QuickLinks -- Click here to rapidly navigate through this document

As filed with the Securities and Exchange Commission on April 23, 2007

Registration No. 333- •

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NXP B.V.

(Exact Name of Registrant as Specified in Its Charter)
SEE TABLE OF ADDITIONAL REGISTRANTS

The Netherlands	**3674**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

High Tech Campus 60,
5656 AG
Eindhoven, The Netherlands
(31) 40 2745678
(Address and telephone number of Registrant's principal executive offices)

NXP Semiconductors USA Inc.
2711 Centerville Road
Suite 400
Wilmington, Delaware 19809
(212) 536-0620
(Name, address and telephone number of agent for service)

with a copy to:
Andrew D. Soussloff
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
(212) 558-4000

Approximate date of commencement of proposed sale to the public:
As promptly as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Note	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Floating Rate Senior Secured Notes due 2013(3)	€1,000,000,000	100%	$1,360,500,000	$41,767.35
Floating Rate Senior Secured Notes due 2013(3)	$1,535,000,000	100%	$1,535,000,000	$47,124.50
7 7/8% Senior Secured Notes due 2014(3)	$1,026,000,000	100%	$1,026,000,000	$31,498.20
8 5/8% Senior Notes due 2015(3)	€525,000,000	100%	$714,262,500	$21,927.86
9 1/2% Senior Notes due 2015(3)	$1,250,000,000	100%	$1,250,000,000	$38,375.00
Guarantees of Floating Rate Senior Secured Notes due 2013(3)	N/A(4)	(4)	(4)	(4)
Guarantees of Floating Rate Senior Secured Notes due 2013(3)	N/A(4)	(4)	(4)	(4)
Guarantees of 7 7/8% Senior Secured Notes due 2014(3)	N/A(4)	(4)	(4)	(4)
Guarantees of 8 5/8% Senior Notes due 2015(3)	N/A(4)	(4)	(4)	(4)

Guarantees of 9 1/2% Senior Notes due 2015(3)	N/A(4)	(4)	(4)	(4)

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended (the "Securities Act").
(2) Euro-denominated securities have been converted to U.S. dollar amounts at an exchange rate of 0.7350 euros per U.S. dollar, the noon buying rate on April 19, 2007, as certified by the Federal Reserve Bank of New York for customs purposes.
(3) See inside facing page for additional registrant subsidiary co-issuers and guarantors.
(4) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANT CO-ISSUERS AND SUBSIDIARY GUARANTORS

Exact Name as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area of Principal Executive Offices
NXP Funding LLC*	Delaware, United States	3674	20-5542096	2711 Centerville Road, Ste. 400, Wilmington, DE 19808 Tel: +1 212 536-0620
NXP Semiconductors Netherlands B.V.	The Netherlands	3674	N/A	High Tech Campus 60, 5656 AG Eindhoven, The Netherlands Tel: +31 40 27 45678
NXP Semiconductors Germany GmbH	Germany	3674	N/A	Stresemannallee 101 22529 Hamburg, Germany Tel: +49 40 5613 2891
NXP Semiconductors Taiwan Ltd.	Taiwan	3674	N/A	No. 10 Chin 5th Road, Nantze Export Processing Zone, Kaohsiung, 811 Taiwan Tel: +886 7 367 8100
NXP Semiconductors Philippines Inc.	Philippines	3674	N/A	Philips Avenue, SEPZ, LISP 1 Brgy, Diezmo, Cabuyao, Laguna, 1227 Philippines Tel: +63 49 545 7800 ext 3101
NXP Semiconductors USA Inc.	Delaware, United States	3674	20-5060850	2711 Centerville Road, Suite 400 Wilmington, DE 19808, USA Tel: +1 212 536-0620
NXP Semiconductors Hong Kong Limited	Hong Kong	3674	N/A	Levels 5-9, Three Pacific Place, Queen's Road East, Wanchai, Hong Kong Tel: +86 21 6354 8819
NXP Manufacturing (Thailand) Co., Ltd.	Thailand	3674	N/A	Moo 3 303 Changwattana Road, Talad Bangkhen, Laksi, 10210 Bangkok, Thailand Tel: +66 2 973 3719
NXP Semiconductors UK Limited.	United Kingdom	3674	N/A	Millbrook Industrial Estate Southampton, Hampshire SO15 0DJ United Kingdom Tel: +44 23 80702701
NXP Semiconductors Singapore Pte. Ltd.	Singapore	3674	N/A	188 Joo Chiat Road, #02-01, Singapore 427407 Tel: +65 6248 7001

* NXP Funding LLC is a co-issuer of the exchange notes offered hereby. The other listed registrants are guarantors of the exchange notes.

The information is this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 23, 2007

PROSPECTUS (Subject to Completion)

NXP B.V.
NXP FUNDING LLC

Offers to Exchange

€1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7 7/8% Senior Secured Notes due 2014, €525,000,000 principal amount 8 5/8% Senior Notes due 2015 and $1,250,000,000 principal amount 9 1/2% Senior Notes due 2015, all of which have been registered under the Securities Act of 1933, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7 7/8% Senior Secured Notes due 2014, euro-denominated 8 5/8% Senior Notes due 2015 and dollar-denominated 9 1/2% Senior Notes due 2015.

We are conducting the exchange offers in order to provide you with an opportunity to exchange your unregistered notes for freely tradable notes that have been registered under the Securities Act.

The Exchange Offers

- We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.
- You may withdraw tenders of outstanding notes at any time prior to the expiration date of the exchange offers.
- The exchange offers for dollar-denominated outstanding notes expire at 5:00 p.m., New York City time, on May , 2007, unless extended.
- The exchange offers for euro-denominated outstanding notes expire at 5:00 p.m., London time, on May , 2007, unless extended.
- The terms of the exchange notes to be issued in the exchange offers are substantially identical to the outstanding notes, except that the exchange notes will be freely tradable. The exchange notes will have the same financial terms and covenants as the old notes, and are subject to the same business and financial risks.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the applicable indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, we do not currently anticipate that we will register the outstanding notes under the Securities Act.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for the outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the latest expiration date of the exchange offers and ending on the close of business 180 days after such expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

For a more detailed description of the exchange notes, see "Description of the Exchange Notes" beginning on page 150.

Application has been made to list the euro-denominated exchange notes on the Alternative Securities Market of the Irish Stock Exchange.

See "Risk Factors" beginning on page 24 for a discussion of certain risks you should consider before participating in the exchange offers.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be issued in the exchange offers or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

, 2007

TABLE OF CONTENTS

ENFORCEMENT OF CIVIL LIABILITIES

NXP B.V. is a private company with limited liability (*besloten vennootschap*) incorporated under the laws of The Netherlands, and certain of its directors and executive officers are residents of The Netherlands. In addition, a substantial portion of the assets owned by us and the aforesaid individuals are located outside the United States. Similarly, most of the guarantors of the notes are organized under the laws of various jurisdictions outside of the United States. As a result, it may be difficult or impossible for you to effect service of process upon us or any of the aforesaid persons within the United States with respect to matters arising under the U.S. federal securities laws or to enforce against us or any of such persons judgments of U.S. courts predicated upon the civil liability provisions of the U.S. federal securities laws. Service of process in U.S. proceedings on persons in The Netherlands, however, is regulated by a multilateral treaty guaranteeing service of writs and other legal documents in civil cases if the current address of the defendant is known. The competent Dutch court will apply Dutch private international law to determine which laws will be applicable to any private law claim brought before it and apply that law to such claim. It is uncertain whether a Dutch court would apply or enforce the civil liability provisions of U.S. Federal securities laws.

Also, a judgment rendered by U.S. courts predicated upon the federal securities laws of the United States, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States, will not be recognized by a Dutch court and cannot be directly enforced in The Netherlands. However, if a person has obtained a final and conclusive judgment rendered by a U.S. court which is enforceable in the United States and files a claim with the competent Dutch court, the Dutch court will generally give binding effect to the foreign judgment, provided that it has been rendered on grounds which are internationally acceptable and that proper legal procedures have been observed, unless such foreign judgment contravenes Dutch public policy. Enforcement and recognition of judgments of U.S. courts in The Netherlands are solely governed by the provisions of the Dutch Civil Procedure Code.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND USE OF NON-GAAP FINANCIAL INFORMATION

Our combined financial statements for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 through September 28, 2006 (predecessor periods) and our consolidated financial statements for the period September 29, 2006 through December 31, 2006 (successor period) are presented in accordance with accounting principles generally accepted in the United States (U.S. GAAP). In addition, we have included certain non-GAAP financial measures in this prospectus, including EBITDA. We believe that the presentation of EBITDA enhances an investor's understanding of our financial performance. Our management uses EBITDA to assess our Company's operating performance and to make decisions about allocating resources among our various segments. In addition, we believe EBITDA is a measure commonly used by investors. EBITDA is not a presentation made in accordance with U.S. GAAP and our use of the term EBITDA varies from others in our industry. EBITDA should not be considered as alternatives to net income (loss), operating income or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or operating cash flows as measures of liquidity. EBITDA has important limitations as analytical tools and you should not consider it in isolation or as substitutes for analysis of our results as reported under U.S. GAAP. For example, EBITDA:

- excludes certain tax payments that may represent a reduction in cash available to us;
- does not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- does not reflect changes in, or cash requirements for, our working capital needs; and

- does not reflect the significant financial expense, or the cash requirements necessary to service interest payments, on our debts.

MARKET AND INDUSTRY DATA

Market data and certain industry data and forecasts used throughout this prospectus were obtained from internal company surveys, market research, publicly available information and industry publications and surveys. Industry surveys, publications and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we are not aware of any misstatements regarding the industry data and forecasts presented herein, we have not independently verified any of the data from third party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, we have not independently verified internal studies, which we believe to be reliable based upon our management's knowledge of the industry.

EXCHANGE RATE INFORMATION

We publish our consolidated financial statements in euro. As used in this prospectus, "euro", "EUR" or "€" means the single unified currency of the European Monetary Union. "U.S. dollar", "USD", "U.S.$" or "$" means the lawful currency of the United States of America. As used in this prospectus, the term "noon buying rate" refers to the exchange rate for euro, expressed in U.S. dollars per euro, as announced by the Federal Reserve Bank of New York for customs purposes as the rate in the city of New York for cable transfers in foreign currencies. We currently intend to change our reporting currency to U.S. dollars effective January 1, 2008.

To enable you to ascertain how the trends in our financial results would have appeared had they been expressed in U.S. dollars, the table below shows the average noon buying rates for U.S. dollars per euro for the five years ended December 31, 2006 and the high, low, and period end rates for each of those periods. The averages set forth in the table below have been computed using the noon buying rate on the last business day of each month during the periods indicated.

Year ended December 31,	Average
	($ per €)
2002	0.9454
2003	1.1321
2004	1.2438
2005	1.2449
2006	1.2563

The following table shows the high and low noon buying rates for U.S. dollars per euro for each of the six months ended March 31, 2007 and for the period from April 1, 2007 through April , 2007:

Month	High	Low
	($ per €)	
October 2006	1.2773	1.2502
November 2006	1.3261	1.2705
December 2006	1.3327	1.3073
January 2007	1.3280	1.2909
February 2007	1.3246	1.2933
March 2007	1.3374	1.3094
April 2007 (through April)		

On April , 2007, the noon buying rate was per €1.00.

A substantial portion of our assets, liabilities, revenues and expenses are denominated in currencies other than the euro. Accordingly, fluctuations in the value of the euro relative to other currencies have had a significant effect on the translation into euro of our non-euro assets, liabilities, revenues and expenses, and may continue to do so in the future. For further information on the impact of fluctuations in exchange rates on our operations, see "Risk Factors—Risks Related to Our Business—Fluctuations in foreign exchange rates may have an adverse effect on our financial results."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICES TO CERTAIN NON-U.S. RESIDENTS

This prospectus has been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), each, a "Relevant Member State," will be made pursuant to an exemption under the Prospectus Directive, as implemented in the Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for NXP B.V. to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. NXP B.V. has not authorized, nor does it authorize, the making of any offer of exchange notes in circumstances in which an obligation arises for NXP B.V. to publish or supplement a prospectus for such offer.

European Economic Area

In relation to each Relevant Member State no offer of exchange notes to the public under the exchange offers described in this prospectus may be made to the public in the Relevant Member State prior to the publication of a prospectus in relation to the exchange notes which has been approved by the competent authority in the Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, such exchange offers may be made:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purpose of this provision, the expression an "offer of notes to the public" in relation to any of the exchange notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the exchange notes to be offered so as to enable an investor to decide to exchange its existing notes for exchange notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Italy

The exchange offers described in this prospectus are not being made in the Republic of Italy. The exchange offers and this prospectus have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) or the Bank of Italy pursuant to Italian laws and regulations. Holders of outstanding notes (as defined in this prospectus) are hereby notified that, to the extent such holders are Italian residents and/or persons located in the Republic of Italy, the exchange offers described in this prospectus are not available to them and they may not submit for exchange any outstanding notes in the exchange offers. Any acceptance received from such persons shall be ineffective and void, and neither the exchange offers made by this prospectus nor any other offering material relating to the exchange offers or the notes may be distributed or made available in the Republic of Italy. In order to ascertain whether a person is resident or located in the Republic of Italy, the applicable laws and regulations governing tender offers in the Republic of Italy shall apply.

United Kingdom

This prospectus has been issued by and is the sole responsibility of the Company and is only for circulation to holders of the outstanding notes described in this prospectus and other persons to whom it may lawfully be issued in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, any person satisfying this criteria being referred to as a "relevant person." This communication may not be acted upon by anyone who is not a relevant person.

Any person who receives the exchange notes confirms that he has complied and will comply with all applicable sections of the Financial Services and Markets Act 2000.

France

The exchange offers described in this prospectus have not been submitted to the clearance procedures of the French *Autorité des marchés financiers* and may not be used in connection with any offer or invitation to the public to exchange outstanding notes for the exchange notes offered hereby in France. The exchange offers are not being made, directly or indirectly, to the public in France and only persons licensed to provide the service of portfolio management for the account of third parties or qualified investors (*investisseurs qualifiés*) acting for their own account as defined in Articles L.411-2 and D.411-1 to D.411-2 of the French *Code monétaire et financier* are eligible to accept the exchange offers in France.

Belgium

In Belgium, the exchange offers described in this prospectus will not, directly or indirectly, be made to, or for the account of, any person other than to professional or institutional investors referred to in article 3,2° of the Belgian Royal Decree of 7 July 1999 on the public character of financial

operations, each acting on their own account. This prospectus has not been and will not be submitted to nor approved by the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances/Commissie voor het Bank-, Financie- en Assurantiewezen*) and accordingly may not be used in connection with any exchange offers in Belgium except as may otherwise be permitted by law.

