID**" = AH x J;

"**AJ**" = "**Worldwide Die [***] Per Design ID**" = the number of Prime Die of such Design ID contained in or on Non-HMC DRAM Products and Multi-Chip Products **[***]** Micron and its consolidated Affiliates **[***]** in the Measurement Period;

"**AK**" = "**[***] Average Prime Die Per Conforming Wafer**" = the average number of Prime Die per Non-HMC Conforming Wafer of such Design ID **[***]** in the Measurement Period **[***]**;

"**AL**" = "**[***]**" = 1 – (AL1 / (AL1 + AL2 + AL3));

"**AL1**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (b)** **[***]** during the Measurement Period, **plus (c)** **[***]** during the Measurement Period;

"**AL2** = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID **[***]** contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**AL3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**AM**" = "**[***] Per Wafer**" = ((AH - AI)/AJ) x AK x AL;

"**AN**" = "**[***] Average Prime Die Per Wafer**" = the average number of Prime Die per wafer of such Design ID **[***]** Micron and its consolidated Affiliates in the Measurement Period, **[***]**;

"**AO**" = "**[***]**" = 1 – (AO1 / (AO1 + AO2 + AO3));

"**AO1**" = "**[***]**" = ***the sum of*** **(a)** ***the difference of*** **(i)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (ii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates **[***]** the Measurement Period, **minus (iii)** the aggregate number of Prime Die of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period **plus (b) [***]** during the Measurement Period, **plus (c) [***]** during the Measurement Period;

"**AO2**" = "**[***]**" = the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period;

"**AO3**" = "**[***]**" = the aggregate number of Prime Die of such Design ID **[***]** Multi-Chip Products during the Measurement Period;

"**AP**" = "**[***] Per Wafer**" = ((AH - AI)/AJ) x AN x AO;

"**AQ**" = "**Worldwide DRAM BEOL Costs Per Design ID**" = the aggregate back end **[***]** costs incurred in the Measurement Period by Micron and its consolidated Affiliates to produce Non-HMC DRAM Products and Multi-Chip Products that contain such Non-HMC DRAM Products in packaged, module or subsequent form using the Prime Die of such Design ID, including (a) **[***]** back end **[***]** and (b) **[***]** back end **[***]**;

"**AR**" = "**Worldwide Die [***] Per Design ID**" = ***the sum of*** **(i)** the aggregate number of Prime Die of such Design ID contained in Non-HMC DRAM Products (whether in die, wafer, packaged, module or subsequent form, excluding Prime Die of such Design ID contained on Multi-Chip Products) **[***]** Non-HMC DRAM Products of such Design ID **[***]** Non-HMC DRAM Products of such Design ID for Micron and its consolidated Affiliates during the Measurement Period, **plus (ii)** the aggregate number of Prime Die of such Design ID contained on Multi-Chip Products **[***]** for Micron and its consolidated Affiliates during the Measurement Period;

"**AS**" = "**[***] BEOL Costs Per Wafer**" = (AQ/AR) x AK x AL;

"**AT**" = "**[***] BEOL Costs Per Wafer**" = (AQ/AR) x AN x AO;

"**AU**" = "**[***] JVC Per Design ID**" = for a particular Delivery Month, with respect to a particular Design ID, an amount equal to the **[***]** JVC Per Design ID **(Q2)**.

"**AV**" = "**[***] Per Design ID**" = with respect to a particular Design ID, the number of Prime Die from Non-HMC Conforming Wafers **[***]** in a particular Delivery Month, **[***]**;

"**AW**" = "**[***]**" = (AU/AV) x AK x AL;

"**AX**" = "**[***]**" = (AU/AV) x AN x AO;

"**AY**" = "**[***] Per Wafer**" = AW + (0.5x (AM - AS - AW)); and

"**AZ**" = "**[***] Per Wafer**" = AX + (0.5x (AP - AT - AX)).

3. Related Definitions.

"**COGS**" means Inotera's cost of goods sold, including **[***]** but, for the avoidance of doubt, excluding **[***]** and also excluding (a) any **[***]**, (b) any costs or expenses (i) associated with **[***]** or (ii) otherwise **[***]**, and (c) any **[***]**.

"**Inotera Average [***] Wafers Probed**" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of Non-HMC Conforming Wafers, **[***]**, of such Design ID delivered to the Purchaser by Inotera that are subjected to Probe Testing **[***]**, **divided by (b)** the **[***]**.

"**Inotera SOW Expense**" means, to the extent specified in a statement of work issued or entered into pursuant to arrangements between Inotera and Micron or one of its Affiliates not governed by this Agreement, any amounts for which Micron or one of its Affiliates invoices Inotera in connection with such statement of work (excluding any such amounts that relate solely to the purchase of wafers by Inotera from Micron or one of its Affiliates).

"**Inotera SOW Revenue**" means, to the extent specified in a statement of work issued or entered into pursuant to arrangements between Inotera and Micron or one of its Affiliates not governed by this Agreement, any amounts for which Inotera invoices or is permitted to invoice Micron or one of its Affiliates in connection with such statement of work.

"**Measurement Period**" means, for a particular Delivery Month, the three most recently completed fiscal months of Micron including such Delivery Month.

"**Micron Average [***] Wafers Probed**" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of conforming wafers, **[***]**, containing Non-HMC DRAM Products of such Design ID manufactured by or for Micron and its Affiliates **[***]** that are subjected to probe testing **[***] divided by (b)** the **[***]**.

"**Micron Fab Network Average [***] Wafers Probed**" means, with respect to a particular Design ID for a particular Delivery Month, an amount equal to ***the quotient of*** **(a)** the number of conforming wafers, as determined immediately after probe testing, containing Non-HMC DRAM Products of such Design ID manufactured **[***]** Micron and its Affiliates that are subjected to probe testing **[***]**, **divided by (b)** the **[***]**.

"**Multi-Chip Product**" means **[***]**.

"**[***]**" means**[***]**.

"**[***]**" means **[***]**.

"**[***]**" means**[***]**.

"**Prime Die**" means, for a particular Design ID, a die that meets the applicable Specifications for such Design ID immediately after Probe Testing and immediately after final back-end testing.

"**[***]**" means, for a particular Delivery Month, **[***]**.

4. Adjustments to Price Calculation.

(a) Use of Proxy for First **[***]** of a New Non-HMC DRAM Product. In connection with the calculation of the Price of a Non-HMC Conforming Wafer of a particular Design ID for a particular Delivery Month, if any Non-HMC DRAM Product of a particular Design ID affecting such calculation has not generated revenue (in the case of Non-HMC DRAM Products) for all or a portion of the **[***]** immediately preceding Delivery Months, then the Parties shall work together in good faith to determine the adjustments, based on the use of the best available proxy consistent with historical practices of the Parties, as are necessary or appropriate to accomplish the intent and purpose of the inclusion of the "Measurement Period" and **[***]** concepts in this Schedule 5.1.

(b) Grace Period for First Non-HMC DRAM Product on a New Process Node. With respect to the first Design ID of Non-HMC DRAM Product to be manufactured on a newly installed Process Node at the Inotera Fab, the Price of Non-HMC Conforming Wafers of such Design ID for the first **[***]** after qualification of such Design ID shall be the Baseline Price Per Wafer for such Design ID, and the **[***]** for such **[***]** period shall be disregarded and deemed not to exist in calculating Price of Non-HMC Conforming Wafers of such Design ID after such **[***]** period.

(c) Use of Proxy Where Data Not Available for **[***]**. In connection with the calculation of the Price of a Non-HMC Conforming Wafer of a particular Design ID for a particular Delivery Month, if any **[***]** affecting such calculation has not generated revenue for all or a portion of the **[***]** immediately preceding Delivery Months, then the Parties shall work together in good faith to determine the adjustments, based on the use of the best available proxy, as are necessary or appropriate to accomplish the intent and purpose of the calculation of **[***]** Worldwide Multi-Chip Revenue Per Node**[***]** Worldwide Multi-Chip Revenue Per Node**[***]** Worldwide Multi-Chip Revenue Per Design ID**[***]** and **[***]** Worldwide Multi-Chip Revenue Per Design ID**[***]** in this Schedule 5.1.