Ireland

In Ireland, the exchange offers will not constitute investment advice or investment business services for purposes of the Irish Investment Intermediaries Act, 1995.

Germany

This prospectus does not constitute a Prospectus Directive compliant prospectus in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as of 22 June 2005 implementing Directive 2003/71/EC of the European Parliament and of the Counsel of 4 November 2003. Accordingly, the exchange notes (as defined in this prospectus) may only be offered in Germany under an exemption from the requirement to file or notify, as the case may be, a prospectus pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other applicable laws in the Federal Republic of Germany governing the issue, sale and offering of securities, or otherwise in compliance therewith.

Spain

The offering of the exchange notes (as defined in this prospectus) has not been registered with the *Comisión Nacional del Mercado de Valores*. Accordingly, the exchange notes may be offered in Spain to qualified investors pursuant to and in compliance with Law 24/1988, as amended, and any regulation issued thereunder.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. When used in this document, the words "anticipate," "believe," "estimate," "forecast," "expect," "intend," "plan" and "project," and similar expressions, as they relate to us, our management or third parties, identify forward-looking statements. Forward-looking statements include statements regarding our business strategy, financial condition, results of operations, and market data, as well as any other statements which are not historical facts. These statements reflect beliefs of our management as well as assumptions made by our management and information currently available to us. Although we believe that these beliefs and assumptions are reasonable, the statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf and include, in addition to those listed under "Risk Factors" and elsewhere in this prospectus, the following:

- market demand and semiconductor industry conditions;
- our ability to successfully introduce new technologies and products;
- the demand for the goods into which our products are incorporated;
- our ability to generate sufficient cash or raise sufficient capital to meet both our debt service and research and development and capital investment requirements;
- our ability to accurately estimate demand and match our production capacity accordingly or obtain supplies from third party producers;

- our access to production from third party outsourcing partners, and any events that might affect their business or our relationship with them;
- our ability to secure adequate and timely supply of equipment and materials from suppliers;
- our ability to avoid operational problems and product defects and, if such issues were to arise, to rectify them quickly;
- our ability to form strategic partnerships and joint ventures and successfully cooperate with our alliance partners;
- our ability to win competitive bid selection processes to develop products for use in our customers' equipment and products;
- our ability to successfully establish a brand identity;
- our ability to successfully hire and retain key management and senior product architects; and
- our ability to maintain good relationships with our suppliers.

Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, we do not have any intention or obligation to update forward-looking statements after we distribute this prospectus.

In addition, this prospectus contains information concerning the semiconductor industry, our market segments and business units generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, our market segments and product areas will develop. We have based these assumptions on information currently available to us, including through the market research and industry reports referred to in this prospectus. Although we believe that this information is reliable, we have not independently verified and cannot guarantee its accuracy or completeness. If any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, and the market price of the notes, could be materially adversely affected.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. The information set forth below does not contain all the information you should consider before making any investment decision. We urge you to read the entire prospectus carefully, including the section "Risk Factors" and our combined and consolidated financial statements, including the notes thereto. References in this prospectus to "we", "our", "us", "NXP" and "the company" are to NXP B.V. and its consolidated subsidiaries or to NXP B.V. and NXP Funding LLC, the co-issuer, taken together, as the context requires. Please refer to "Recent Significant Transactions" below for more information.

NXP B.V.

Background

On September 29, 2006, Koninklijke Philips Electronics N.V. ("Philips") sold 80.1% of its semiconductors businesses to a consortium of private equity investors in a multi-step transaction. As part of this transaction, Philips transferred these businesses to us on September 28, 2006. All of our issued and outstanding shares were then acquired by KASLION Acquisition B.V. ("KASLION"), our parent company, which was formed as an acquisition vehicle by the private equity consortium and Philips.

At the time of our acquisition by KASLION, the private equity consortium was comprised of investment funds associated with or advised by each of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), Bain Capital LLC ("Bain"), Silver Lake Management Company L.L.C. ("Silver Lake"), Apax Partners Europe Managers Ltd. ("Apax") and AlpInvest Partners N.V. ("AlpInvest", and together with KKR, Bain, Silver Lake and Apax, the "Sponsors") as well as other investors designated by the Sponsors (collectively, the "Consortium").

Our Company

We are one of the world's largest semiconductor companies. With total sales of €5.0 billion in the calendar year ended December 31, 2006, we rank among the world's top ten semiconductor providers and among the top three suppliers of application-specific semiconductors in terms of total sales. With over 50 years of operating history, we are also one of the longest-established companies in our industry. Our business targets the home electronics, mobile communications, personal entertainment, automotive and identification application markets. Within these markets, we provide a diversified range of application-specific semiconductors, including system solutions (which are customized products packaging one or more semiconductor components together with software) and semiconductor components. We also have a strong multimarket products business, which provides our customers with general purpose semiconductor components, including transistors and diodes, general purpose logic and power discretes as well as an array of application specific standard products. In our targeted application markets, we emphasize market leadership, and we seek to gain and maintain leading shares in the markets we address.

Our strategy centers on what we call the "connected consumer", by which we mean the modern electronics consumer who accesses a range of information and multimedia content on a wide variety of electronic devices. To meet the demands of the connected consumer, we focus on developing system solutions containing technologies that can be applied across a broad spectrum of consumer markets. We also aim to develop products that facilitate innovation and allow our customers to bring their end-products to market more quickly. We do this by combining our deep knowledge of the consumer electronics market, developed through our long experience with Original Equipment Manufacturer (OEM) customers, with our particular expertise in audio, video, radio frequency communications, power management and security technologies. Our Nexperia product line embodies this integrated approach. Nexperia enables our customers to develop connected multimedia devices that incorporate

one or more semiconductor components and associated software into a highly flexible, upgradable architecture. In addition, through innovative platform solutions such as Nexperia, we aim to apply advances in design and process technology across all of our business units.

We are organized into four business units: Mobile & Personal, Home, Automotive & Identification and Multimarket Semiconductors. Our Mobile & Personal, Home and Automotive & Identification business units primarily offer application-specific semiconductors with a focus on system solutions. Our Multimarket Semiconductors business unit offers standard products for use in multiple application markets, as well as application-specific standard products. The following chart lists these business units and our other reporting segments, and a selection of the key applications markets they operate in and the products they provide. For information on the total sales and financial performance of our business segments, see note 4 to our combined and consolidated financial statements included elsewhere in this prospectus.

	Business Units				Other Reporting Segments	
	Mobile & Personal	**Home**	**Automotive & Identification**	**Multimarket Semiconductors**	**Integrated Circuit Manufacturing Operations (IMO)**	**Corporate and Other, including software**
Key applications and products/ business function	Cellular systems, connectivity, personal entertainment solutions, semiconductors for cordless and VoIP phones, sound solutions	Digital television, analog television, set-top boxes, PC-television, tuners, radio frequency solutions	In-car entertainment, in-vehicle networking, car access and immobilizer systems, tire pressure monitoring, radio frequency ID, eGovernment, smart cards, near-field communications	Transistors, diodes, integrated discretes, microcontrollers, logic chips, power solutions, tuning discretes, CATV modules, power discretes, data converters, interface products, sensors, dedicated multimarket manufacturing operations	Digital, analog and mixed-signal integrated circuit fabrication, test and packaging, outsourcing strategy	Semiconductor software development, technology licensing, emerging businesses

Semiconductors sold by each of our four business units are produced by our centralized integrated circuit manufacturing operations (IMO) division, which is responsible for integrated circuit fabrication, test and packaging. In addition, our Multimarket Semiconductors unit, which relies on IMO for most of the integrated circuits it sells, operates its own dedicated wafer fabrication and test and packaging facilities, primarily for discrete semiconductors. We pursue an asset-light manufacturing strategy in order to increase return on invested capital, reduce capital expenditures and lower our fixed cost base. We rely on a combination of wholly owned manufacturing facilities, manufacturing facilities operated jointly with other semiconductor companies, third-party foundries and assembly and test subcontractors. IMO operates 12 wholly owned integrated circuit manufacturing sites and coordinates our participation in our Systems on Silicon Manufacturing Company Pte. (SSMC) joint venture, which is a global leader in semiconductor fabrication, as well as our Crolles2 research and manufacturing alliance ("Crolles"). In January 2007, we announced that we would discontinue our participation in Crolles, effective December 31, 2007. Multimarket Semiconductors operates an additional seven wholly owned discrete semiconductor manufacturing facilities and one wholly owned integrated circuit wafer fabrication facility. Multimarket Semiconductors also coordinates our participation in our Jilin NXP Semiconductors Limited (JNS) joint venture, a manufacturer of discrete semiconductors for power management applications.

We also have additional business operations that report outside of our four business units and IMO, such as marketing and selling software as a separate product offering, licensing our intellectual property and investing in emerging semiconductor technologies. The segment under which these

activities are reported, Corporate and Other, also reflects research expenses not related to any specific business unit, corporate restructuring charges, and other extraordinary expenses.

Our customers include most of the world's leading consumer electronics and automotive suppliers, as well as a number of other technology providers, electronics distributors and governments. Within this diversified base, we have a core group of blue-chip customers on which we focus our sales efforts. In the calendar year ended December 31, 2006, we derived over 70% of our total sales from our top 50 customers, although no single customer accounted for more than 8% of our total sales. Based on total sales, for 2006, our top five customers are Nokia, Samsung, Philips, Ericsson and Arrow. Philips accounted for 6% of our total sales during this period.

Company and Co-Issuer Information

We were incorporated in The Netherlands as a Dutch private company with limited liability (*besloten vennootschap*) on December 21, 1990 as a wholly owned subsidiary of Philips. On September 29, 2006 we changed our name from Philips Semiconductors International B.V. to NXP B.V. Our corporate seat is in Eindhoven, The Netherlands. Our registered office is at High Tech Campus 60, 5656 AG, Eindhoven, The Netherlands, and our telephone number is +31 40 2745678. Our website is at http://www.nxp.com. The information and other content on our website are not part of this prospectus.

NXP Funding LLC, the co-issuer of the exchange notes, was formed in Delaware as a limited liability company on September 11, 2006 as a wholly owned subsidiary of the Company. The address of its registered office in Delaware is 2711 Centerville Road, Suite 400, Wilmington, DE 19808 and the telephone number is +1 212 536 0620.

RECENT SIGNIFICANT TRANSACTIONS

We refer to the transactions by which we acquired Philips' semiconductors businesses and Philips sold an 80.1% interest in these businesses to the Consortium as the "Transactions". The Transactions included the following steps:

- ***Our separation from Philips*.** On September 28, 2006, we acquired substantially all of the semiconductors businesses of Philips. We refer to this transaction as the "Separation". As contemplated by the Separation arrangements, Philips' interest in ASMC (a joint venture in which Philips holds a 27% interest) has not yet been transferred to us. We expect that this interest will remain with Philips for a limited period of time and be transferred to us on or before June 30, 2007. In addition, not all contracts related to our business to which Philips was a party have been transferred to us. In connection with the Separation, we have entered into various agreements with Philips that relate to our ongoing affairs, including in the areas of intellectual property and research and development.

- ***Acquisition of our company by an investment vehicle*.** On September 28, 2006, KASLION entered into a Stock Purchase Agreement (the "Purchase Agreement") with Philips. Pursuant to the Purchase Agreement, KASLION acquired 100% of our issued and outstanding shares from Philips on September 29, 2006 for an aggregate purchase price of €8,208 million. We refer to our acquisition by KASLION as the "Acquisition". The transfer of Philips' interest in ASMC to us referred to above is subject to a deferred closing mechanism under the Purchase Agreement, pursuant to which Philips is required to deliver these interests to us on or before June 30, 2007 or else to compensate KASLION for the value of these interests based on an agreed-upon valuation mechanism.

  Separately, KASLION Holding B.V. ("Consortium Holding"), the investment vehicle of the Consortium, paid approximately €3,451 million, and Philips paid approximately €854 million, in exchange for, respectively, 80.1% and 19.9% of the total equity of KASLION (prior to dilution from our management equity program). KASLION used these funds to purchase 100% of our shares from Philips.

  On September 29, 2006, Philips, Consortium Holding, KASLION, Stichting Management Co-Investment NXP (a foundation that holds equity in KASLION as part of our management equity program) and we entered into a shareholders agreement, which we refer to as the "Shareholders Agreement". For so long as Philips holds more than 10% of KASLION's equity, the Shareholders Agreement will include, among other things, limitations on our indebtedness and our ability to pay dividends or make other distributions, provisions regarding the composition of our supervisory board and provisions that subject certain of our activities to the approval of either a supervisory board member designated by Philips or the chairman of our supervisory board. The Shareholders Agreement provides that the chairman must be a person not affiliated with Philips or Consortium Holding.

- ***Financing Transactions***. On September 29, 2006, we entered into a €500 million euro-equivalent senior secured revolving credit facility. On October 12, 2006, we issued approximately €4,529 million euro-equivalent secured and senior notes in an underwritten offering. We used the proceeds from the offering to repay bridge financing facilities we had entered into in connection with the Acquisition. We are offering to exchange those notes for exchange notes in this exchange offer.