(d) Adjustment for **[***]** of Non-HMC DRAM Products. Notwithstanding anything herein to the contrary, if (i) Micron and its consolidated Affiliates are unable to sell into any particular premium market a proportion of the Non-HMC DRAM Products contained on Non-HMC Conforming Wafers delivered to the Purchaser by Inotera under this Agreement at least equal to the proportion of Non-HMC DRAM Products contained on wafers manufactured by or for Micron and its consolidated Affiliates at other fabs in the Micron Fab Network that are sold into such premium market, and (ii) Inotera is **[***]**, then sales into such premium market by Micron and its consolidated Affiliates will be excluded from the calculation of Price of Non-HMC Conforming Wafers, including Micron's consolidated net revenue associated therewith, the number of Prime Die of such Non-HMC DRAM Products sold and a proportionate share of the back end **[***]** costs associated therewith (**[***]**back end **[***]**).

(e) Adjustment to Pricing of HMC Conforming Wafers and HMC Pre-Qual Wafers. If by **[***]** the Parties have not reached an agreement with respect to **[***]** pricing for HMC Conforming Wafers and HMC Pre-Qual Wafers as contemplated by Section 5.1(b) and Section 5.2(b), then from **[***]** forward, the Parties agree that a proportion of HMC DRAM Product for any particular Process Node shall be included into the detailed calculation of the Price of Non-HMC Conforming Wafers for such Process Node stated in this Schedule 5.1(a); *provided, however*, such proportion of HMC DRAM Product to be included shall be limited to **[***]** .

Statement of Intent and Agreement:

*The purpose of the above Section 5(e) is to memorialize the fundamental intent and agreement of the Parties that when this Section 5(e) is applicable, the calculation components of a proportion of HMC DRAM Product for any particular Process Node shall be included in determining the Price of Non-HMC Conforming Wafers for such Process Node. Apart from when and how much HMC DRAM Product revenue to include in the Price calculation (about which the Parties hereby acknowledge they have reached complete agreement and for which no further negotiation is necessary or appropriate), the Parties also recognize that other portions of the Non-HMC Conforming Wafers Price calculation (for example, **[***]** and **[***]**) cannot be finally concluded until the exact nature of the HMC DRAM Products is known. Therefore, the Parties hereby agree that before the time this Section 5(e) becomes applicable, they will negotiate in good faith such portions of the Price formula not already definitely agreed. Given that **[***]**, the Parties hereby agree the negotiation referenced in the previous sentence will be guided by and consistent with the pricing methodology already agreed with respect to Multi-Chip Products.*

ATTACHMENT 1
TO SCHEDULE 5.1(a)

EXAMPLE CALCULATIONS OF
NON-HMC CONFORMING WAFER PRICE

See attached.

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a)
Example Calculation of Baseline Price

		[***]	[***]
A	WW DRAM Revenue per Node	$ [***]	$ [***]
B	WW MCP Revenue per Node	$ [***]	$ [***]
C	**[***]** MCP Revenue	$ [***]	$ [***]
D	**[***]** MCP BEOL Cost	$ [***]	$ [***]
E=C-D	**[***]** WW MCP Revenue per Node	$ [***]	$ [***]
F=B-E	**[***]** WW MCP Revenue per Node	$ [***]	$ [***]
G=A+F	WW Revenue per Node	$ [***]	$ [***]
H	WW Revenue **[***]** Factor per Node	[***]%	[***]%
I=G*(1+H)	Adj WW Revenue per Node	$ [***]	$ [***]
J	OPEX %	[***]%	[***]%
K=I*J	Purchaser Operating Expense	$ [***]	$ [***]
L	WW **[***]** Wafer **[***]** per Node	$ [***]	$ [***]
M=(I-K)/L	Adjusted Revenue Per Wafer Per Node	$ [***]	$ [***]
N	WW DRAM BEOL Costs Per Node	$ [***]	$ [***]
O	WW **[***]** Wafers **[***]** per Node	$ [***]	$ [***]
P=N/O	BEOL Costs Per Wafer Per Node	$ [***]	$ [***]
Q	**[***]** JVC per Wafer Per Node	$ [***]	$ [***]
R=M-P-Q	Margin per Wafer Per Node	$ [***]	$ [***]
S=R*.5	Shared Margin Per Wafer Per Node	$ [***]	$ [***]
T=Q+S	Baseline Price Per Wafer Per Node	$ [***]	$ [***]

		[***]	[***]	[***]	[***]	[***]
U	**[***]** Per Wafer Per Design ID	$ [***]	$ [***]	$ [***]	$ [***]	$ [***]
V=T[***]	**Price**	**$** [***]	**$** [***]	**$** [***]	**$** [***]	**$** [***]

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a)
Example Calculation of Worldwide Revenue [***] Factor per Node

			[***]		[***]
G	WW Revenue per Node	$	**[***]**	$	**[***]**
L	WW **[***]** Wafer **[***]** per Node		**[***]**		**[***]**
W=G/L	WW Revenue per Wafer **[***]**	$	**[***]**	$	**[***]**
X=[***]	**[***]** WW Revenue per Node	$	**[***]**	$	**[***]**
Y=[***]	**[***]** WW **[***]** Wafer **[***]** per Node		**[***]**		**[***]**
Z=X/Y	**[***]** WW Revenue per Wafer **[***]**	$	**[***]**	$	**[***]**
H=(W-Z)/Z	WW Revenue **[***]** Factor per Node		**[***]**%		**[***]**%

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a)
Example of Purchaser Operating Expense Percentage Calculation

Net Sales	$	[***]
SG&A	$	[***]
R&D	$	[***]
Total Operating Expense	$	[***]
Adjustments:		
[***]	$	[***]
[***]	$	[***]
Adjusted Operating Expense	$	[***]
Purchaser Operating Expense Percentage		[***]%

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

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Micron Technology, Inc. & Inotera Memories, Inc
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a) and Schedule 5.2(a)
Example JVC Cost Report

x-rate: [***]

	Shipment by category (Wafer):		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Conforming wafers	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual Wafers	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Total shipment	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Shipment by category (Die):										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	%	[***]%	[***]%	[***]	[***]%	[***]%	[***]%	[***]	[***]	[***]
	[***]	Die	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	JV Costs:										
	(A) JVC		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
Q1	**JVC**	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	JVC per wafer		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	(B) Pre-Qual wafers JVC		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:		[***]								
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual JVC	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual JVC per Wafer	**US$**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
			[***]								
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
	(A)-(B)-(C)		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
Q2	**Conforming JVC**	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Q	**Conforming JVC per Wafer**	**US$**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	IMI actual cost breakdown:		[***]	[***]	[***]						
	[***]		[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a) and Schedule 5.2 (a)
Example[***]

[***]			[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]			[***]
[***]											
[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]		[***]									
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]			[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a)
Example Calculation of [***] Per Wafer