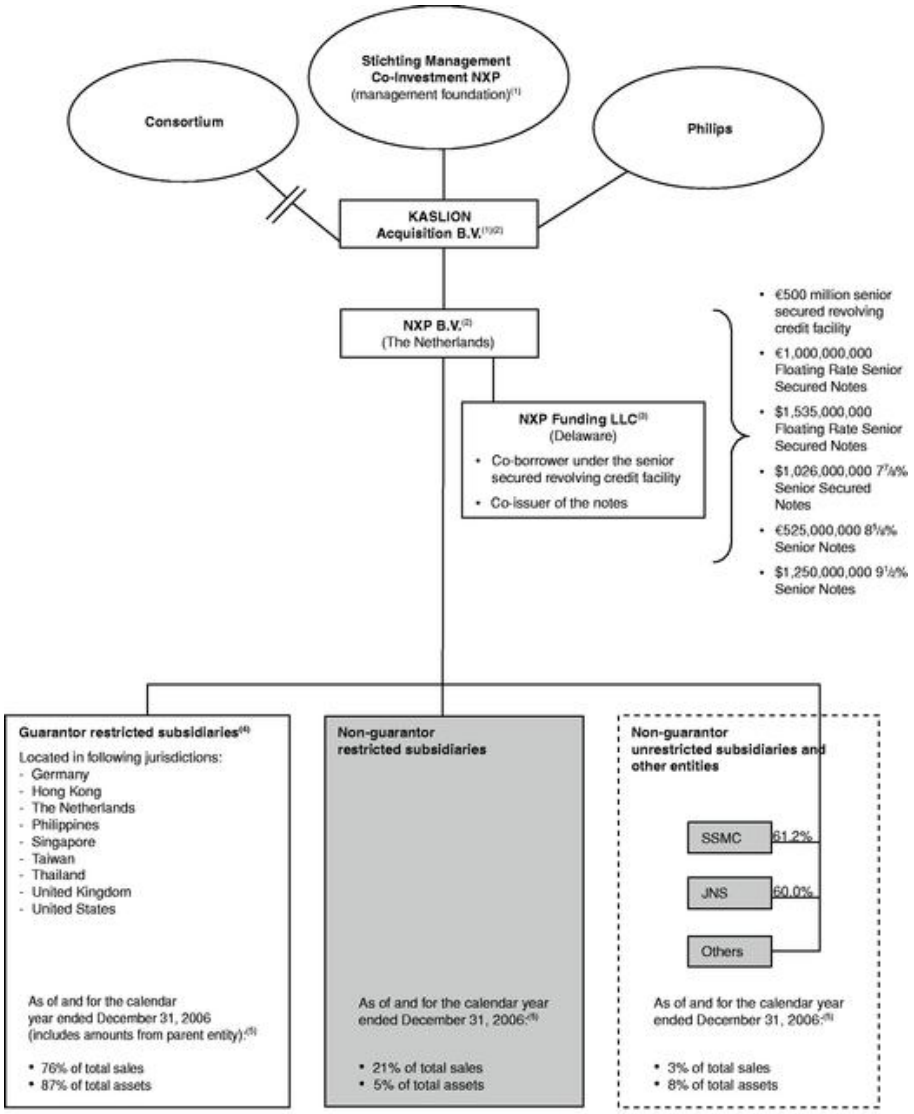
Our Relationship with Philips

We have sought to minimize the number of areas in which we rely on Philips for administrative and operational support following the Separation. However, in areas where we believe it is economical

to do so, we have contracted with Philips to receive such support for a transitional period. In the area of research and development, we continue to collaborate with Philips. In addition, we have entered into certain license, supply and purchase agreements with Philips. See "Certain Relationships and Related Party Transactions" for more information on these arrangements. Philips owns 19.9% of the total equity of KASLION, prior to dilution from our management equity program. Philips is also our customer, accounting for approximately 6% of our total sales for the calendar year ended December 31, 2006.

Corporate Structure

The following chart reflects our corporate structure and our principal indebtedness as of December 31, 2006.



(1) Stichting Management Co-Investment NXP, a foundation established to hold shares of KASLION for the benefit of our management, holds an investment in KASLION's equity that will provide management with the possibility of sharing significantly in the success of our business.

(2) Subject to agreed principles regarding the granting of security interests, which we refer to as "agreed security principles", we have pledged the shares of our direct subsidiaries as collateral for the secured notes. In the case of the shares of the subsidiary guarantor organized in The Philippines, a conditional assignment has been taken instead. Our senior secured revolving credit facility also benefits from a pledge of substantially all the assets of KASLION.

(3) NXP Funding LLC is a co-borrower of the senior secured revolving credit facility and co-issuer of the notes. NXP Funding LLC was formed specifically for this purpose and has no assets, no revenues and no operations.

(4) Each of the subsidiary guarantors has, subject to agreed security principles, pledged substantially all of its assets other than cash and bank accounts as collateral for the senior secured revolving credit facility and the secured notes. Our subsidiary organized in The Philippines has instead provided a conditional assignment of its assets.

(5) Total sales represent the combined total sales for our predecessor and successor periods in 2006.

THE EXCHANGE OFFERS

General	On October 12, 2006, NXP B.V. and NXP Funding LLC issued €1,000,000,000 aggregate principal amount of floating rate senior secured notes due 2013, $1,535,000,000 aggregate principal amount of floating rate senior secured notes due 2013, $1,026,000,000 aggregate principal amount of $7^{7}/_{8}$% senior secured notes due 2014, €525,000,000 aggregate principal amount of $8^{5}/_{8}$% senior notes due 2015 and $1,250,000,000 aggregate principal amount of $9^{1}/_{2}$% senior notes due 2015 in a private offering (the "outstanding notes"). NXP B.V. and NXP Funding LLC and the guarantors of the private offering entered into a registration rights agreement (the "Registration Rights Agreement") with the initial purchasers of the outstanding notes, for the benefit of the note holders, under which we are required to use commercially reasonable efforts to complete an offer to exchange the notes for new issues of substantially identical series of notes registered under the Securities Act of 1933 (the "exchange notes"), or have one or more shelf registration statements declared effective, prior to January 5, 2008. We are making the exchange offers to satisfy our obligations under the Registration Rights Agreement.
The Exchange Offers	We are offering €1,000,000,000 aggregate principal amount of floating rate senior secured notes due 2013 registered under the Securities Act of 1933 ("Securities Act") for any and all €1,000,000,000 aggregate principal amount of euro-denominated floating rate senior secured notes due 2013 issued on October 12, 2006 in a private offering.
	We are offering $1,535,000,000 aggregate principal amount of floating rate senior secured notes due 2013 registered under the Securities Act for any and all $1,535,000,000 aggregate principal amount of dollar-denominated floating rate senior secured notes due 2013 issued on October 12, 2006 in a private offering.
	We are offering $1,026,000,000 aggregate principal amount of $7^{7}/_{8}$% senior secured notes due 2014 registered under the Securities Act for any and all $1,026,000,000 aggregate principal amount of $7^{7}/_{8}$% senior secured notes due 2014 issued on October 12, 2006 in a private offering.
	We are offering €525,000,000 aggregate principal amount of $8^{5}/_{8}$% senior notes due 2015 registered under the Securities Act for any and all €525,000,000 aggregate principal amount of $8^{5}/_{8}$% senior notes due 2015 issued on October 12, 2006 in a private offering.
	We are offering $1,250,000,000 aggregate principal amount of $9^{1}/_{2}$% senior notes due 2015 registered under the Securities Act for any and all $1,250,000,000 aggregate principal amount of $9^{1}/_{2}$% senior notes due 2015 issued on October 12, 2006 in a private offering.

Expiration and Exchange Dates	Our offers expire (i) with respect to dollar-denominated notes, at 5:00 p.m., New York City time, on May , 2007, and (ii) with respect to euro-denominated notes, at 5:00 p.m., London time, on May , 2007, unless, in each case, we extend the deadline. We will complete the exchange and issue the exchange notes in the exchange for the outstanding notes, or the outstanding notes will be returned promptly upon expiration or termination of the exchange offers, as applicable.
Accrued Interest on the Exchange Notes and the Notes	The exchange notes will bear interest from the last maturity date of any interest installment on which interest was paid on the outstanding notes (or the issue date of the outstanding notes if no interest has been paid). If you hold outstanding notes and they are accepted for exchange: • you will waive your right to receive any interest on your outstanding notes accrued from the last maturity date of any interest installment on which interest was paid on the date the exchange notes are issued. • You will receive the same interest payment on July 15, 2007 (for floating rate senior secured exchange notes) or October 15, 2007 (for senior secured exchange notes and senior exchange notes), which is the next interest payment date with respect to the outstanding notes and the first interest payment date with respect to the exchange notes, that you would have received had you not accepted the exchange offer.
Registration Rights	Pursuant to the Registration Rights Agreement, you have the right to exchange outstanding notes that you now hold for exchange notes. We intend to satisfy this right by these exchange offers. The exchange notes will have substantially identical terms to the outstanding notes, except the exchange notes will be registered under the Securities Act and will not have registration rights. After the exchange offers are complete, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes.
Conditions	The exchange offers are subject to customary conditions, which include, among other things, the absence of any law or rule which would impair our ability to proceed. The offers apply to any and all outstanding notes validly tendered by the deadline. We will not, however, be required to accept for exchange, or exchange notes for, any outstanding notes and we may terminate the exchange offers as provided in this document if, in our judgment, any of the conditions listed in this prospectus under "The Exchange Offers—Conditions" has occurred or exists and has not been satisfied or waived prior to the expiration of the exchange offers.

Resale Without Further Registration	We believe that you may offer for resale, resell and otherwise transfer the exchange notes without complying with the registration and prospectus delivery provisions of the Securities Act if the following is true: • you acquire the exchange notes issued in any of the exchange offers in the ordinary course of your business, • you are not an "affiliate", as defined under Rule 405 of the Securities Act, of NXP B.V., NXP Funding LLC or any guarantor and • you are not participating, and do not intend to participate, and have no arrangement or understanding with any person to participate, in a distribution of the exchange notes issued to you in the exchange offers. By exchanging your outstanding notes as described below, you will be making representations to this effect. If you are a broker-dealer that acquired outstanding notes as a result of market-making or other trading activities, you must deliver a prospectus in connection with any resale of the exchange notes as described in this summary under "Restriction on Sale by Broker-Dealers" below. We base our belief on interpretations by the SEC staff in no-action letters issued to other issuers in exchange offers like ours. We cannot guarantee that the SEC would make a similar decision about our exchange offers. If our belief is wrong, you could incur liability under the Securities Act. We will not protect you against any loss incurred as a result of this liability under the Securities Act.
Liability Under the Securities Act	You also may incur liability under the Securities Act if: (1) any of the representations listed above are not true, and (2) you transfer any exchange note issued to you in the exchange offers without: • delivering a prospectus meeting the requirements of the Securities Act, or • an exemption from the requirements of the Securities Act to register your exchange notes. We will not protect you against any loss incurred as a result of this liability under the Securities Act.
Restriction on Sale by Broker-Dealers	If you are a broker-dealer that has received exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making or other trading activities, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for 180 days after the last exchange date for an offer to resell, a resale or other retransfer of the exchange notes issued to it in the exchange offers.

Procedures For Tendering Dollar-Denominated Notes	If you hold dollar-denominated outstanding notes and want to accept an exchange offer, you must either: • if you hold dollar-denominated outstanding notes through The Depository Trust Company ("DTC"), you must comply with the Automated Tender Offer Program procedures of DTC, and the dollar exchange agent (as defined below) must receive a timely confirmation of a book-entry transfer of the dollar-denominated outstanding notes into its account at DTC pursuant to the procedures for book-entry transfer described herein, along with a properly transmitted agent's message, before the expiration date as described in this prospectus under "The Exchange Offers—Procedures for Tendering Dollar-Denominated Outstanding Notes". • if you hold outstanding notes registered in the name of a broker-dealer, arrange for DTC to give the dollar exchange agent the required information for a book-entry transfer.
Procedures for Tendering Euro-Denominated Notes	If you hold euro-denominated outstanding notes and want to accept an exchange offer, you must submit an electronic acceptance instruction through Euroclear or Clearstream, as described in this prospectus under "The Exchange Offers—Procedures for Tendering Euro-Denominated Outstanding Notes".
Special Procedures for Beneficial Owners	If you hold outstanding notes registered in the name of a broker-dealer, commercial bank, trust company or other nominee and you wish to exchange your outstanding notes in an exchange offer, you should promptly contact the registered holder of the outstanding notes and instruct it to tender on your behalf.
Failure to Exchange Will Affect You Adversely	If you are eligible to participate in an exchange offer and you do not tender your outstanding notes, you will not have any further registration or exchange rights and your outstanding notes will continue to be subject to transfer restrictions. These transfer restrictions and the availability of exchange notes could adversely affect the trading market for your outstanding notes.
Withdrawal	You may withdraw your tender (i) of dollar-denominated outstanding notes, at any time before 5:00 p.m., New York City time, on May , 2007 and (ii) of euro-denominated outstanding notes, at any time before 5:00 p.m., London time, on May , 2007, unless, in each case, we have already accepted your offer to exchange your outstanding notes.

Accounting Treatment	We will not recognize a gain or loss for accounting purposes as a result of the exchange.
Tax Consequences	The exchange will not be a taxable event for U.S. federal income tax purposes. This means you will not recognize any taxable gain or loss or any interest income as a result of the exchange. See "Summary of Material U.S. Federal Tax Considerations" and "Summary of Material Dutch Tax Considerations Relating to the Exchange Notes" for more information.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes. See "Use of Proceeds".
Exchange Agent	Deutsche Bank Trust Company Americas, the trustee, registrar, paying agent and transfer agent under the indentures governing the notes, is serving as the exchange agent for the dollar-denominated notes (the "dollar exchange agent") and Deutsche Bank AG, the euro paying agent and calculation agent under the indentures governing the notes, is serving as the exchange agent for the euro-denominated notes (the "euro exchange agent" and, together with the dollar exchange agent, the "exchange agent").

THE EXCHANGE NOTES

The exchange notes have the same financial terms and covenants as the outstanding notes. In this document we sometimes refer to the outstanding notes and the exchange notes as the "notes". The terms of the exchange notes are as follows.

Issuers	NXP B.V. and NXP Funding LLC. The issuers will be jointly and severally liable for all obligations under the exchange notes.
	NXP Funding LLC is a wholly-owned subsidiary of NXP B.V. that has been organized as a limited liability company in Delaware as a special purpose finance subsidiary to facilitate the offering of the notes. We believe that some investors may be restricted in their ability to acquire debt securities of non-U.S. entities such as NXP B.V. unless the securities are jointly issued by an entity organized in the United States such as NXP Funding LLC. NXP Funding LLC does not have any operations or assets and does not have any revenues. Accordingly, you should not expect NXP Funding LLC to participate in servicing the principal and interest obligations on the exchange notes.
Exchange Notes Offered	€1,000,000,000 aggregate principal amount of floating rate senior secured notes due 2013 registered under the Securities Act.
	$1,535,000,000 aggregate principal amount of floating rate senior secured notes due 2013 registered under the Securities Act.
	We use the term "floating rate senior secured exchange notes" to refer to the euro- and dollar-denominated floating rate senior secured notes offered in these exchange offers.
	$1,026,000,000 aggregate principal amount of $7^{7}/_{8}$% senior secured notes due 2014 registered under the Securities Act.
	We use the term "senior secured exchange notes" to refer to the $7^{7}/_{8}$% senior secured notes (and not the floating rate senior secured exchange notes); we use the term "secured exchange notes" to refer to the senior secured exchange notes and the floating rate senior secured exchange notes, collectively.
	€525,000,000 aggregate principal amount of $8^{5}/_{8}$% senior notes due 2015 registered under the Securities Act.
	$1,250,000,000 aggregate principal amount of $9^{1}/_{2}$% senior notes due 2015 registered under the Securities Act.
	We use the term "senior exchange notes" to refer to the $8^{5}/_{8}$% senior notes due 2015 and the $9^{1}/_{2}$% senior notes due 2015 offered in these exchange offers.

Maturity	October 15, 2013 for the floating rate senior secured exchange notes, October 15, 2014 for the senior secured exchange notes and October 15, 2015 for the senior exchange notes.
Interest on the Floating Rate Senior Secured Exchange Notes	The interest rate of the dollar floating rate senior secured exchange notes will be three-month LIBOR plus 2.75%, except that the interest rate for the period beginning on the date of the issue and ending July 14, 2007 will be 8.10567%, as described in "Description of the Exchange Notes—Principal, Maturity and Interest." The interest rate on the euro floating rate senior secured exchange notes will be the three-month EURIBOR plus 2.75%, except that the interest rate for the period beginning on the date of the issue and ending July 14, 2007 will be 6.7180%, as described in "Description of the Exchange Notes—Principal, Maturity and Interest."
Interest Payment Dates	Quarterly on January 15, April 15, July 15 and October 15 of each year, commencing July 15, 2007, on the floating rate senior secured exchange notes. Semi-annually on April 15 and October 15 of each year, commencing October 15, 2007, on the senior secured exchange notes and the senior exchange notes. Interest will accrue from the issue date of the exchange notes.
Denominations	The exchange notes denominated in euros will have a minimum denomination of €50,000 and any integral multiple of €1,000 in excess thereof. The exchange notes denominated in dollars will have a minimum denomination of $75,000 and any integral multiple of $1,000 in excess thereof.
Guarantees	The exchange notes will be fully and unconditionally guaranteed, jointly and severally, on a senior basis by certain of our current and future material wholly-owned subsidiaries. If we cannot make payments on the exchange notes when they are due, the guarantors must make them instead. The laws of certain jurisdictions may limit the enforceability of certain guarantees and of the rights to the collateral supporting the guarantees of the secured exchange notes.
Ranking of the Secured Exchange Notes and Secured Guarantees	The secured exchange notes and the secured guarantees will rank: • equal in right of payment with all of our and the guarantors' existing and future senior indebtedness but, together with indebtedness under our senior secured revolving credit facility and any other first lien credit facilities and secured obligations, effectively senior in right of payment to our existing and future unsecured obligations, including the senior outstanding notes and the senior exchange notes, to the extent of the value of the collateral;

	• senior in right of payment to our and the guarantors' existing and future subordinated indebtedness; and • effectively junior in right of payment to all of the liabilities, including trade payables, of our subsidiaries that have not guaranteed the exchange notes. With respect to the collateral, the indebtedness and obligations under the secured exchange notes, our senior secured revolving credit facility and certain other existing and future indebtedness and obligations permitted under the indenture governing the secured exchange notes will have first-priority liens. Under the terms of the collateral agency agreement, however, in the event of a foreclosure on the collateral or insolvency proceedings, the holders of the secured exchange notes will receive proceeds from the collateral only after the lenders under the senior secured revolving credit facility have been repaid. As of December 31, 2006, we had, in addition to the secured notes: • 2 million outstanding under our senior secured revolving credit facility, with €498 million in revolving credit availability; • €1,510 million of our senior notes; and • €20 million of secured third party indebtedness at our subsidiaries. In addition, our non-guarantor subsidiaries had as of such date approximately €337 million of liabilities, including trade payables but excluding intercompany obligations.
Ranking of the Senior Exchange Notes and Unsecured Guarantees	The senior exchange notes and the unsecured guarantees will rank: • equal in right of payment with all of our and the guarantors' existing and future senior indebtedness but effectively junior in right of payment to all our secured debt, including the senior secured revolving credit facility, the secured outstanding notes and the secured exchange notes, to the extent of the value of the collateral; • senior in right of payment to our and the guarantors' existing and future senior subordinated and subordinated indebtedness; and • effectively junior in right of payment to all of the liabilities of our subsidiaries that have not guaranteed the senior exchange notes. As of December 31, 2006, we had, in addition to the unsecured notes:

	• €2 million outstanding under our senior secured revolving credit facility, with €498 million in revolving credit availability; and • €2,959 million of secured indebtedness. In addition, our non-guarantor subsidiaries had as of such date approximately €337 million of liabilities, including trade payables but excluding intercompany obligations.
Collateral	Subject to the terms of the security documents, the secured exchange notes and the secured guarantees will (except in the case of the secured guarantee given by the subsidiary guarantor organized in The Philippines) be secured by a lien ranking equally with all secured debt outstanding under our senior secured revolving credit facility and the secured outstanding notes. The liens will constitute first- priority liens on (i) the capital stock or other equity interests of the guarantors, certain of our direct wholly-owned subsidiaries and certain of our material joint ventures, (ii) substantially all other assets that are held by us or any of the guarantors, other than cash and bank accounts, (iii) intercompany loans made by us and the guarantors and (iv) proceeds from the foregoing. The shares and assets of The Philippines subsidiary will instead be subject to a conditional assignment. The lenders under our senior secured revolving credit facility and certain other indebtedness will also benefit from first-priority liens on the collateral. See "Description of the Exchange Notes—Security."
Collateral Agency Agreement	Pursuant to a collateral agency agreement, the liens securing the secured exchange notes will be first priority liens that are equal with the liens that secure (1) obligations under our senior secured revolving credit facility, (2) certain other future indebtedness permitted to be incurred under the indentures governing the secured notes, (3) certain obligations under our hedging and foreign exchange arrangements, and (4) the secured outstanding notes. Such liens will be evidenced by security documents for the benefit of the holders of the secured exchange notes, secured outstanding notes, the lenders and letter of credit issuers under the senior secured revolving credit facility and the holders of certain other future indebtedness and obligations. Under the terms of the collateral agency agreement, however, in the event of a foreclosure on the collateral or insolvency, holders of the secured exchange notes will receive proceeds from the collateral only after the lenders under the senior secured revolving credit facility have been repaid.
Sharing of First-Priority Lien	In certain circumstances, we may secure specified indebtedness permitted to be incurred by the covenant described in "Description of the Exchange Notes—Certain Covenants—Limitation on Indebtedness" by granting liens upon any or all of the collateral securing the secured exchange notes, on an equal basis with the first-priority liens securing the senior secured revolving credit facility, the secured exchange notes and the secured outstanding notes. Certain of such indebtedness may, to the extent permitted by the indentures, have priority upon the event of a foreclosure or in insolvency proceedings.

Optional Redemption	*Floating rate notes*. We may redeem all or part of the euro-denominated floating rate senior secured exchange notes at any time on or after October 15, 2007 and all or part of the U.S. dollar-denominated floating rate senior secured exchange notes at any time on or after October 15, 2008, at the redemption prices listed in "Description of the Exchange Notes—Optional Redemption."
	We may redeem all or part of each series of the floating rate senior secured exchange notes prior to October 15, 2007, in the case of the euro-denominated floating rate senior secured exchange notes, or October 15, 2008 in the case of the dollar-denominated floating rate senior secured exchange notes by paying a "make-whole" premium as described in "Description of the Exchange Notes—Optional Redemption."
	Senior secured exchange notes. We may redeem all or part of the senior secured exchange notes on or after October 15, 2010 at the redemption prices listed in "Description of the Exchange Notes—Optional Redemption."
	We may redeem all or part of each series of the senior secured exchange notes prior to October 15, 2010 by paying a "make-whole" premium as described in "Description of the Exchange Notes—Optional Redemption."
	On or before October 15, 2009 we may use the proceeds of specified equity offerings to redeem up to 40% of the senior secured exchange notes, at a redemption price equal to 107.875% of the aggregate principal amount of the senior secured exchange notes, plus accrued and unpaid interest, if any, to the redemption date; provided that at least 60% of the original aggregate principal amount of the notes remain outstanding after the redemption. See "Description of the Exchange Notes—Optional Redemption."
	Senior exchange notes. We may redeem all or part of the senior exchange notes on or after October 15, 2011 at the redemption prices listed in "Description of the Exchange Notes—Optional Redemption."
	We may redeem all or part of the senior exchange notes prior to October 15, 2011 by paying a "make-whole" premium as described in "Description of the Exchange Notes—Optional Redemption."

	On or before October 15, 2009 we may use the proceeds of specified equity offerings to redeem up to 40% of each series of the senior exchange notes at a redemption price equal to 108.625% of the aggregate principal amount of the euro senior exchange notes, plus accrued and unpaid interest, if any, to the redemption date, and 109.5% of the aggregate principal amount of the dollar senior exchange notes, plus accrued and unpaid interest, if any, to the redemption date, provided that at least 60% of the original aggregate principal amount of the applicable series of the senior notes remains outstanding after the redemption. See "Description of the Exchange Notes—Optional Redemption."
	Tax Redemption. We may also redeem each series of exchange notes in whole, but not in part, at any time, upon giving proper notice, if changes in tax laws impose certain withholding taxes on amounts payable on that series of the exchange notes. If we decide to do this, we must pay you a price equal to the principal amount of the notes plus interest and certain other amounts. See "Description of the Exchange Notes—Redemption for Taxation Reasons."
Change of Control	If we experience a change of control, we will be required to offer to repurchase the exchange notes at 101% of their principal amount plus accrued and unpaid interest. See "Description of the Exchange Notes—Change of Control."
Certain Covenants	The indentures governing the exchange notes contain covenants that will, among other things, limit our ability and the ability of our restricted subsidiaries to:
	• incur additional indebtedness;
	• create liens;
	• pay dividends, redeem capital stock or make certain other restricted payments or investments;
	• enter into agreements that restrict dividends from restricted subsidiaries;
	• sell assets, including capital stock of restricted subsidiaries;
	• engage in transactions with affiliates; and
	• effect a consolidation or merger.
	These covenants are subject to a number of important qualifications and exceptions and will be suspended with respect to any series of exchange notes if and when, and for so long as, such series is rated investment grade. For more details see "Description of the Exchange Notes—Certain Covenants."
No Prior Listing	The exchange notes will be new securities for which there is currently no market. Although the initial purchasers in the private offering of the outstanding notes have informed us that they intend to make a market in the exchange notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a market for the exchange notes will develop or be maintained or as to the liquidity of any market.

Trading and Listing	Application has been made to list the euro-denominated exchange notes on the Alternative Securities Market of the Irish Stock Exchange. The dollar-denominated exchange notes will not be listed on any securities exchange.
Governing Law for the Exchange Notes and the Guarantees	The indentures and the guarantees are governed by the laws of the State of New York.
Governing Law for the Collateral Agency Agreement	The Collateral Agency Agreement is governed by the laws of the State of New York.
Trustee, Registrar, Calculation Agent and Transfer Agent	Deutsche Bank Trust Company Americas.
Collateral Agent	Morgan Stanley Senior Funding, Inc. will act as collateral agent for the secured exchange notes.
Risk Factors	You should carefully consider the information set forth under "Risk Factors" beginning on page 24 and all of the information in this prospectus before making any investment decision.

SUMMARY HISTORICAL COMBINED AND CONSOLIDATED FINANCIAL DATA

The following table summarizes our historical combined and consolidated financial data. We prepare our financial statements in accordance with U.S. GAAP. Because our accounting basis changed in connection with the Acquisition on September 29, 2006, we present our financial statements on a predecessor and successor basis. For periods ended on or before September 28, 2006, our summary historical combined financial data principally reflects the historical financial position, results of operations and cash flows of the semiconductors businesses that were previously included as a segment of Philips. The historical combined statements of operations data for the predecessor periods set forth below do not reflect significant changes that have occurred or will occur in the operations and funding of our company as a result of the Transactions. See "Risk Factors—Risks Related to Our Separation from Philips" for a further explanation of some of these changes. For periods ended after September 28, 2006, our summary historical consolidated financial data reflects the financial position, results of operations and cash flows of our Company (including our consolidated subsidiaries) on a stand-alone basis.

The summary historical combined financial data as of December 31, 2005, and for the years ended December 31, 2005 and 2004 and for the period January 1, 2006 through September 28, 2006 (predecessor periods) have been derived from our combined financial statements included elsewhere in this prospectus. The summary historical consolidated financial data as of December 31, 2006 and for the period September 29, 2006 through December 31, 2006 (successor period) have been derived from our consolidated financial statements included elsewhere in this prospectus.

The financial information presented below may not be indicative of our future performance and, for the predecessor periods, does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during those periods.

The summary historical combined and consolidated financial data should be read in conjunction with "Selected Historical Combined and Consolidated Financial Data," "Unaudited Pro Forma Condensed Financial Data," "Management's Discussion and Analysis of Financial Condition and

Results of Operations" and the combined and consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

	Predecessor			Successor
	For the year ended December 31,			
	2004	2005	For the period January 1 through September 28, 2006	For the period September 29 through December 31, 2006
			(€ in millions)	
Combined and Consolidated Statements of Operations Data:				
Total sales	€ 4,823	€ 4,766	€ 3,770	€ 1,190
Cost of sales	(2,955)	(2,933)	(2,331)	(917)
Gross margin	1,868	1,833	1,439	273
Selling expenses	(297)	(304)	(275)	(88)
General and administrative expenses	(437)	(435)	(306)	(194)
Research and development expenses	(979)	(1,028)	(737)	(258)
Write-off of acquired in-process research and development	—	—	—	(515)
Other income	79	36	18	3
Income (loss) from operations	234	102	139	(779)
Financial income (expense)	(93)	(63)	(22)	(73)
Income (loss) before taxes	141	39	117	(852)
Income tax benefit (expense)(1)	(113)	(101)	(65)	242
Income (loss) after taxes	28	(62)	52	(610)
Results relating to unconsolidated companies	12	(5)	3	(2)
Minority interests	(26)	(34)	(50)	(4)
Net income (loss)	€ 14	€ (101)	€ 5	€ (616)
Other Financial Data:				
EBITDA(2)	€ 1,069	€ 881	€ 563	€ 26
Capital expenditures	(641)	(370)	(465)	(111)
Depreciation and amortization	(849)	(818)	(471)	(811)
Ratio of earnings to fixed charges(3)	2.3x	1.5x	4.3x	—
Combined Statements of Cash Flows Data:				
Net cash provided by (used in):				
Operating activities	€ 978	€ 792	€ 468	€ 292
Investing activities	(590)	(358)	(457)	(184)
Financing activities	(448)	(408)	48	702

	Predecessor	Successor
	As of December 31, 2005	As of December 31, 2006
	(€ in millions)	
Combined Balance Sheet Data:		
Cash and cash equivalents	€ 110	€ 939
Total assets	4,005	9,867
Working capital (deficit)(4)	(382)	1,177
Total debt(5)	1,483	4,449
Total business'/shareholder's equity	1,126	3,685

(1) Our taxes for predecessor periods are calculated as if we filed separate tax returns although we were historically included in the tax returns of Philips and its subsidiaries. Philips manages its tax position for the benefit of its entire portfolio of businesses, and its tax strategies are not necessarily reflective of the strategies that we would have followed or will follow in the future as a standalone company.