				[***]			[***]	
			[***]	[***]	[***]		[***]	[***]
AA	WW DRAM Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AB	WW MCP Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AC	[***] MCP Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AD	[***] MCP BEOL Cost Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AE=AC-AD	[***] WW MCP Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AF=AB-AE	[***] WW MCP Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AG=AA+AF	WW Revenue Per Design ID	$	[***]	[***]	$ [***]	$	[***]	$ [***]
H	WW Revenue [***] Factor Per Node		[***]%	[***]%	[***]%		[***]%	[***]%
AH=AG*(1+H)	Adjusted WW Revenue Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
J	OPEX %		[***]%	[***]%	[***]%		[***]%	[***]%
AI=AH*J	Purchaser Operating Expense Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AJ	WW Die Sold Per DiD		[***]	[***]	[***]		[***]	[***]
AK	[***] Average Prime Die Per Conforming Wafer		[***]	[***]	[***]		[***]	[***]
AL	[***]		[***]%	[***]%	[***]%		[***]%	[***]%
AM=(AH-AI)/AJ*AK*AL	[***] **per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AN	[***] Average Prime Die per Wafer		[***]	[***]	[***]		[***]	[***]
AO	[***]		[***]%	[***]%	[***]%		[***]%	[***]%
AP=(AH-AI)/AJ*AN*AO	[***] **per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AQ	WW DRAM BEOL Cost Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AR	WW Die [***] Per DiD		[***]	[***]	[***]		[***]	[***]
AS=AQ/AR*AK*AL	[***] **BEOL Cost per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AT=AQ/AR*AN*AO	[***] **BEOL Cost per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AU	[***] JVC Per Design ID	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AV	[***] Per Design ID		[***]	[***]	[***]		[***]	[***]
AW=AU/AV*AK*AL	[***]	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AX=AU/AV*AN*AO	[***]	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AY=AW+(.50*(AM-AS-AW)	[***] **per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
AZ=AW+(.50*(AP-AT-AX)	[***] **per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]
U=AY-AZ	[***] **per Wafer**	$	[***]	$ [***]	$ [***]	$	[***]	$ [***]

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

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SCHEDULE 5.2(a) – PRICE OF NON-HMC PRE-QUAL WAFERS

The Parties agree that the "**Price**" of each Non-HMC Pre-Qual Wafer of a particular Design ID for any Delivery Month shall be an amount equal to ***the product of*** **(a) [***]** and **(b)** an amount equal to ***the quotient of*** **(i)** the JVC Per Design ID (as defined in Schedule 5.1(a)) of such Non-HMC Pre-Qual Wafers of such Design ID for such Delivery Month, **divided by (ii)** the number of Non-HMC Pre-Qual Wafers of such Design ID delivered to the Purchaser by Inotera in such Delivery Month.

[***] DENOTES CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

ATTACHMENT 1
TO SCHEDULE 5.2(a)

EXAMPLE CALCULATIONS OF
NON-HMC PRE-QUAL WAFER PRICE

See attached.

Micron Technology, Inc. & Inotera Memories, Inc
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a) and Schedule 5.2(a)
Example JVC Cost Report

	x-rate:	[***]									
	Shipment by category (Wafer):		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Conforming wafers	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual Wafers	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Total shipment	PCS	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Shipment by category (Die):										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	%	[***]%	[***]%	[***]	[***]%	[***]%	[***]%	[***]	[***]	[***]
	[***]	Die	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	JV Costs:										
	(A) JVC		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
Q1	**JVC**	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	JVC per wafer		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	(B) Pre-Qual wafers JVC		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:		[***]								
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual JVC	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Pre-Qual JVC per Wafer	**US$**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
			[***]								
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										
	(A)-(B)-(C)		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM shipping COGS		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	DRAM Operating Expenses		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	Adjustment:										
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	HMC wafers JVC										
Q2	**Conforming JVC**	**NTD**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Q	**Conforming JVC per Wafer**	**US$**	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	IMI actual cost breakdown:		[***]	[***]	[***]						
	[***]		[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						
	[***]	NTD	[***]	[***]	[***]						

Micron Technology, Inc. & Inotera Memories, Inc.
2016 Supply Agreement
Attachment 1 to Schedule 5.1 (a) and Schedule 5.2 (a)
Example [***]

[***]			[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]			[***]
[***]											
[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]		[***]									
	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]			[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]										

SCHEDULE 12.15 - INSURANCE

1. **Property Insurance:** All risk property insurance, including earth movement and flood insurance, insuring against physical damage on a replacement cost basis for assets, and insuring against resultant business interruption from physical damage on an actual-loss sustained basis. Such property insurance limit will be not less than **[***]** for **[***]** and not less than **[***]** for other covered losses. (Note: limits shared with NTC). It is acknowledged that: (1) such coverage for "production related equipment" is based on "replacement cost basis;" and (2) non-production related assets (such as buildings, facilities, and other non-production equipment) are insured under "actual cash value" and such coverage is subject to monthly adjustment depending on the actual cash value.

2. **Liability Insurance**:

A. Commercial general liability insurance (also known as public liability insurance) coverage for bodily injury and property damage liability, with a limit of not less than **[***]** for each loss occurrence and not less than **[***]** in annual aggregate coverage.

B. Automobile liability coverage for bodily injury and property damage liability with a limit of not less than **[***]** for each loss occurrence and not less than **[***]** in annual aggregate coverage for owned, hired, and non-owned automobiles.

3. **Employers Liability**: Employers' liability coverage that is included in the Labor Insurance Program or other equivalent program required under the Applicable Laws of the R.O.C.

MICRON TECHNOLOGY, INC.
AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

ARTICLE 1
PURPOSE

1.1. *GENERAL.* The purpose of the Micron Technology, Inc. Amended and Restated 2007 Equity Incentive Plan (the "Plan") is to promote the success, and enhance the value, of Micron Technology, Inc. (the "Company"), by linking the personal interests of employees, non-employee directors and consultants of the Company or any Affiliate (as defined below) to those of Company shareholders and by providing such persons with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, non-employee directors and consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, non-employee directors and consultants of the Company and its Affiliates; provided, however, that no Corporate Officer is eligible to be a Participant in the Plan.

ARTICLE 2
DEFINITIONS

2.1. *DEFINITIONS.* When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) "Affiliate" means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(b) "Award" means any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Deferred Stock Unit Award, Performance Share, Other Stock-Based Award, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.

(c) "Award Certificate" means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Awards or series of Awards under the Plan. The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means and includes the occurrence of any one of the following events:

(i) individuals who, on the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; *provided*, *however*, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

(ii) any person is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of either (A) 35% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock") or (B) securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors (the "Company Voting Securities"); *provided*, *however*, that for purposes of this subsection (ii), the following acquisitions shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary of the Company, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary of the Company, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

(iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Corporation") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no person (other than (x) the Company or any Subsidiary of the Company, (y) the Surviving Corporation or its ultimate parent corporation, or (z) any employee benefit plan or related trust) sponsored or maintained by any of the foregoing is the beneficial owner, directly or indirectly, of 35% or more of the total common stock or 35% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Corporation, and (C) at least a majority of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a specific Section of the Code or regulation thereunder shall include such Section or regulation, any valid regulation promulgated under such Section, and any comparable provision of any future law, legislation or regulation amending, supplementing or superseding such Section or regulation.

(g) "Committee" means the committee of the Board described in Article 4.

(h) "Company" means Micron Technology, Inc., a Delaware corporation, or any successor corporation.

(i) "Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee, officer, consultant or non-employee director of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option, or a Stock Appreciation Right issued in tandem with an Incentive Stock Option, "Continuous Status as a Participant" means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Status as a Participant shall not be considered interrupted in the case of any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

(j) "Corporate Officer" means an officer of the Company whose compensation is approved by the Compensation Committee of the Board, including without limitation the Chief Executive Officer of the Company.

(k) "Covered Employee" means a covered employee as defined in Code Section 162(m)(3).

(l) "Disability" or "Disabled" has the same meaning as provided in the long-term disability plan or policy maintained by the Company or if applicable, most recently maintained, by the Company or if applicable, an Affiliate, for the Participant, whether or not such Participant actually receives disability benefits under such plan or policy. If no long-term disability plan or policy was ever maintained on behalf of Participant or if the determination of Disability relates to an Incentive Stock Option, or a Stock Appreciation Right issued in tandem with an Incentive Stock Option, Disability means Permanent and Total Disability as defined in Section 22(e)(3) of the Code. Notwithstanding the foregoing, for any Awards that constitute a nonqualified deferred compensation plan within the meaning of Section 409A(d) of the Code, Disability has the meaning given such term in Section 409A of the Code. In the event of a dispute, the determination whether a Participant is Disabled will be made by the Committee and may be supported by the advice of a physician competent in the area to which such Disability relates.

(m) "Deferred Stock Unit" means a right granted to a Participant under Article 11.

(n) "Dividend Equivalent" means a right granted with respect to an Award, as provided in Article 12.

(o) "Effective Date" has the meaning assigned such term in Section 3.1.

(p) "Eligible Participant" means an employee, consultant or non-employee director of the Company or any Affiliate; provided, however, that no Corporate Officer is eligible to be a Participant in the Plan.

(q) "Exchange" means the New York Stock Exchange or any other national securities exchange or national market system on which the Stock may from time to time be listed or traded.

(r) "Fair Market Value" of the Stock, on any date, means: (i) if the Stock is listed or traded on any Exchange, the closing price for such Stock (or the closing bid, if no sales were reported) as quoted on such Exchange (or the Exchange with the greatest volume of trading in the Stock) for the last market trading day prior to the day of determination, as reported by *Bloomberg L.P.* or such other source as the Committee deems reliable; (ii) if the Stock is quoted on the over-the-counter market or is regularly quoted by a recognized securities dealer, but selling prices are not reported, the Fair Market Value of the Stock shall be the mean between the high bid and low asked prices for the Stock on the last market trading day prior to the day of determination, as reported by *Bloomberg L.P.* or such other source as the Committee deems reliable, or (iii) in the absence of an established market for the Stock, the Fair Market Value shall be determined by such other method as the Committee determines in good faith to be reasonable and in compliance with Code Section 409A.

(s) "Full Value Award" means an Award other than in the form of an Option or SAR, and which is settled by the issuance of Stock (or at the discretion of the Committee, settled in cash valued by reference to Stock value).

(t) "Grant Date" of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.

(u) "Incentive Stock Option" means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

(v) "Non-Employee Director" means a director of the Company who is not a common law employee of the Company or an Affiliate.

(w) "Nonstatutory Stock Option" means an Option that is not an Incentive Stock Option.

(x) "Option" means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(y) "Other Stock-Based Award" means a right, granted to a Participant under Article 13 that relates to or is valued by reference to Stock or other Awards relating to Stock.

(z) "Parent" means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.

(aa) "Participant" means a person who, as an employee, non-employee director or consultant of the Company or any Affiliate, has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term "Participant" refers to a beneficiary designated pursuant to Section 14.5 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision. Notwithstanding the foregoing, a Participant shall not include any Corporate Officer of the Company.

(bb) "Performance Share" means any right granted to a Participant under Article 9 to a unit to be valued by reference to a designated number of Shares to be paid upon achievement of such performance goals as the Committee establishes with regard to such Performance Share.

(cc) "Person" means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.

(dd) "Plan" means the Micron Technology, Inc. Amended and Restated 2007 Equity Incentive Plan, as amended from time to time.

(ee) "Qualified Performance-Based Award" means an Award that is either (i) intended to qualify for the Section 162(m) Exemption and is made subject to performance goals based on Qualified Business Criteria as set forth in Section 14.10(b), or (ii) an Option or SAR.

(ff) "Qualified Business Criteria" means one or more of the Business Criteria listed in Section 14.10(b) upon which performance goals for certain Qualified Performance-Based Awards may be established by the Committee.

(gg) "Restricted Stock Award" means Stock granted to a Participant under Article 10 that is subject to certain restrictions and to risk of forfeiture.

(hh) "Restricted Stock Unit Award" means the right granted to a Participant under Article 10 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.

(ii) "Section 162(m) Exemption" means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code or any successor provision thereto.

(jj) "Shares" means shares of the Company's Stock. If there has been an adjustment or substitution pursuant to Section 15.1, the term "Shares" shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted pursuant to Section 15.1.

(kk) "Stock" means the $.10 par value common stock of the Company and such other securities of the Company as may be substituted for Stock pursuant to Article 15.

(ll) "Stock Appreciation Right" or "SAR" means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a Share as of the date of exercise of the SAR over the base price of the SAR, all as determined pursuant to Article 8.

(mm) "Subsidiary" means any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(nn) "1933 Act" means the Securities Act of 1933, as amended from time to time.

(oo) "1934 Act" means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 3
EFFECTIVE TERM OF PLAN

3.1. *EFFECTIVE DATE.* The Plan shall be effective as of the date it is approved by the shareholders of the Company (the "Effective Date").

3.2. *TERMINATION OF PLAN.* Unless earlier terminated as provided herein, the Plan shall continue in effect until the tenth anniversary of the Effective Date or, if the shareholders approve an amendment to the Plan that increases the number of Shares subject to the Plan, the tenth anniversary of the date of such approval. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of the Plan. No Incentive Stock Options may be granted more than ten years after the earlier of (a) adoption of this Plan by the Board, or (b) the Effective Date.

ARTICLE 4
ADMINISTRATION

4.1. *COMMITTEE.* The Plan shall be administered by a Committee appointed by the Board (which Committee shall consist of at least two directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. It is intended that at least two of the directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the 1934 Act) and "outside directors" (within the meaning of Code Section 162(m)) and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award (i) are persons subject to the short-swing profit rules of Section 16 of the 1934 Act, or (ii) are reasonably anticipated to become Covered Employees during the term of the Award. However, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. Unless and until changed by the Board, the Compensation Committee of the Board is designated as the Committee to administer the Plan. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2. *ACTION AND INTERPRETATIONS BY THE COMMITTEE.* For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

4.3. *AUTHORITY OF COMMITTEE.* Except as provided below, the Committee has the exclusive power, authority and discretion to:

(a) Grant Awards;

(b) Designate Participants;

(c) Determine the type or types of Awards to be granted to each Participant;

(d) Determine the number of Awards to be granted and the number of Shares or dollar amount to which an Award will relate;

(e) Determine the terms and conditions of any Award granted under the Plan, including but not limited to, the exercise price, base price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines;

(f) Accelerate the vesting, exercisability or lapse of restrictions of any outstanding Award, in accordance with Article 14, based in each case on such considerations as the Committee in its sole discretion determines;

(g) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(h) Prescribe the form of each Award Certificate, which need not be identical for each Participant;

(i) Decide all other matters that must be determined in connection with an Award;

(j) Establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;

(k) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;

(l) Amend the Plan or any Award Certificate as provided herein; and

(m) Adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of the United States or any non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in such other jurisdictions and to meet the objectives of the Plan.

Notwithstanding the foregoing, grants of Awards to Non-Employee Directors hereunder shall be made only in accordance with the terms, conditions and parameters of a plan, program or policy for the compensation of Non-Employee Directors as in effect from time to time, and the Committee may not make discretionary grants hereunder to Non-Employee Directors.

Notwithstanding the above, the Board may, by resolution, expressly delegate to a special committee, consisting of one or more directors who may but need not be officers of the Company, the authority, within specified parameters as to the number and terms of Awards, to (i) designate officers, employees and/or consultants of the Company or any of its Affiliates to be recipients of Awards under the Plan, and (ii) to determine the number of such Awards to be received by any such Participants; provided, however, that such delegation of duties and responsibilities to an officer of the Company may not be made with respect to the grant of Awards to eligible participants (a) who are subject to Section 16(a) of the 1934 Act at the Grant Date, or (b) who as of the Grant Date are reasonably anticipated to be become Covered Employees during the term of the Award. The acts of such delegates shall be treated hereunder as acts of the Board and such delegates shall report regularly to the Board and the Committee regarding the delegated duties and responsibilities and any Awards so granted.