(2) EBITDA is defined as net income (loss) before financial expense, income taxes, depreciation, and amortization. While the amounts included in EBITDA have been derived from our combined and consolidated financial statements, EBITDA is not a financial measure calculated in accordance with U.S. GAAP. Accordingly, it should not be considered as an alternative to net income or operating income as indicators of our performance, or as an alternative to operating cash flows as a measure of our liquidity. Our management uses EBITDA to assess our company's operating performance and to make decisions about allocating resources among our various segments. In addition, we believe that EBITDA is a measure commonly used by investors. EBITDA, as presented in this prospectus, may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. EBITDA is calculated as follows:

	Predecessor			Successor
	For the year ended December 31,			
	2004	2005	For the period January 1 through September 28, 2006	For the period September 29 through December 31, 2006
			(€ in millions)	
Net income (loss)	€ 14	€ (101)	€ 5	€ (616)
Income tax expense (benefit)	113	101	65	(242)
Financial Expense	93	63	22	73
Depreciation and amortization	849	818	471	811
EBITDA	€ 1,069	€ 881	€ 563	€ 26

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes plus fixed charges. Fixed charges consist of interest payable and similar charges, amortization of debt issuance costs, and one-third of operating

lease rental expense, deemed representative of the interest component of rental expense. Set forth below is an overview of how we calculate the ratio of earnings to fixed charges:

	Predecessor			Successor
	For the year ended December 31,			
	2004	2005	For the period January 1 through September 28, 2006	For the period September 29 through December 31, 2006
			(€ in millions)	
Earnings:				
Income (loss) before taxes	€ 141	€ 39	€ 117	€ (852)
Fixed charges	106	82	36	86
Total earnings	€ 247	€ 121	€ 153	€ (766)
Fixed charges:				
Interest expense	€ 88	€ 61	€ 19	€ 79
Interest component of rent	18	21	17	7
Total fixed charges	€ 106	€ 82	€ 36	€ 86
Ratio of earnings to fixed charges(a)	2.3x	1.5x	4.3x	—

(a) For the period ended December 31, 2006, earnings were insufficient by €852 million to cover fixed charges.

(4) Working capital is calculated as current assets less current liabilities.

(5) Total debt includes external debt and, for predecessor periods, amounts due to Philips.

SUMMARY UNAUDITED PRO FORMA CONDENSED FINANCIAL DATA

We have derived the summary unaudited pro forma condensed financial data from our audited combined financial statements for the period January 1, 2006 through September 28, 2006 (predecessor period) and our audited consolidated financial statements for the period September 29, 2006 through December 31, 2006 (successor period) included elsewhere in this prospectus. See "Unaudited Pro Forma Condensed Financial Data."

The unaudited summary pro forma condensed financial data reflects the pro forma effect of the Transactions as if they had occurred as of January 1, 2006. However, the unaudited summary pro forma condensed financial data do not necessarily reflect what our results of operations actually would have been had the Transactions occurred on that date nor do they purport to project our future financial performance.

	Pro Forma
	For the year ended December 31, 2006
	(€ in millions)
Combined Statements of Operations Data	
Total sales	€ 4,960
Cost of Sales	(3,347)
Gross margin	1,613
Selling expenses	(363)
General and administrative expenses	(797)
Research and development expenses	(1,000)
Write-off of in-process research and development	(515)
Other income	22
Income (loss) from operations	(1,040)
Financial income (expense)	(360)
Income (loss) before taxes	(1,400)
Income tax benefit	365
Income (loss) after taxes	(1,035)
Results relating to unconsolidated companies	1
Minority interests	(54)
Net loss	€ (1,088)

RISK FACTORS

You should carefully consider the risk factors described below and all other information contained in this prospectus, including the financial statements and related notes before making any investment decision. These risks and uncertainties are not the only ones we face. We also face additional risks and uncertainties that are not currently known to us or that we currently consider immaterial. The occurrence of the risks described below or such additional risks could have a material adverse impact on our business, financial condition, results of operations, ability to make payments on the notes or on the trading price of the notes. Various statements in this prospectus, including the following risk factors, contain forward-looking statements.

Risks Related to the Exchange Offers

If you do not properly tender your outstanding notes, you will continue to hold unregistered outstanding notes and your ability to transfer outstanding notes will continue to be subject to transfer restrictions and their market prices may be adversely affected.

If you do not properly tender your outstanding notes for exchange notes in the applicable exchange offer, you will continue to be subject to restrictions on the transfer of your outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the Registration Rights Agreement, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to "The Exchange Offers" for information about how to tender your outstanding notes. The tender of outstanding notes under the exchange offers will reduce the outstanding amount of each series of the outstanding notes, which may have an adverse effect upon, and increase the volatility of, the market prices of the outstanding notes due to a reduction in liquidity.

Risks Related to Our Business

The semiconductor industry is highly cyclical and subject to significant downturns.

Historically, the relationship between supply and demand in the semiconductor industry has caused a high degree of cyclicality in the semiconductor market. Semiconductor supply is driven by manufacturing capacity, which in the past has demonstrated alternating periods of substantial capacity additions and periods in which no or limited capacity is added. As a general matter, semiconductor companies are more likely to add capacity in periods when current or expected future demand is strong and margins are, or are expected to be, high. Investments in new capacity can result in overcapacity, which can lead to a reduction in prices and margins. In response, companies typically limit further capacity additions, eventually causing the market to be relatively undersupplied. In addition, demand for semiconductors varies, which can exacerbate the effect of supply fluctuations. As a result of this cyclicality, the semiconductor industry has in the past experienced significant downturns, often in connection with, or in anticipation of, maturing life cycles of semiconductor companies' products and declines in general economic conditions. These downturns have been characterized by diminishing demand for end-user products, high inventory levels, underutilization of manufacturing capacity and accelerated erosion of average selling prices. For example, in 2001 through 2003 the semiconductor industry experienced a period of significant overcapacity, and we suffered operating losses as a result. As a result of the overall cyclicality in the market, the semiconductor industry will likely continue to experience downturns of varying degrees and durations in the future. We may not be able to adequately protect ourselves against the impact of these downturns, which could have a material adverse effect on our business, financial condition and results of operations.

The demand for our products depends to a significant degree on the demand for the end products into which they are incorporated, and changes in the markets for these goods can affect our results.

The vast majority of our revenues are derived from sales to manufacturers in the consumer electronics, communications and automotive industries. Demand in these markets fluctuates significantly, driven by consumer spending, consumer preferences, the development of new technologies and prevailing economic conditions. In addition, the specific products in which our semiconductors are incorporated may not be successful, or may experience price erosion or other competitive factors that affect the price manufacturers are willing to pay us. Such customers have in the past, and may, in the future, vary order levels significantly from period to period, request postponements to schedule delivery dates, modify their orders or reduce lead times. This is particularly common during periods of low demand. This can make managing our business difficult, as it limits the foreseeability of future sales. It can also affect the accuracy of our financial forecasts. Furthermore, developing industry trends, including customers' use of outsourcing and new and revised supply chain models, may affect our revenues, costs and working capital requirements. Additionally, a significant portion of our products is made to order. If customers do not purchase products made specifically for them, we may not be able to resell such products to other customers or require the customers who have ordered these products to pay a cancellation fee. The foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

The semiconductor industry is highly competitive, and if we fail to introduce new technologies and products in a timely manner, our business may suffer.

The semiconductor industry is highly competitive and characterized by constant and rapid technological change, short product lifecycles, significant price erosion and evolving standards. Accordingly, the success of our business depends to a significant extent on our ability to develop new technologies and products that are ultimately successful in the market. Our ability to meet evolving industry requirements and to introduce new products to the market in a timely manner and at prices that are acceptable to our customers are significant factors in determining our competitiveness and success. Commitments to develop new products must be made well in advance of any resulting sales, and technologies and standards may change during development, potentially rendering our products outdated or uncompetitive before their introduction. If we are unable to successfully develop new products, our revenues may decline substantially. Moreover, some of our competitors are well established entities, are larger than we are and have greater resources than we do. If these competitors increase the resources they devote to developing and marketing their products, we may not be able to compete effectively. Any consolidation among our competitors could enhance their product offerings and financial resources, further strengthening their competitive position. In addition, some of our competitors operate in narrow business areas relative to us, allowing them to concentrate their research and development efforts directly on products and services for those areas, which may give them a competitive advantage. As a result of these competitive pressures, we may face declining sales volumes or lower prevailing prices for our products, and we may not be able to reduce our total costs in line with this declining revenue. If any of these risks materializes, our business, financial condition and results of operations could be materially adversely affected.

The semiconductor industry is characterized by aggressive pricing and rapidly declining average selling prices, especially after a product has been on the market for a significant period of time.

One of the results of the rapid innovation that is exhibited by the semiconductor industry is that pricing pressure, especially on products containing older technology, can be intense. Product life cycles are relatively short, and as a result, products tend to be replaced by more technologically advanced substitutes on a regular basis. In turn, demand for older technology falls, causing the price at which such products can be sold to drop, in some cases precipitously. In order to continue profitably

supplying these products, we must reduce our production costs in line with the lower revenues we can expect to receive per unit. Usually, this must be accomplished through improvements in process technology and production efficiencies. If we cannot advance our process technologies or improve our efficiencies to a degree sufficient to maintain required margins, we will no longer be able to make a profit from the sale of these products. Moreover, we may not be able to cease production of such products, either due to contractual obligations or for customer relationship reasons, and as a result may be required to bear a loss on such products. We cannot guarantee that competition in our core product markets will not lead to price erosion, lower revenue growth rates and lower margins in the future. Should reductions in our manufacturing costs fail to keep pace with reductions in market prices for the products we sell, our business, results of operation and financial condition could be materially adversely affected.

In many of the market segments in which we compete, we depend on winning highly competitive selection processes, and failure to be selected could materially adversely affect our business in that market segment.

One of our business strategies is to participate in, and win, competitive bid selection processes to develop products for use in our customers' equipment and products. These selection processes can be lengthy and require us to incur significant design and development expenditures, with no guarantee of winning a contract or generating revenue. Failure to win new design projects and delays in developing new products with anticipated technological advances or in commencing volume shipments of these products may have an adverse effect on our business. This risk is particularly pronounced in markets where there are only a few potential customers and in the automotive market, where, due to the longer design cycles involved, failure to win a design-in could prevent access to a customer for several years. Our failure to win a sufficient number of these bids could result in reduced revenues and hurt our competitive position in future selection processes because we may not be perceived as being a technology or industry leader, each of which could materially adversely affect our business, financial condition and results of operations.

In difficult market conditions, our high fixed costs combined with low revenues may negatively impact our results.

The semiconductor industry is characterized by high fixed costs and, notwithstanding our significant utilization of third-party manufacturing capacity, most of our production requirements are met by our own manufacturing facilities. In less favorable industry environments, we are generally faced with a decline in the utilization rates of our manufacturing facilities due to decreases in product demand. During such periods, our fabrication plants do not operate at full capacity and the costs associated with this excess capacity are charged directly to cost of sales. For example, lower utilization rates in the 2001 and 2002 downturn resulted in lower margins. We cannot guarantee that difficult market conditions in the future will not adversely affect our utilization rates and consequently our future gross margins. This in turn could materially adversely affect our business, financial condition and results of operations.

The semiconductor industry is capital intensive and if we are unable to invest the necessary capital to operate and grow our business, we may not remain competitive.

To remain competitive, we must constantly improve our facilities and process technologies and carry out extensive research and development, each of which requires investment of significant amounts of capital. This risk is magnified by the relatively high level of debt we have following the offering of the outstanding notes in October 2006, since we are now required to use a portion of our cash flow to service that debt, and also because our level of debt limits our ability to raise additional capital. If we are unable to generate sufficient cash or raise sufficient capital to meet both our debt service and capital investment requirements, or if we are unable to raise required capital on favorable terms when

needed, our business, financial condition and results of operations could be materially adversely affected.

Our results may suffer if our production capacity does not match demand.

To operate efficiently, we attempt to maintain our manufacturing capacity at optimum levels relative to the demand we predict for our products. Demand for our products is subject to significant fluctuation. Important factors that may affect demand for our products include:

- changes in customer needs;
- changes in levels of inventory throughout the supply chain, including at our customers;
- changes in business and economic conditions, including a downturn in the semiconductor industry;
- competitive pressures from companies that have competing products, architectures and manufacturing technologies;
- strategic actions taken by our competitors, including acquisitions, spin-offs or consolidations; and
- market demand for our customers' products.

If we overestimate demand, we may end up with underutilized capacity and excess inventory levels. If we underestimate demand, we may miss sales opportunities and incur additional costs for labor overtime, equipment overuse and logistical complexities.

We have made certain commitments to SSMC, whereby we are obligated to make cash payments to SSMC should we fail to take up an agreed-upon percentage of the total available capacity at SSMC's fabrication facilities if overall SSMC utilization levels drop below a fixed proportion of the total available capacity. We have only had to make once such payment, for 2002, in the amount of €15 million. In the event that our demand for production from SSMC falls in the future, we may be required to make similar payments, which could be significant if we did not take any of our quota.

In addition, a significant proportion of our manufacturing capacity is fixed because it takes a substantial amount of time to build new semiconductor fabrication facilities (or "wafer fabs"). Moreover, because we have adopted an "asset-light" manufacturing strategy, our ability to increase our internal fabrication capacity is limited, and we would generally not expect to construct new facilities in the near future. To the extent that our production demand exceeds our available manufacturing capacity, we attempt to increase our usage of third-party manufacturing to meet our requirements. However, there can be no assurance that third-party capacity will be available or that third-party manufacturers will have the necessary process technology to meet our needs. Accordingly, depending on demand levels, we may not have sufficient capacity to meet all of our customers' orders, which may negatively affect our relationships with these customers.

Our failure to adequately manage our capacity could have a materially adverse effect on our business, financial condition and results of operations.

Our business could suffer from manufacturing problems.