4.4. *AWARD CERTIFICATES.* Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

ARTICLE 5
SHARES SUBJECT TO THE PLAN

5.1. *NUMBER OF SHARES.* Subject to adjustment as provided in Sections 5.2 and 15.1, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 135,000,000; provided, however, that each Share issued under the Plan pursuant to a Full Value Award that is settled in Stock shall reduce the number of available Shares by two (2) shares. The maximum number of Shares that may be issued upon exercise of Incentive Stock Options granted under the Plan shall be 2,000,000.

5.2. *SHARE COUNTING.* Shares covered by an Award shall be subtracted from the Plan share reserve as of the date of grant, but shall be added back to the Plan share reserve in accordance with this Section 5.2.

(a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any unissued or forfeited Shares originally subject to the Award will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(b) Shares subject to Awards settled in cash will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(c) Substitute Awards granted pursuant to Section 14.14 of the Plan shall not count against the Shares otherwise available for issuance under the Plan under Section 5.1.

(d) The following shares of Stock may not again be made available for issuance as Awards under the Plan: (i) shares of Stock not issued or delivered as a result of the net settlement of an outstanding Option or SAR, (ii) shares of Stock used to pay the exercise price or withholding taxes related to an outstanding Option or SAR, or (iii) shares of Stock repurchased on the open market with the proceeds of the exercise price of an Option.

5.3. *STOCK DISTRIBUTED.* Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4. *LIMITATION ON AWARDS.* Notwithstanding any provision in the Plan to the contrary (but subject to adjustment as provided in Section 15.1), the maximum number of Shares with respect to one or more Options and/or SARs that may be granted during any one calendar year under the Plan to any one Participant shall be 5,000,000. The maximum aggregate grant with respect to Awards of Restricted Stock, Restricted Stock Units, Deferred Stock Units, Performance Shares or other Stock-Based Awards (other than Options or SARs) granted in any one calendar year to any one Participant shall be 5,000,000.

5.5 *MINIMUM VESTING REQUIREMENTS*. Except in the case of substitute Awards granted pursuant to Section 14.14, Full-Value Awards granted under the Plan to an Eligible Participant shall either (i) be subject to a minimum vesting period of three years (which may include graduated vesting within such three-year period), or one year if the vesting is based on performance criteria other than continued service, or (ii) be granted solely in exchange for foregone cash compensation. Notwithstanding the foregoing, (i) the Committee may at its discretion permit and authorize acceleration of vesting of such Full-Value Awards in the event of the Participant's death, Disability, or retirement, or the occurrence of a Change in Control (subject to the requirements of Article 11 in the case of Qualified Performance-Based Awards), and (ii) the Committee may grant Full-Value Awards without the above-described minimum vesting requirements, or may permit and authorize acceleration of vesting of Full-Value Awards otherwise subject to the above-described minimum vesting requirements, with respect to Awards covering five percent (5%) or fewer of the total number of Shares authorized under the Plan.

ARTICLE 6
ELIGIBILITY

6.1. *GENERAL.* Awards may be granted only to Eligible Participants; except that Incentive Stock Options may be granted to only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options or SARs under this Plan only if the Affiliate qualifies as an "eligible issuer of service recipient stock" within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

ARTICLE 7
STOCK OPTIONS

7.1. *GENERAL.* The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) EXERCISE PRICE. The exercise price per Share under an Option shall be determined by the Committee; provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 14.14) shall not be less than the Fair Market Value as of the Grant Date.

(b) PROHIBITION ON REPRICING. Except as otherwise provided in Article 15, without the prior approval of shareholders of the Company: (i) the exercise price of an Option may not be reduced, directly or indirectly, (ii) an Option may not be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price of the original Option or otherwise, and (iii) the Company may not repurchase an Option for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option.

(c) TIME AND CONDITIONS OF EXERCISE. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(e). The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) PAYMENT. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment and the methods by which Shares shall be delivered or deemed to be delivered to Participants. As determined by the Committee at or after the Grant Date, payment of the exercise price of an Option may be made, in whole or in part, in the form of (i) cash or cash equivalents, (ii) delivery (by either actual delivery or attestation) of previously-acquired Shares based on the Fair Market Value of the Shares on the date the Option is exercised, (iii) withholding of Shares from the Option based on the Fair Market Value of the Shares on the date the Option is exercised, (iv) broker-assisted market sales, or (v) any other "cashless exercise" arrangement.

(e) EXERCISE TERM. No option granted under the Plan shall be exercisable for more than eight (8) years from the Grant Date.

(f) NO DEFERRAL FEATURE. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

(g) NO DIVIDEND EQUIVALENTS. No Option shall provide for Dividend Equivalents.

(h) SUSPENSION. Any Participant who is also a participant in the Retirement at Micron ("RAM") Section 401(k) Plan and who requests and receives a hardship distribution from the RAM Plan, is prohibited from making, and must suspend, his or her employee elective contributions to the Plan.

7.2. *INCENTIVE STOCK OPTIONS.* The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. If all of the requirements of Section 422 of the Code are not met, the Option shall automatically become a Nonstatutory Stock Option.

ARTICLE 8
STOCK APPRECIATION RIGHTS

8.1. *GRANT OF STOCK APPRECIATION RIGHTS.* The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(a) RIGHT TO PAYMENT. Upon the exercise of a Stock Appreciation Right, the Participant to whom it is granted has the right to receive, for each Share with respect to which the Stock Appreciation Right is being exercised, the excess, if any, of:

(1) The Fair Market Value of one Share on the date of exercise; over

(2) The base price of the Stock Appreciation Right as determined by the Committee, which shall not be less than the Fair Market Value of one Share on the Grant Date.

(b) PROHIBITION ON REPRICING. Except as otherwise provided in Article 15, without the prior approval of shareholders of the Company: (i) the base price of a SAR may not be reduced, directly or indirectly, (ii) a SAR may not be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the base price of the original SAR, and (iii) the Company may not repurchase a SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR.

(c) TIME AND CONDITIONS OF EXERCISE. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part. No SAR granted under the Plan shall be exercisable for more than eight (8) years from the Grant Date.

(d) NO DEFERRAL FEATURE. No SAR shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the SAR.

(e) NO DIVIDEND EQUIVALENTS. No SAR shall provide for Dividend Equivalents.

(f) OTHER TERMS. All awards of Stock Appreciation Rights shall be evidenced by an Award Certificate. Subject to the limitations of this Article 8, the terms, methods of exercise, methods of settlement, form of consideration payable in settlement, and any other terms and conditions of any Stock Appreciation Right shall be determined by the Committee at the time of the grant of the Award and shall be reflected in the Award Certificate.

ARTICLE 9
PERFORMANCE SHARES

9.1. *GRANT OF PERFORMANCE SHARES.* The Committee is authorized to grant Performance Shares to Participants on such terms and conditions as may be selected by the Committee. The Committee shall have the complete discretion to determine the number of Performance Shares granted to each Participant, subject to Section 5.4, and to designate the provisions of such Performance Shares as provided in Section 4.3. All Performance Shares shall be evidenced by an Award Certificate or a written program established by the Committee, pursuant to which Performance Shares are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.

9.2. *PERFORMANCE GOALS.* The Committee may establish performance goals for Performance Shares which may be based on any criteria selected by the Committee. Such performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (ii) make a cash payment to the participant in amount determined by the Committee. The foregoing two sentences shall not apply with respect to an Award of Performance Shares that is intended to be a Qualified Performance-Based Award if the recipient of such award (a) was a Covered Employee on the date of the modification, adjustment, change or elimination of the performance goals or performance period, or (b) in the reasonable judgment of the Committee, may be a Covered Employee on the date the Performance Award is expected to be paid.

9.3. *RIGHT TO PAYMENT.* The grant of a Performance Share to a Participant will entitle the Participant to receive at a specified later time a specified number of Shares, or the equivalent value in cash or other property, if the performance goals established by the Committee are achieved and the other terms and conditions thereof are satisfied. The Committee shall set performance goals and other terms or conditions to payment of the Performance Shares in its discretion which, depending on the extent to which they are met, will determine the number of the Performance Shares that will be earned by the Participant.

9.4. *OTHER TERMS.* Performance Shares may be payable in cash, Stock, or other property, and have such other terms and conditions as determined by the Committee and reflected in the Award Certificate.

ARTICLE 10
RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS

10.1. *GRANT OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS.* Subject to the terms and conditions of this Article 10, the Committee is authorized to make Awards of Restricted Stock or Restricted Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock or Restricted Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

10.2. *ISSUANCE AND RESTRICTIONS.* Restricted Stock or Restricted Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). Subject to the terms and conditions of the Plan, these restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter. Except as otherwise provided in an Award Certificate or any special Plan document governing an Award, the Participant shall have all of the rights of a stockholder with respect to the Restricted Stock, and the Participant shall have none of the rights of a stockholder with respect to Restricted Stock Units until such time as Shares of Stock are paid in settlement of the Restricted Stock Units.

10.3. *FORFEITURE.* Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Status as a Participant during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited; provided, however, that the Committee may provide in any Award Certificate, subject to the terms and conditions of the Plan, that restrictions or forfeiture conditions relating to Restricted Stock or Restricted Stock Units will be waived in whole or in part in the event of terminations resulting from specified causes, including, but not limited to, death, Disability, or for the convenience or in the best interests of the Company.

10.4. *DELIVERY OF RESTRICTED STOCK.* Shares of Restricted Stock shall be delivered to the Participant at the time of grant either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

10.5. *DIVIDENDS ON RESTRICTED STOCK*. In the case of Restricted Stock, the Committee may provide that ordinary cash dividends declared on the Shares before they are vested (i) will be forfeited, (ii) will be deemed to have been reinvested in additional Shares or otherwise reinvested (subject to Share availability under Section 5.1 hereof), or (iii) in the case of Restricted Stock that is not subject to performance-based vesting, will be paid or distributed to the Participant as accrued (in which case, such dividends must be paid or distributed no later than the 15th day of the 3rd month following the later of (A) the calendar year in which the corresponding dividends were paid to shareholders, or (B) the first calendar year in which the Participant's right to such dividends is no longer subject to a substantial risk of forfeiture). Unless otherwise provided by the Committee, dividends accrued on Shares of Restricted Stock before they are vested shall, as provided in the Award Certificate, either (i) be reinvested in the form of additional Shares, which shall be subject to the same vesting provisions as provided for the host Award, or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and any dividends accrued with respect to forfeited Restricted Stock will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall dividends with respect to Restricted Stock that is subject to performance-based vesting be paid or distributed until the performance-based vesting restrictions of such Restricted Stock lapse.

ARTICLE 11
DEFERRED STOCK UNITS

11.1. *GRANT OF DEFERRED STOCK UNITS.* The Committee is authorized to grant Deferred Stock Units to Participants subject to such terms and conditions as may be selected by the Committee. Deferred Stock Units shall entitle the Participant to receive Shares of Stock (or the equivalent value in cash or other property if so determined by the Committee) at a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections. An Award of Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms and conditions applicable to the Award.

ARTICLE 12
DIVIDEND EQUIVALENTS

12.1. *GRANT OF DIVIDEND EQUIVALENTS.* The Committee is authorized to grant Dividend Equivalents with respect to Full-Value Awards granted hereunder to Participants subject to such terms and conditions as may be selected by the Committee. Dividend Equivalents shall entitle the Participant to receive payments equal to ordinary cash dividends or distributions with respect to all or a portion of the number of Shares subject to a Full-Value Award, as determined by the Committee. The Committee may provide that Dividend Equivalents (i) will be deemed to have been reinvested in additional Shares or otherwise reinvested, or (ii) except in the case of Performance Shares, will be paid or distributed as accrued (in which case, such Dividend Equivalents must be paid or distributed no later than the 15 day of the 3rd month following the later of (i) the calendar year in which the corresponding dividends were paid to shareholders, or (ii) the first calendar year in which the Participant's right to such Dividends Equivalents is no longer subject to a substantial risk of forfeiture. Unless otherwise provided by the Committee, Dividend Equivalents accruing on unvested Full-Value Awards shall, as provided in the Award Certificate, either (i) be reinvested in the form of additional Shares, which shall be subject to the same vesting provisions as provided for the host Award, or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and any Dividend Equivalents accrued with respect to forfeited Awards will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall Dividend Equivalents with respect to Performance Shares be paid or distributed until the performance-based vesting restrictions of the Performance Shares lapse.

ARTICLE 13
STOCK OR OTHER STOCK-BASED AWARDS

13.1. *GRANT OF STOCK OR OTHER STOCK-BASED AWARDS.* The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation (but subject to Section 10.2) Shares awarded purely as a "bonus" and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, and Awards valued by reference to book value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards.

ARTICLE 14
PROVISIONS APPLICABLE TO AWARDS

14.1. *STAND-ALONE AND TANDEM AWARDS.* Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, any other Award granted under the Plan. Subject to Section 16.2, awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

14.2. *TERM OF AWARD.* The term of each Award shall be for the period as determined by the Committee, provided that in no event shall the term of any Incentive Stock Option or a Stock Appreciation Right granted in tandem with the Incentive Stock Option exceed a period of ten years from its Grant Date.

14.3. *FORM OF PAYMENT FOR AWARDS.* Subject to the terms of the Plan and any applicable law or Award Certificate, payments or transfers to be made by the Company or an Affiliate on the grant or exercise of an Award may be made in such form as the Committee determines at or after the Grant Date, including without limitation, cash, Stock, other Awards, or other property, or any combination, and may be made in a single payment or transfer, in installments, or (except with respect to Options or SARs) on a deferred basis, in each case determined in accordance with rules adopted by, and at the discretion of, the Committee.

14.4. *LIMITS ON TRANSFER.* No right or interest of a Participant in any unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or an Affiliate. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Committee may (but need not) permit other transfers (other than transfers for value) where the Committee concludes that such transferability (i) does not result in accelerated taxation, (ii) does not cause any Option intended to be an Incentive Stock Option to fail to so qualify, and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including without limitation, state or federal tax or securities laws applicable to transferable Awards.

14.5. *BENEFICIARIES.* Notwithstanding Section 14.4, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, any payment due to the Participant shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant, in the manner provided by the Company, at any time provided the change or revocation is filed with the Committee.

14.6. *STOCK TRADING RESTRICTIONS.* All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

14.7. *ACCELERATION UPON A CHANGE IN CONTROL.* Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the occurrence of a Change in Control, all outstanding Options, SARs, and other Awards in the nature of rights that may be exercised shall become fully exercisable, and all time-based vesting restrictions on outstanding Awards shall lapse. Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the occurrence of a Change in Control, the target payout opportunities attainable under all outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon an assumed achievement of all relevant performance goals at the "target" level and there shall be prorata payout to Participants within thirty (30) days following the effective date of the Change in Control (or any later date required by Section 17.3 of the Plan) based upon the length of time within the performance period that has elapsed prior to the Change in Control.