We manufacture our products using processes that are highly complex, require advanced and costly equipment and must continuously be modified to improve yields and performance. Difficulties in the production process can reduce yields or interrupt production, and as a result of such problems we may on occasion not be able to deliver products on time or in a cost-effective, competitive manner. As the complexity of both our products and our fabrication processes has become more advanced, manufacturing tolerances have been reduced and requirements for precision have become more demanding. As is common in the semiconductor industry, we have in the past experienced

manufacturing difficulties that have given rise to delays in delivery and quality control problems. There can be no assurance that any such occurrence in the future would not materially harm our results of operations.

Furthermore, we may suffer disruptions in our manufacturing operations, either due to production difficulties such as those described above or as a result of external factors beyond our control. As with other semiconductor companies, we use highly combustible materials such as silane and hydrogen in our manufacturing processes and are therefore subject to the risk of explosions and fires, which can cause significant disruptions to our operations. These can occur even in the absence of any fault on our part. We have in recent times experienced two significant fires at our facilities. In March 2000, our facility in Albuquerque, New Mexico suffered a fire caused by a power outage that shut down our fabrication line for 200 millimeter silicon wafers for over a month. In December 2003, a fire occurred in our fabrication plant in Caen, France, resulting in a complete loss of our production line there. If operations at a manufacturing facility are interrupted, we may not be able to shift production to other facilities on a timely basis or at all. The loss of our Caen facility resulted in us permanently ceasing production of several legacy products for which we did not have alternate fabrication capability and the Albuquerque fire caused extensive delays in shipping certain products. Even if a transfer is possible, transitioning production of a particular type of semiconductor from one of our facilities to another can take between six to twelve months to accomplish, and in the interim period we would likely suffer significant or total supply disruption and incur substantial costs.

We may in the future experience manufacturing difficulties or permanent or temporary loss of manufacturing capacity due to the foregoing or other risks. Such an event could materially adversely affect our business, financial condition and results of operations.

Our business may be adversely affected by costs relating to product defects, and we could be faced with product liability and warranty claims.

We make highly complex electronic components and, accordingly, there is a risk that defects may occur in any of our products. Such defects can give rise to significant costs, including expenses relating to recalling products, replacing defective items, writing down defective inventory and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. If we release defective products into the market, our reputation could suffer and we could lose sales opportunities and become liable to pay damages. Moreover, since the cost of replacing defective semiconductor devices is often much higher than the value of the devices themselves, we may at times face damage claims from customers in excess of the amounts they pay us for our products, including consequential damages.

We also face exposure to potential liability resulting from the fact that our customers typically integrate the semiconductors we sell into numerous consumer products, which are then in turn sold into the marketplace. We are exposed to product liability claims if our semiconductors or the consumer products based on them malfunction and result in personal injury or death. We may be named in product liability claims even if there is no evidence that our products caused the damage in question, and such claims could result in significant costs and expenses relating to attorneys' fees and damages. In addition, our customers may recall their products if they prove to be defective or make compensatory payments in accordance with industry or business practice or in order to maintain good customer relationships. If such a recall or payment is caused by a defect in one of our products, our customers may seek to recover all or a portion of their losses from us. If any of these risks materialize, our reputation would be harmed and our business, financial condition and results of operations could be materially adversely affected.

We rely on strategic partnerships, joint ventures and alliances for manufacturing and research and development. However, we typically do not control these partnerships and joint ventures, and actions taken by any of our partners or the termination of these partnerships or joint ventures could materially adversely affect our business, financial condition and results of operations.

As part of our strategy, we have entered into a number of long-term strategic partnerships with other leading industry participants. For example, we are a participant in a joint research and development technology cooperation program with Freescale Semiconductor, Inc. ("Freescale") and STMicroelectronics N.V. (STM) for research and development relating to CMOS process technology in Crolles, France ("Crolles"). On January 16, 2007, we announced that we would withdraw from Crolles, effective December 31, 2007. The termination of our Crolles alliance may require us to enter into an alternative alliance with other semiconductor companies or seek other alternatives for gaining access to leading-edge process technologies. If we are unable to do so, it could have a material adverse effect on our ability to continue the development of advanced CMOS process technologies and, as a result, significantly harm our business.

We also engage in alliances with respect to other aspects of our business, such as product development. For example, we partner with industry participants to develop new standards in the areas of near field communication technology and are a founding member of the FlexRay consortium to develop advanced communication systems for automotive applications. The failure of any of these consortia, or their obsolescence due to the success of any competing industry groups, would damage our ability to sell into the relevant markets and to influence industry standards, an important part of our strategy.

If any of our strategic partners in industry groups or in any of the other alliances we engage with were to encounter financial difficulties or change their business strategies, they may no longer be able or willing to participate in these groups or alliances, in which case our business, financial condition and results of operations could be materially adversely affected.

If our outside foundry suppliers fail to perform, this could adversely affect our ability to exploit growth opportunities.

We currently use outside suppliers or foundries for a portion of our manufacturing capacity, and expect that our reliance on outsourcing will increase. Outsourcing our production presents a number of risks. If our outside suppliers are unable to satisfy our demand, or experience manufacturing difficulties, delays or reduced yields, our results of operations and ability to satisfy customer demand could suffer. In addition, purchasing rather than manufacturing these products may adversely affect our gross profit margin if the purchase costs of these products are higher than our own manufacturing costs would have been. Our internal manufacturing costs include depreciation and other fixed costs, while costs for products outsourced are based on market conditions. Prices for foundry products also vary depending on capacity utilization rates at our suppliers, quantities demanded, product technology and geometry. Furthermore, these outsourcing costs can vary materially from quarter-to-quarter and, in cases of industry shortages, they can increase significantly, negatively impacting our gross margin.

We rely on the timely supply of equipment and materials and could suffer if suppliers fail to meet their delivery obligations or raise prices. Certain equipment and materials needed in our manufacturing operations are only available from a limited number of suppliers.

Our manufacturing operations depend on deliveries of equipment and materials in a timely manner and, in some cases, on a just-in-time basis. From time to time, suppliers may extend lead times, limit the amounts supplied to us or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages in critical materials, such as silicon wafers or specialized chemicals. Because the equipment that we purchase is complex, it is frequently difficult or impossible

for us to substitute one piece of equipment for another or replace one type of material with another. Moreover, we rely on a single source of supply for certain equipment and materials, and a failure by such single-source suppliers to deliver our requirements could result in disruptions to our manufacturing operations and, in some circumstances, result in a shut-down of our operations at affected facilities. Our business, financial condition and results of operations could be hurt if we are unable to obtain adequate supplies of quality equipment or materials in a timely manner or if there are significant increases in the costs of equipment or materials.

Loss of our key management and other personnel, or an inability to attract such management and other personnel, could impact our business.

We depend on our key management to run our business and on our senior architects to develop new products and technologies. The loss of any of these key personnel could materially adversely affect our business. Competition for qualified employees among companies that rely heavily on engineering and technology expertise is intense, and the loss of qualified employees or an inability to attract, retain and motivate the additional highly skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research activities or develop marketable products.

Disruptions in our relationships with any one of our key customers could adversely affect our results of operations.

A substantial portion of our sales is derived from our top customers. At December 31, 2006, our largest customer was Nokia, which accounted for 8% of our revenues for the calendar year ended December 31, 2006, compared to 4% in 2005 and 3% in 2004. For the calendar year ended December 31, 2006, our top ten customers accounted for approximately 46% of our revenues, compared to approximately 44% of our 2005 revenues and 45% of our 2004 revenues. We cannot guarantee that we will be able to generate similar levels of sales from our largest customers in the future. Should one or more of these customers substantially reduce their purchases from us, our results of operations could be materially adversely affected.

Our business could suffer as a result of changing circumstances in different parts of the world.

We operate globally, with manufacturing, assembly and testing facilities on several continents. We also market our products in many different countries. Our business is therefore subject to risks inherent in international business, including:

- negative economic developments in economies around the world and the instability of governments, including the threat of war, terrorist attacks, epidemic or civil unrest;
- adverse changes in laws, policies and governmental policies, especially those affecting trade and investment;
- pandemics, such as the avian flu, which may adversely affect our workforce as well as our local suppliers and customers;
- import or export licensing requirements imposed by governments;
- foreign currency exchange and transfer restrictions;
- differing labor standards;
- differing levels of protection of intellectual property;
- the threat that our operations or property could be subject to nationalization and expropriation; and

- varying practices of the regulatory, tax, judicial and administrative bodies in the jurisdictions where we operate.

If any of these risks were to materialize, our business, financial condition and results of operations could be materially adversely affected.

Fluctuations in foreign exchange rates may have an adverse effect on our financial results.

A substantial proportion of our expenses are incurred in euros, while most of our revenues are denominated in U.S. dollars. Accordingly, our results of operations may be affected by changes in exchange rates, particularly between the euro and the U.S. dollar. In addition, despite the fact that a majority of our revenues are denominated in U.S. dollars and a substantial portion of our debt will be denominated in U.S. dollars, we report our financial results in euros, and the impact of currency translation adjustments on our financial results has been, and may continue to be, material. If, in the future, we were to change our reporting currency to U.S. dollars, as we currently plan to do effective January 1, 2008 we would be exposed to the same risk with respect to euro-denominated assets and liabilities and our financial results.

We rely to a significant extent on proprietary intellectual property. We may not be able to protect this intellectual property against improper use by our competitors or others.

We depend significantly on patents and other intellectual property rights to protect our products and proprietary design and fabrication processes against misappropriation by others. We may in the future have difficulty obtaining patents and other intellectual property rights and the patents we receive may be insufficient to provide us with meaningful protection or commercial advantage. We may not be able to obtain patent protection or secure other intellectual property rights in all the countries in which we operate, and under the laws of such countries, patents and other intellectual property rights may be unavailable or limited in scope. Further, our trade secrets may be vulnerable to disclosure or misappropriation by employees, contractors and other persons. In particular, intellectual property rights are difficult to enforce in the People's Republic of China and certain other developing nations, since the laws governing such rights are relatively undeveloped in these countries compared to other jurisdictions where we operate, such as the United States and The Netherlands. Consequently, operating in the People's Republic of China or other developing nations may subject us to an increased risk that unauthorized parties may attempt to copy or otherwise use our intellectual property or the intellectual property of our suppliers or other parties with whom we engage. There is no assurance that we will be able to protect our intellectual property rights or have adequate legal recourse in the event that we are required to seek legal or judicial enforcement of our intellectual property rights under the laws of such countries. Any inability on our part to protect adequately our intellectual property may have a material adverse effect on our business, financial condition and results of operations.

The intellectual property that was transferred or licensed to us from Philips may not be sufficient to protect our position in the industry.

In connection with the Separation, Philips has transferred approximately 5,300 patent families to us subject to certain limitations, including (1) any prior commitments to and undertakings with third parties entered into prior to the Separation and (2) certain licenses retained by Philips. These licenses back to Philips give Philips the right to sublicense to third parties in certain circumstances that may divert revenue opportunities from us.

Philips has granted us a non-exclusive license (A) to all patents Philips holds but has not assigned to us, to the extent that they are entitled to the benefit of a filing date prior to the Separation and for which Philips is free to grant licenses without the consent of or accounting to any third party and (B) to certain know-how that is available to us, where such patents and know-how relate: (1) to our

current products and technologies as well as successor products and technologies, (2) to technology that was developed for us prior to the Separation, and (3) to technology developed pursuant to contract research co-funded by us. Philips has also granted us a non-exclusive royalty-free and irrevocable license (1) under certain patents for use in giant magneto-resistive devices outside the field of healthcare and bio applications, and (2) under certain patents relevant to polymer electronics resulting from contract research work co-funded by us in the field of RFID tags. Such licenses are subject to certain prior commitments and prior undertakings. However, Philips has retained ownership of certain intellectual property related to our business as well as certain rights with respect to intellectual property transferred to us in connection with our separation from Philips. There can be no guarantee that the patents transferred to us will be sufficient to assert offensively against our competitors or to use as leverage to negotiate future cross-licenses to give us freedom to operate and innovate in the industry.

The strength and value of our intellectual property may be diluted if Philips licenses or otherwise transfers such intellectual property or such rights to third parties, especially if those third parties compete with us. For more information on the intellectual property that Philips has transferred to us and the rights it has retained, see "Certain Relationships and Related Party Transactions—Our Separation from Philips—Intellectual Property Transfer and License Agreement."

We are a party to intellectual property litigation and may become party to other intellectual property claims or litigation that could cause us to incur substantial costs or pay substantial damages or prohibit us from selling our products.

We have from time to time received, and may in the future receive, communications alleging possible infringement of patents and other intellectual property rights of others. Furthermore, we may become involved in costly litigation brought against us regarding patents, copyrights, trademarks, trade secrets or other intellectual property rights. If any such claims are asserted against us, we may seek to obtain a license under the third party's intellectual property rights. We cannot assure you that we will be able to obtain any or all of the necessary licenses on satisfactory terms, if at all. In the event that we cannot obtain a license, these parties may file lawsuits against us seeking damages (and potentially treble damages in the United States) or an injunction against the sale of our products that incorporate allegedly infringed intellectual property or against the operation of our business as presently conducted. Such lawsuits could result in an increase in the costs of selling certain of our products, our having to partially or completely redesign our products or stop the sale of some of our products and cause damage to our reputation. Any litigation could require significant financial and management resources regardless of the merits or outcome, and we cannot assure you that we would prevail in any litigation or that our intellectual property rights can be successfully asserted in the future or will not be invalidated, circumvented or challenged. The award of damages, including material royalty payments, or the entry of an injunction against the manufacture and sale of some or all of our products, could affect our ability to compete or have a material adverse effect on our business, financial condition, results of operations.

Environmental laws and regulations expose us to liability and compliance with these laws and regulations, and any such liability may negatively affect our business and financial condition.

We are subject to many environmental, health and safety laws and regulations in each jurisdiction in which we operate, which govern, among other things, emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and ground water contamination and the health and safety of our employees. We are also required to obtain environmental permits from governmental authorities for certain of our operations. We cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators.