14.8. *ACCELERATION UPON DEATH OR DISABILITY.* Except as otherwise provided in the Award Certificate or any special Plan document governing an Award, upon the Participant's death or Disability during his or her Continuous Status as a Participant, (i) all of such Participant's outstanding Options, SARs, and other Awards in the nature of rights that may be exercised shall become fully exercisable, (ii) all time-based vesting restrictions on the Participant's outstanding Awards shall lapse, and (iii) the target payout opportunities attainable under all of such Participant's outstanding performance-based Awards shall be deemed to have been fully earned as of the date of termination based upon an assumed achievement of all relevant performance goals at the "target" level and there shall be a prorata payout to the Participant or his or her estate within thirty (30) days following the date of termination (or any later date required by Section 17.3 of the Plan) based upon the length of time within the performance period that has elapsed prior to the date of termination. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Awards Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

14.9. *ACCELERATION FOR ANY OTHER REASON.* Regardless of whether an event has occurred as described in Section 14.7 or 14.8 above, and subject to Section 5.5 as to Full-Value Awards and Section 14.11 as to Qualified Performance-Based Awards, the Committee may in its sole discretion at any time determine that all or a portion of a Participant's Options, SARs, and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable, that all or a part of the time-based vesting restrictions on all or a portion of the outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 14.9.

14.10. *EFFECT OF ACCELERATION.* If an Award is accelerated under Section 14.7, Section 14.8 or Section 14.9, the Committee may, in its sole discretion, provide (i) that the Award will expire after a designated period of time after such acceleration to the extent not then exercised, (ii) that the Award will be settled in cash rather than Stock, (iii) that the Award will be assumed by another party to a transaction giving rise to the acceleration or otherwise be equitably converted or substituted in connection with such transaction, (iv) that the Award may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise price of the Award, or (v) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated. To the extent that such acceleration causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

14.11. *QUALIFIED PERFORMANCE-BASED AWARDS.*

(a) The provisions of the Plan are intended to ensure that all Options and Stock Appreciation Rights granted hereunder to any Covered Employee shall qualify for the Section 162(m) Exemption; provided that the exercise or base price of such Award is not less than the Fair Market Value of the Shares on the Grant Date.

(b) When granting any other Award, the Committee may designate such Award as a Qualified Performance-Based Award, based upon a determination that the recipient is or may be a Covered Employee with respect to such Award, and the Committee wishes such Award to qualify for the Section 162(m) Exemption. If an Award is so designated, the Committee shall establish performance goals for such Award within the time period prescribed by Section 162(m) of the Code based on one or more of the following Qualified Business Criteria, which may be expressed in terms of Company-wide objectives or in terms of objectives that relate to the performance of an Affiliate or a unit, division, region, department or function within the Company or an Affiliate:

- Gross and/or net revenue (including whether in the aggregate or attributable to specific products)
- Cost of Goods Sold and Gross Margin
- Costs and expenses, including Research & Development and Selling, General & Administrative
- Income (gross, operating, net, etc.)
- Earnings, including before interest, taxes, depreciation and amortization (whether in the aggregate or on a per share basis
- Cash flows and share price
- Return on assets, investment, capital or equity
- Manufacturing efficiency (including yield enhancement and cycle time reductions), quality improvements and customer satisfaction
- Product life cycle management (including product and technology design, development, transfer, manufacturing introduction, and sales price optimization and management)
- Economic profit or loss
- Market share
- Employee retention, compensation, training and development, including succession planning
- Objective goals consistent with the Participant's specific duties and responsibilities, designed to further the financial, operational and other business interests of the Company, including goals and objectives with respect to regulatory compliance matters.

Performance goals with respect to the foregoing Qualified Business Criteria may be specified in absolute terms (including completion of pre-established projects, such as the introduction of specified products), in percentages, or in terms of growth from period to period or growth rates over time as well as measured relative to an established or specially-created performance index of Company competitors, peers or other members of high tech industries. Any member of an index that disappears during a measurement period shall be disregarded for the entire measurement period. Performance Goals need not be based upon an increase or positive result under a business criterion and could include, for example, the maintenance of the status quo or the limitation of economic losses (measured, in each case, by reference to a specific business criterion).

(c) Each Qualified Performance-Based Award (other than an Option or SAR) shall be earned, vested and payable (as applicable) only upon the achievement of performance goals established by the Committee based upon one or more of the Qualified Business Criteria, together with the satisfaction of any other conditions, including the condition as to continued employment as set forth in subsection (g) below, as the Committee may determine to be appropriate; provided, however, that the Committee may provide, in its sole and absolute discretion, either in connection with the grant thereof or by amendment thereafter, that achievement of such performance goals will be waived upon the death or Disability of the Participant, or upon a Change in Control. In addition, the Committee has the right, in connection with the grant of a Qualified Performance-Based Award, to exercise negative discretion to determine that the portion of such Award actually earned, vested and /or payable (as applicable) shall be less than the portion that would be earned, vested and/or payable based solely upon application of the applicable performance goals. Performance periods established by the Committee for any such Qualified Performance-Based Award may be as short as ninety (90) days and may be any longer period. In addition, the Committee has the right, in connection with the grant of a Qualified Performance-Based Award, to exercise negative discretion to determine that the portion of such Award actually earned, vested and/or payable (as applicable) shall be less than the portion that would be earned, vested and/or payable based solely upon application of the applicable performance goals.

(d) The Committee may provide in any Qualified Performance-Based Award, at the time the performance goals are established, that any evaluation of performance shall include, exclude or otherwise equitably adjust for any event that occurs during a performance period, including by way of example but without limitation the following: (a) asset write-downs or impairment charges; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; (d) accruals for reorganization and restructuring programs; (e) extraordinary nonrecurring items as described in then-current accounting principles and /or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year; (f) acquisitions or divestitures; and (g) foreign exchange gains and losses. To the extent such inclusions or exclusions affect Awards to Covered Employees, they shall be prescribed in a form and at a time that meets the requirements of Code Section 162(m) for deductibility.

(e) Any payment of a Qualified Performance-Based Award granted with performance goals pursuant to subsection (c) above shall be conditioned on the written certification of the Committee in each case that the performance goals and any other material conditions were satisfied. Written certification may take the form of a Committee resolution passed by a majority of the Committee at a properly convened meeting or through unanimous action by the Committee via action by written consent. The certification requirement also may be satisfied by a separate writing executed by the Chairman of the Committee, acting in his capacity as such, following the foregoing Committee action or by the Chairman executing approved minutes of the Committee in which such determinations were made. Except as specifically provided in subsection (c), no Qualified Performance-Based Award held by a Covered Employee or an employee who in the reasonable judgment of the Committee may be a Covered Employee on the date of payment, may be amended, nor may the Committee exercise any discretionary authority it may otherwise have under the Plan with respect to a Qualified Performance-Based Award under the Plan, in any manner to waive the achievement of the applicable performance goal based on Qualified Business Criteria or to increase the amount payable pursuant thereto or the value thereof, or otherwise in a manner that would cause the Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption.

(f) Section 5.4 sets forth the maximum number of Shares that may be granted in any one-year period to a Participant in designated forms of stock-based Awards.

(g) With respect to a Participant who is an officer of the Company, any payment of a Qualified Performance-Based Award granted with performance goals pursuant to subsection (c) above shall be conditioned on the officer having remained continuously employed by the Company or an Affiliate for the entire performance or measurement period, including, as well, through the date of determination and certification of the payment of any such Award pursuant to subsection (e) above (the "Certification Date"). For purposes of the Plan, with respect to any given performance or measurement period, an officer of the Company (i) who terminates employment (regardless of cause) or who otherwise ceases to be an officer, prior to the Certification Date, and (ii) who, pursuant to a separate contractual arrangement with the Company is entitled to receive payments from the Company thereunder extending to or beyond such Certification Date as a result of such termination or cessation in officer status, shall be deemed to have been employed by the Company as an officer through the Certification Date for purposes of payment eligibility.

14.12. *TERMINATION OF EMPLOYMENT.* Whether military, government or other service or other leave of absence shall constitute a termination of employment shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive. A Participant's Continuous Status as a Participant shall not be deemed to terminate (i) in a circumstance in which a Participant transfers from the Company to an Affiliate, transfers from an Affiliate to the Company, or transfers from one Affiliate to another Affiliate, or (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant's employer from the Company or any Affiliate. To the extent that this provision causes Incentive Stock Options to extend beyond three months from the date a Participant is deemed to be an employee of the Company, a Parent or Subsidiary for purposes of Sections 424(e) and 424(f) of the Code, the Options held by such Participant shall be deemed to be Nonstatutory Stock Options.