Such laws and regulations include a recently implemented EU directive, known as the Restriction on Hazardous Substances, or RoHS, which bans the use of lead and certain other hazardous substances in electronic equipment. China has enacted similar legislation, commonly referred to as China RoHS. China RoHS includes labeling and information disclosure requirements that must be complied with starting March 1, 2007. These laws and regulations also include significant new regulation on the use of perfluorinated compounds, or PFCs, and sulfur hexafluoride, or SF_6. The regulation of these two types of gases, which are critical in the semiconductor manufacturing process, currently exempts the semiconductor industry, but this exemption may not continue in the future. The EU has also implemented restrictions on perfluorooctane sulfonate, or PFOS, which currently exempt semiconductor manufacturing processes, although it is not certain whether any such exemption will be retained in the future. In addition, a proposal by the European Commission, approved by European Union regulators subject to completion of the formal adoption process, deals with the registration, evaluation and authorization of chemicals (REACH), some of which we use in our manufacturing processes. Other governments may propose and pass similar bans through legislation, regulation, directives or adoption or amendment of international treaties. A 2005 EU directive established a framework that will ultimately impose labeling and energy efficiency requirements on energy-using products. The EU has not yet issued product-specific requirements. In 2004, the EU directive on environmental liability with regard to the prevention and remediation of environmental damage took effect. Following implementation of this directive in the member states, we could face increased environmental liability, which may result in higher insurance costs and potential damage claims. The EU directives, the REACH proposal, and any PFC, SF_6 or PFOS bans that affect the semiconductor manufacturing process, have and may continue to complicate our research and development activities and have and may continue to require us to change certain of our manufacturing processes, to utilize more costly materials or to incur substantial additional expenses.

As with other companies engaged in similar activities or that own or operate real property, we face inherent risks of environmental liability at our current and historical manufacturing facilities. Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances. Certain of these laws also assess liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. Soil and groundwater contamination has been identified at some of our current and former properties resulting from historical, ongoing or third-party activities. We are in the process of investigating and remediating contamination at some of these sites. While we do not expect that any contamination currently known to us will materially adversely affect our business or financial condition, we cannot assure you that this is the case or that we will not discover new facts or conditions or that environmental laws (including the 2004 EU directive on environmental liability referenced above) or the enforcement of such laws will not change such that our liabilities would be increased significantly. In addition, we could also be held liable for consequences arising out of human exposure to hazardous substances or other environmental damage. In summary, we cannot assure you that our costs of complying with current and future environmental and health and safety laws, or our liabilities arising from past or future releases of, or exposures to, hazardous substances will not materially adversely affect our business, results of operations or financial conditions. See "Business—Environmental Regulation."

We receive subsidies and grants in certain countries, and a reduction in the amount of governmental funding available to us or demands for repayment could increase our costs and impact our results of operations.

As is the case with other large semiconductor companies, we receive subsidies and grants from governments in some countries. These programs are subject to periodic review by the relevant governments, and if any of these programs are curtailed or discontinued, our business, financial condition and results of operations could be materially adversely affected. As the availability of government funding is outside our control, we cannot guarantee that we will continue to benefit from

government support or that sufficient alternative funding will be available if we lose such support. Moreover, should we terminate any activities or operations, including strategic alliances or joint ventures, we may face adverse actions from the local governmental agencies providing such subsidies to us. In particular, such government agencies could seek to recover such subsidies from us and they could cancel or reduce other subsidies we receive from them. This could have a materially adverse impact on our results of operations.

We may from time to time make acquisitions and engage in other transactions to complement or expand our existing businesses. However, we may not be successful in acquiring suitable targets at acceptable prices and integrating them into our operations, and any acquisitions we make may lead to a diversion of management resources.

Our future success may depend on acquiring businesses and technologies, making investments or forming joint ventures that complement, enhance or expand our current portfolio or otherwise offer us growth opportunities. If we are unable to identify suitable targets, our growth prospects may suffer, and we may not be able to realize sufficient scale advantages to compete effectively in all markets. In addition, in pursuing acquisitions, we may face competition from other companies in the semiconductor industry. Our ability to acquire targets may also be limited by applicable antitrust laws and other regulations in the United States, the European Union and other jurisdictions in which we do business. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt, assume loss-making divisions and incur other types of expenses. We may also face challenges in successfully integrating acquired companies into our existing organization. Each of these risks could have a material adverse effect on our business, financial condition and results of operations.

We may from time to time desire to exit certain product lines or businesses, or to restructure our operations, but may not be successful in doing so.

From time to time we may decide to divest certain product lines and businesses or restructure our operations, including through the contribution of assets to joint ventures. We have in recent years exited several of our product lines and businesses and we have closed several of our manufacturing and research facilities. We may continue these practices in the future. However, our ability to successfully extricate ourselves from product lines and businesses, or to close or consolidate operations, depends on a number of factors, many of which are outside of our control. For example, if we are seeking a buyer for a particular business line, none may be available, or we may not be successful in negotiating adequate terms with prospective buyers. In addition, we may face internal obstacles to our efforts. In particular, several of our operations and facilities are subject to collective bargaining agreements or involve the presence of work councils that may prevent or complicate our efforts to sell or restructure our businesses. In some cases, particularly with respect to our European operations, there may be laws or other legal impediments affecting our ability to carry out such sales or restructuring. If we are unable to exit a product line or business in a timely manner, or to restructure our operations in a manner we deem to be advantageous, our business, financial condition and results of operations could be materially adversely affected.

Our actual pension liabilities and costs following the Separation may differ significantly from those set out in the historical combined financial statements for our predecessor periods.

We have accounted for our participation in Philips-sponsored pension plans in which we and other Philips businesses participate as multi-employer plans. The costs of pension benefits with respect to our employees participating in these plans have been allocated to us based upon actuarial computations, except for certain less significant plans, in which case a proportional allocation based upon compensation or headcount has been used. The amounts included in the combined statements of operations for 2004, 2005 and the period January 1 through September 28, 2006 were €58 million, €

64 million, and €51 million, respectively. Related assets and liabilities are not included in our predecessor balance sheet.

For pension plans in which only our employees participate (our dedicated plans), the related costs, assets and liabilities have been included in the combined balance sheets.

Now that we have carried out the Separation, we have been able to estimate the value of the pension assets and liabilities associated with the pension plan assets and liabilities transferred to us. Based on the current funding levels of existing Philips plans, we believe that the liabilities transferred exceed the assets, and as a result we have recorded a significant unfunded pension liability. The Company estimates that its unfunded liability associated with these pension obligations was €234 million as of September 29, 2006, the date of the Acquisition, and €234 million as of December 31, 2006. Our costs to meet these liabilities going forward may be significant and could have a material adverse impact on our financial condition.

The interests of our principal shareholders may be inconsistent with your interests.

The Consortium, subject to the provisions of the Shareholders Agreement, has the power to control our affairs and policies. For more information on the Shareholders Agreement, see "Recent Significant Transactions—The Acquisition." Our principal shareholders may have conflicting interests with one another which may impede their ability to collectively make important decisions regarding our business. The interests of the members of the Consortium on the one hand and Philips on the other hand could also conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. In addition, our principal shareholders and their respective affiliates could have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, would enhance their equity investments, and their respective affiliates may own, acquire and hold interests in businesses that compete directly or indirectly with us or may own businesses with interests that conflict with ours.

Risks Related to Our Separation from Philips

Our historical results may not be representative of our future results as a separate, stand-alone company.

Our combined financial statements and the other financial information for our predecessor periods included in this prospectus have been derived from the consolidated financial statements of Philips and its accounting records and do not necessarily reflect what our results of operations, financial condition and cash flows would have been had we operated as a separate, stand-alone company during those periods. Philips did not account for us, and we were not operated, as a separate, stand-alone company for the predecessor periods. The historical costs and expenses reflected in the combined financial statements for our predecessor periods include an allocation for certain corporate functions historically provided to us by Philips, including legal, finance, human resources and other administrative functions. These allocations are based on what we and Philips consider to be reasonable reflections of the historical utilization levels of these functions required in support of our business. Moreover, our combined financial statements and the other historical financial information included in this prospectus do not necessarily indicate what our results of operations, financial condition, cash flows or costs and expenses will be in the future. In particular, the combined financial statements for our predecessor periods do not reflect the costs to us of borrowing funds as a separate entity. For more information on our results of operations, financial condition and cash flows, see "Selected Historical Combined and Consolidated Financial Data," "Unaudited Pro Forma Condensed Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined and consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

Our ability to operate our business effectively may suffer if we do not, quickly and cost-effectively, establish our own financial, administrative and other support functions in order to operate as a stand-alone company, and we cannot assure you that the transitional services Philips has agreed to provide us will be sufficient for our needs.

Prior to our separation from Philips, we did not operate as a stand-alone company. Historically, we have relied on financial, administrative and other resources of Philips to operate our business. Now that we have separated from Philips, we have needed to create our own financial, administrative and other support systems or contract with third parties to replace Philips' systems. We have entered into an agreement with Philips under which Philips will for a limited time provide certain transitional services to us. See "Certain Relationships and Related Party Transactions" for a description of these services. These services may not be sufficient to meet our needs, and, after our agreement with Philips expires, we may not be able to replace these services at all or obtain these services at prices or on terms as favorable as we currently have. Any failure or significant downtime in our own financial or administrative systems or in Philips' financial or administrative systems during the transitional period could impact our results or prevent us from paying our suppliers and employees, executing foreign currency transactions or performing other administrative services on a timely basis. Any failure or significant downtime in our financial or administrative systems or in Philips' financial or administrative systems during the transitional period could also impair our ability to meet these obligations or could result in weaknesses and deficiencies in our internal controls. In addition, under the terms of the indentures governing the notes, we are obligated to provide certain quarterly financial reports to the holders of the notes, and following the registration of the exchange notes in the exchange offers, we will be subject to the periodic reporting requirements of the SEC, including the internal control requirements of the Sarbanes-Oxley Act of 2002, which could create further consequences upon any such failure. Any of the foregoing could materially harm our business, financial condition and results of operations.

We may not succeed to Philips under all joint ventures, contracts and licenses that historically have formed part of our business.

As part of the Separation, Philips assigned all joint ventures, contracts and licenses related to its semiconductors businesses to us. In many cases, these assignments required the consent of the relevant counterparty. Philips and we are still in the process of seeking the consents of all relevant counterparties. There can be no assurance that we will able to obtain these consents within a reasonable period of time or at all. Moreover, even if a consent is obtained, the relevant counterparty may decide to terminate the arrangement.

If we fail to become a party to a material joint venture, contract or license that historically has formed part of our business or any such arrangement is terminated, our business, financial conditions and results of operations may be adversely affected.

We may lose rights to key intellectual property arrangements as a result of no longer being a business segment of Philips.

As the semiconductors division of Philips, we benefited from some of Philips' intellectual property arrangements, including cross-licensing arrangements with other semiconductor companies and licenses from third parties of technology incorporated in our products and used to operate our business. Now that we have completed the Separation, we may no longer be a beneficiary under a number of these agreements. As a result, we may not have rights to use important intellectual property that we have previously been licensed to use and may therefore be subject to claims that we are infringing intellectual property rights of third parties through the manufacture and sale of our products and the operation of our business. Therefore, we may be vulnerable to claims by such parties that our products or operations infringe such parties' patents or other intellectual property rights. In addition, third

parties may have refrained from asserting intellectual property infringement claims against us because we were a business segment of Philips. Now that we are a separate entity, they may attempt to pursue such claims against us.

We have negotiated our own patent cross-license agreements and arrangements with a number of the industry participants with which Philips has patent cross-license agreements. However, we have not completed negotiations with respect to all such agreements and arrangements and cannot assure you that we will be able to do so successfully.

The separation of certain operational and planning systems that we have previously shared with Philips and operate in conjunction with our customers may lead to customer dissatisfaction.

Prior to our separation from Philips, we maintained a number of joint operational and planning systems that our customers utilized to interface with us. We may experience problems in connection with the ongoing transition of these systems from Philips to us, which may lead to supply shortages and other disruptions for our customers. If such disruptions occur and we are forced to compensate our customers or if our competitors are able to take advantage of these disruptions, our business, financial condition, and results of operations could be materially adversely affected.

The assets and employees that were transferred to us from Philips may not be sufficient for us to operate as a stand-alone company, and we may experience difficulty in acquiring additional assets or hiring new employees and integrating these assets and employees into our business.

Because we did not operate as a stand-alone company in the past, we may need to acquire assets and hire employees in addition to those transferred to us by Philips in connection with our formation as a separate legal entity. We may face difficulty integrating newly acquired assets and newly hired employees into our business. Our business, financial condition and results of operations could be harmed if we fail to acquire assets or hire employees that prove to be important to our operations or if we incur unexpected costs or encounter other difficulties in integrating new assets and employees.

We may not be successful in establishing a brand identity.

Historically, we have conducted our business under the Philips brand name. Now that we are a separate company, we must cease using "Philips" as a brand name or trade name, provided that we are permitted under certain circumstances and for a limited period of time after the Separation to use "founded by Philips" in connection with our new name. We currently conduct our business under our new brand name, NXP. The value of the Philips brand name was recognized by our suppliers, customers and potential employees. We will need to expend significant time, effort and resources to establish our new brand name in the marketplace. We cannot guarantee that this effort will ultimately be successful. If our efforts to establish a new brand identity are unsuccessful, our business, financial condition and results of operations could be materially adversely affected.

Now that we are a separate company, we may experience increased costs resulting from a decrease in the purchasing power we had during the period when we were owned by Philips.

We have been able to take advantage of Philips' economies of scale and purchasing power in purchasing technology and corporate services, including insurance, employee benefit support and audit services. Now that we are a separate company, we are a smaller and less diversified company than Philips, and do not have access to financial and other resources comparable to those of Philips prior to the Separation. As a separate, stand-alone company, we may be unable to obtain technology and corporate services at prices and on terms as favorable as those available to us prior to the separation, which could have a material adverse effect on our business, financial condition and results of operations.

Our separation agreements with Philips require us to assume many past and present liabilities related to our business and to indemnify Philips for future liabilities it may face with respect to our business. These arrangements may be less favorable to us than if they had been negotiated with an unaffiliated third party.

Pursuant to the separation agreements we have entered into with Philips, we have assumed many past and present liabilities related to our business. We have also agreed to indemnify Philips with respect to future liabilities related to our business. Such liabilities include liabilities for which we do not know the extent of our potential exposure. Some of these exposures could be significant. Furthermore, the scope of the liabilities we have assumed and for which we have agreed to indemnify Philips and the terms on which we will do so may be less favorable than if we entered into a similar agreement with a third party.

Philips has agreed to indemnify us for certain liabilities. However, there can be no assurance that we will be able to enforce any claims under this indemnity against Philips.

In connection with our separation from Philips, Philips has agreed to indemnify us, subject to certain limitations, for certain liabilities. Nonetheless, third parties could seek to hold us responsible for any of the liabilities Philips has agreed to retain, and there can be no assurance that we will be able to enforce our claims under the indemnity against Philips. Moreover, even if we ultimately succeed in recovering any amounts for which we are held liable from Philips, we may be temporarily required to bear these losses ourselves. Each of these risks could materially adversely affect our business, results of operations and financial condition.