14.13. *FORFEITURE EVENTS.* Awards under the Plan shall be subject to any compensation recoupment policy that the Company will adopt from time to time, as required by law or otherwise, to the extent applicable. In addition, the Committee may specify in an Award Certificate that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company or Affiliate policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate, or a later determination that the vesting of, or amount realized from, a Performance Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy.

14.14. *SUBSTITUTE AWARDS.* The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

ARTICLE 15
CHANGES IN CAPITAL STRUCTURE

15.1. *MANDATORY ADJUSTMENTS.* In the event of a nonreciprocal transaction between the Company and its shareholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 and 5.4 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Sections 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 and 5.4 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefore.

15.2. *DISCRETIONARY ADJUSTMENTS.* Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 15.1), the Committee may, in its sole discretion, provide (i) that Awards will be settled in cash rather than Stock, (ii) that Awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction (or the per-share transaction price), over the exercise or base price of the Award, (v) that performance targets and performance periods for Performance Shares will be modified, consistent with Code Section 162(m) where applicable, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

15.3. *GENERAL.* Any discretionary adjustments made pursuant to this Article 15 shall be subject to the provisions of Section 16.2. To the extent that any adjustments made pursuant to this Article 15 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

ARTICLE 16
AMENDMENT, MODIFICATION AND TERMINATION

16.1. *AMENDMENT, MODIFICATION AND TERMINATION.* The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the Committee, either (i) materially increase the number of Shares available under the Plan, (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to stockholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of shareholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable to (i) to comply with the listing or other requirements of an Exchange, or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations. Without the prior approval of the shareholders of the Company, the Plan may not be amended to permit: (i) the exercise price or base price of an Option or SAR to be reduced, directly or indirectly, (ii) an Option or SAR to be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or otherwise, or (iii) the Company to repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR.

16.2. *AWARDS PREVIOUSLY GRANTED.* At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option or Stock Appreciation Right for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) The original term of an Option or Stock Appreciation Right may not be extended without the prior approval of the shareholders of the Company;

(c) Except as otherwise provided in Article 15, without the prior approval of the shareholders of the Company, (i) the exercise price of an Option or SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or otherwise, and (iii) the Company may not repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR; and

(d) No termination, amendment, or modification of the Plan shall adversely affect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option or Stock Appreciation Right for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

16.3. *COMPLIANCE AMENDMENTS.* Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Committee may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 16.3 to any Award granted under the Plan without further consideration or action.

ARTICLE 17
GENERAL PROVISIONS

17.1. *NO RIGHTS TO AWARDS; NON-UNIFORM DETERMINATIONS.* No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

17.2. *NO STOCKHOLDER RIGHTS.* No Award gives a Participant any of the rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

17.3. *SPECIAL PROVISIONS RELATED TO SECTION 409A OF THE CODE.*

(a) It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers (other than in his or her capacity as a Participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant's Disability or separation from service, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet any description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the *vesting* of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the Change in Control, Disability or separation from service, as applicable.

(c) If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company (acting through the Committee or the Company's Chief Executive Officer) shall determine which Awards or portions thereof will be subject to such exemptions.

(d) Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) if the payment or distribution is payable in a lump sum, the Participant's right to receive payment or distribution of such Non-Exempt Deferred Compensation will be delayed until the earlier of the Participant's death or the first day of the seventh month following the Participant's separation from service; and

(ii) if the payment or distribution is payable over time, the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Participant's separation from service will be accumulated and the Participant's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Participant's death or the first day of the seventh month following the Participant's separation from service, whereupon the accumulated amount will be paid or distributed to the Participant and the normal payment or distribution schedule for any remaining payments or distributions will resume.

For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder, *provided, however*, that, as permitted in such final regulations, the Company's Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or any committee of the Board, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.

(e) If, pursuant to an Award, a Participant is entitled to a series of installment payments, such Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not to a single payment. For purposes of the preceding sentence, the term "series of installment payments" has the meaning provided in Treas. Reg. Section 1.409A-2(b)(2)(iii) (or any successor thereto).

(f) The Company shall have the sole authority to make any accelerated distribution permissible under Treas. Reg. section 1.409A-3(j)(4) to Participants of deferred amounts, provided that such distribution(s) meets the requirements of Treas. Reg. section 1.409A-3(j)(4).

(g) Whenever an Award conditions a payment or benefit on the Participant's execution and non-revocation of a release of claims, such release must be executed and all revocation periods shall have expired within 60 days after the date of termination of the Participant's employment; failing which such payment or benefit shall be forfeited. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (d) above, (i) if such 60-day period begins and ends in a single calendar year, the Company may make or commence payment at any time during such period at its discretion, and (ii) if such 60-day period begins in one calendar year and ends in the next calendar year, the payment shall be made or commence during the second such calendar year (or any later date specified for such payment under the applicable Award), even if such signing and non-revocation of the release occur during the first such calendar year included within such 60-day period.

17.4. *WITHHOLDING.* The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. With respect to withholding required upon any taxable event under the Plan, the Committee may, at the time the Award is granted or thereafter, require or permit that any such withholding requirement be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

17.5. *NO RIGHT TO CONTINUED SERVICE.* Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or status as an officer, director or consultant at any time, nor confer upon any Participant any right to continue as an employee, officer, director or consultant of the Company or any Affiliate, whether for the duration of a Participant's Award or otherwise. Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 16, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Board of Directors without giving rise to any liability on the part of the Company or an of its Affiliates.

17.6. *UNFUNDED STATUS OF AWARDS.* The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. This Plan is not intended to be subject to ERISA.

17.7. *RELATIONSHIP TO OTHER BENEFITS.* No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan.

17.8. *EXPENSES.* The expenses of administering the Plan shall be borne by the Company and its Affiliates.

17.9. *TITLES AND HEADINGS.* The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

17.10. *GENDER AND NUMBER.* Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

17.11. *FRACTIONAL SHARES.* No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

17.12. *GOVERNMENT AND OTHER REGULATIONS.*

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

17.13. *GOVERNING LAW.* To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Delaware.

17.14. *ADDITIONAL PROVISIONS.* Each Award Certificate may contain such other terms and conditions as the Committee may determine; provided that such other terms and conditions are not inconsistent with the provisions of the Plan.

17.15. *NO LIMITATIONS ON RIGHTS OF COMPANY.* The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

17.16. *INDEMNIFICATION*. Each person who is or shall have been a member of the Committee, or of the Board, or an officer of the Company to whom authority was delegated in accordance with Article 4 shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

17.17. *SEVERABILITY*. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

EXHIBIT 31.1

RULE 13a-14(a) CERTIFICATION OF
CHIEF EXECUTIVE OFFICER

I, D. Mark Durcan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Micron Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 10, 2015

/s/ D. Mark Durcan

D. Mark Durcan
Chief Executive Officer

EXHIBIT 31.2

RULE 13a-14(a) CERTIFICATION OF
PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER

I, Mark J. Heil, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Micron Technology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 10, 2015

/s/ Mark J. Heil

Mark J. Heil
Principal Financial and Accounting Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. 1350

I, D. Mark Durcan, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Micron Technology, Inc. on Form 10-Q for the period ended March 5, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Micron Technology, Inc.

Date: April 10, 2015

/s/ D. Mark Durcan

D. Mark Durcan
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. 1350

I, Mark J. Heil, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Micron Technology, Inc. on Form 10-Q for the period ended March 5, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Micron Technology, Inc.

Date: April 10, 2015

/s/ Mark J. Heil

Mark J. Heil
Principal Financial and Accounting Officer