Risks Related to the Exchange Notes and Our Capital Structure

Our substantial amount of debt could adversely affect our financial health and could prevent us from fulfilling our obligations under the exchange notes.

We are highly leveraged. At December 31, 2006, our long-term indebtedness was €4,426 million. For a description of our outstanding indebtedness as of December 31, 2006, see "Capitalization." Our substantial indebtedness could materially adversely affect us by making it more difficult for us to satisfy our payment and other obligations under the exchange notes and our payment and obligations under our senior secured revolving credit facility; limiting our ability to borrow money for working capital, restructurings, capital expenditures, research and development, investments, acquisitions or other purposes, if needed, and increasing the cost of any of these borrowings; requiring us to dedicate a substantial portion of our cash flow from operations to service our debt, which reduces the funds available for operations and future business opportunities; limiting our flexibility in responding to changing business and economic conditions, including increased competition and demand for new services; placing us at a disadvantage when compared to our competitors that have less debt; and making us more vulnerable than our competitors who have less debt to a downturn in our business, industry or the economy in general. Despite our substantial indebtedness, we may still incur significantly more debt, which could further exacerbate the risks described above.

We may not be able to generate sufficient cash flows to meet our debt service obligations.

Our ability to make payments on and to repay or refinance our indebtedness, including the exchange notes, and to fund planned capital expenditures will depend on our ability to generate cash from our future operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. See "Risks Related to Our Business."

Our business may not generate sufficient cash flow from operations, or future borrowings under our senior secured revolving credit facility or from other sources may not be available to us in an amount sufficient, to enable us to repay our indebtedness, including the exchange notes, or to fund our

other liquidity needs, including working capital and capital expenditure requirements. We cannot guarantee that we will be able to obtain enough capital to service our debt and fund our planned capital expenditures and business plan. If we complete an acquisition, our debt service requirements could also increase. In 2006, our cash flow from operating activities (on a combined predecessor and successor basis) was €760 million and our pro forma cash interest expense would have been €366 million. During the last three years, our cash flow from operations has not exceeded €978 million. See "Unaudited Pro Forma Condensed Financial Data." A substantial portion of our indebtedness bears interest at floating rates, and therefore if interest rates increase, our debt service requirements will increase. We may need to refinance or restructure all or a portion of our indebtedness, including the exchange notes, on or before maturity. We may not be able to refinance any of our indebtedness, including our senior secured revolving credit facility and the notes, on commercially reasonable terms, or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity investments or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could have a material adverse effect on our operations. Additionally, we may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Restrictive covenants in our senior secured revolving credit facility and the indentures governing the notes may restrict our ability to pursue our business strategies or repay the notes.

Our senior secured revolving credit facility and the indentures governing the notes limit our ability, among other things, to:

- incur additional indebtedness or issue preferred stock;
- pay dividends or make distributions in respect of our capital stock or make certain other restricted payments or investments;
- repurchase or redeem capital stock;
- sell assets, including capital stock of restricted subsidiaries;
- agree to limitations on the ability of our restricted subsidiaries to make distributions;
- enter into transactions with our affiliates;
- incur liens;
- guarantee indebtedness;
- designate unrestricted subsidiaries; and
- engage in consolidations, mergers or sales of substantially all of our assets.

The restrictions contained in the indentures and the senior secured revolving credit facility could:

- limit our ability to plan for or react to market conditions or meet capital needs or otherwise restrict our activities or business plans; and
- adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, engage in research and development activities, restructure our organization, finance other capital needs or engage in other business activities that would be in our interest.

Our failure to comply with the covenants contained in the credit agreement governing our senior secured revolving credit facility or the indentures governing the notes or our other debt agreements, including as a result of events beyond our control, could result in an event of default which could materially and adversely affect our operating results and our financial condition.

Our senior secured revolving credit facility and the indentures governing the notes require us to comply with various covenants. If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments. Our assets and cash flow may not be sufficient to fully repay borrowings under all of our outstanding debt instruments if some or all of these instruments are accelerated upon an event of default.

If, when required, we are unable to repay, refinance or restructure our indebtedness under, or amend the covenants contained in, our senior secured revolving credit facility, or if a default otherwise occurs, the lenders under our senior secured revolving credit facility could elect to terminate their commitments thereunder, cease making further loans and issuing or renewing letters of credit, declare all outstanding borrowings and other amounts, together with accrued interest and other fees, to be immediately due and payable, institute enforcement proceedings against those assets that secure the extensions of credit under our senior secured revolving credit facility and thereby prevent us from making payments on the exchange notes. Any such actions could force us into bankruptcy or liquidation, and we might not be able to repay our obligations under the exchange notes in such an event.

Insolvency laws and other limitations on the guarantees and the security may adversely affect their validity and enforceability.

Our obligations under the exchange notes will be guaranteed by, and the secured exchange notes will be secured by certain assets of, the guarantors. The guarantors are organized under the laws of The Netherlands, Germany, the state of Delaware in the United States, England and Wales, Singapore, Hong Kong, Thailand, Taiwan and The Philippines. Although laws differ among these jurisdictions, in general, applicable fraudulent transfer and conveyance and insolvency laws and, in the case of the guarantees, limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of the guarantee and the security against a guarantor. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the guarantors or the appointed insolvency administrator may challenge the guarantees and security, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a guarantor's obligations under its guarantee or the security provided by such guarantor;
- direct that holders of the exchange notes return any amounts paid under a guarantee or any security document to the relevant guarantor or to a fund for the benefit of the guarantor's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the exchange notes and any guarantee or security is found to be a fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the exchange notes. In addition, the liability of

each guarantor under its guarantee of the exchange notes will be limited to the amount that will result in such guarantee or security not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. The amount recoverable from a guarantor under the security documents will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each guarantor. Also, there is a possibility that the entire guarantee or security may be set aside, in which case, the entire liability may be extinguished.

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts typically may determine that, at the time the guarantees were issued or security interests created, the guarantor:

- issued such guarantee or created such security with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others;

- issued such guarantee or created such security in a situation where a prudent businessman as a shareholder of our company would have contributed equity to our company; or

- received less than reasonably equivalent value for incurring the debt represented by the guarantees or security on the basis that the guarantees or security were incurred for our benefit, and only indirectly the guarantor's benefit, or some other basis and (1) was insolvent or rendered insolvent by reason of the issuance of the guarantee or the creation of the security, or subsequently became insolvent for other reasons; (2) was engaged, or about to engage, in a business transaction for which the guarantor's assets were unreasonably small; or (3) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

Different jurisdictions evaluate insolvency on various criteria, but a guarantor is generally considered insolvent at the time it issued a guarantee or created any security if:

- its liabilities exceed the fair market value of its assets;

- it cannot pay its debts as and when they become due; or

- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

We cannot assure you which standard a court would apply in determining whether a guarantor was "insolvent" as of the date the guarantees were issued or security was created or that, regardless of the method of valuation, a court would not determine that a guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a guarantor was insolvent on the date its guarantee was issued or security was created, that payments to holders of the exchange notes constituted fraudulent transfers on other grounds.

An overview of the enforceability issues as they relate to the guarantees and security documents is set forth under "Limitations on Validity and Enforceability of Guarantees and Security" below.

Enforcing your rights as a holder of the exchange notes or under the guarantees or the security across multiple jurisdictions may be difficult.

The exchange notes will be issued by the co-issuers, NXP B.V., which is incorporated under the laws of The Netherlands, and NXP Funding LLC, which is organized under the laws of the state of Delaware. The exchange notes will be guaranteed by nine of our subsidiaries, which are incorporated under the laws of The Netherlands, Germany, Taiwan, Philippines, the state of Delaware, Hong Kong, Thailand, Singapore and England and Wales. Each of the guarantors has also granted security over

certain of its assets to secure the obligations of the issuers under the secured exchange notes and the obligations of it and the other guarantors under its secured guarantee. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the exchange notes. Your rights under the exchange notes and the guarantors' guarantees and security granted by the guarantors will thus be subject to the laws of several jurisdictions, and you may not be able to effectively enforce your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights.

In addition, the bankruptcy, insolvency, administrative, and other laws of the respective guarantors' jurisdictions of incorporation may be materially different from, or in conflict with, one another and those of the United States in certain areas, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the exchange notes, the guarantees and any security.

Corporate benefit and financial assistance laws and other limitations on the guarantees and security may adversely affect the validity and enforceability of the guarantees of the exchange notes and security granted by the guarantors.

The guarantees of the exchange notes by the guarantors and security granted by such guarantors provide the holders of the exchange notes with a direct claim against the assets of the guarantors. Each of the guarantees and the amount recoverable under the security documents, however, is limited to the maximum amount that can be guaranteed or secured by a particular guarantor without rendering the guarantee or security, as it relates to that guarantor, voidable or otherwise ineffective under applicable law. In addition, enforcement of any of these guarantees or security against any guarantor will be subject to certain defenses available to guarantors and security providers generally. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a guarantor may have no liability or decreased liability under its guarantee or the security documents to which it is a party.

The exchange notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries and joint ventures.

Some, but not all, of our subsidiaries will guarantee the exchange notes. Our joint ventures will not guarantee the exchange notes. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries and joint ventures, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries and joint ventures before these assets are made available for distribution to any guarantor, as direct or indirect shareholder.

Accordingly, in the event that any of the non-guarantor subsidiaries or joint venture entities become insolvent, liquidates or otherwise reorganizes:

- the creditors of the guarantors (including the holders of the exchange notes) will have no right to proceed against such subsidiary or joint venture entities, assets; and

- creditors of such non-guarantor subsidiary or joint venture, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary or joint venture before any guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary or joint venture.

On a combined predecessor and successor basis, our subsidiaries and joint ventures that will not guarantee the exchange notes or provide security generated 24% of our total sales for the twelve months ended December 31, 2006. These entities represented 13% of our total assets as of December 31, 2006. As of December 31, 2006, our non-guarantor subsidiaries had approximately €337 million of liabilities, including trade payables but excluding intercompany obligations, all of which would have ranked structurally senior to the exchange notes and the guarantees.

Claims of secured creditors of the guarantors have priority with respect to their security over the claims of unsecured creditors, such as the holders of the unsecured exchange notes.

Claims of the secured creditors of the guarantors have priority with respect to the assets securing their indebtedness over the claims of holders of the unsecured exchange notes. Therefore, the unsecured exchange notes and the guarantees of the unsecured exchange notes will be effectively subordinated to any secured indebtedness and other secured obligations of the guarantors to the extent of the value of the assets securing such indebtedness or other obligations. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of an entity that has secured obligations, holders of secured indebtedness will have prior claims to the assets of the relevant guarantors that constitute their collateral. Subject to the limitations pursuant to applicable law, the holders of the unsecured exchange notes will participate ratably with all holders of other unsecured indebtedness of such guarantors, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of such guarantors. In the event that any of the guarantors' secured indebtedness becomes due or the lender thereunder proceeds against the operating assets that secure the indebtedness, the guarantors' assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the relevant guarantees of the unsecured exchange notes. As a result, holders of unsecured notes may receive less, ratably, than holders of secured indebtedness of such guarantors.

As of December 31, 2006, we had €2,959 million of secured indebtedness outstanding and €498 million of available borrowing capacity under our senior secured revolving credit facility. We will be permitted to borrow substantial additional indebtedness, including senior secured debt, in the future under the terms of the indentures.

The secured exchange notes will be secured only to the extent of the value of the assets that have been granted as security for the notes and in the event that the security is enforced against the collateral, the holders of the secured exchange notes will receive proceeds from the collateral only after the lenders under our senior secured revolving credit facility and certain holders of additional secured debt.

If we default on the secured exchange notes, the holders of the secured exchange notes will be secured only to the extent of the value of the assets underlying their security interest. Not all of our assets secure the secured exchange notes and we have not taken and will not take action to perfect all liens on assets which do secure the secured exchange notes. For example, (1) perfected security interests in bank accounts to the extent constituting proceeds of other collateral will not be taken until after an enforcement event (which may limit enforcement of security interests in the proceeds of such collateral in certain jurisdictions), (2) notice to debtors under accounts receivable has not and will not be given (which is significant in some jurisdictions to perfect liens on such receivables against the accounts receivable obligor) and (3) in some jurisdictions (for example Taiwan and Thailand) perfected security interests in inventory have not and will not be taken. See "Description of the Exchange Notes—Security." In the future, the obligations to provide additional guarantees and grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary as a restricted subsidiary or otherwise, is subject to certain agreed security principles. The agreed security

principles set out a number of limitations on the rights of the noteholders to require a guarantee or security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited and/or security not being granted over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the guarantees and security provided by us and our subsidiaries. To the extent that the claims of the holders of the secured exchange notes exceed the value of the assets securing those exchange notes and other liabilities, those claims will rank equally with the claims of the holders of the unsecured senior exchange notes, any remaining unsecured outstanding notes and any other indebtedness ranking *pari passu* with the unsecured exchange notes. As a result, if the value of the assets pledged as security for the secured exchange notes is less than the value of the claims of the holders of the secured exchange notes, those claims may not be satisfied in full before the claims of our unsecured creditors are paid. Furthermore, upon enforcement against any collateral or in insolvency, under the terms of the collateral agency agreement the claims of the holders of our secured exchange notes to the proceeds of such enforcement will rank behind the claims of the lenders and letter of credit issuers under our senior secured revolving credit facility and holders of additional secured indebtedness (to the extent permitted to have super-priority by the indenture).

Security over certain assets will not be taken and certain guarantees and security will not be in place on the closing date of the exchange offers or will not be perfected on the closing date.

In certain jurisdictions security over particular asset classes will not be taken. In particular, no security will be taken over inventory in Taiwan or Thailand. The organizational documents of certain of our joint ventures, including SSMC and JNS, require the consent of other joint venture partners in order for us to pledge our equity interests in these joint ventures. As required under our financing agreements, we have sought since entering into the senior secured revolving credit facility and issuing the senior secured notes to obtain these consents. The joint venture partners of SSMC and JNS have recently advised us that they will not consent to the grant of security. A conditional assignment has been taken of shares in, and substantially all of the assets of, the subsidiary guarantor organized in The Philippines. This is not a security interest. However, it requires the assets and shares to be assigned upon the occurrence of an enforcement event. Such assignment may constitute a preference and be unenforceable. In addition, in order to be enforceable certain taxes and or duties would be payable, in each case based on the amount recoverable under such assignment. Given the value of The Philippines assets, this could require the payment of substantial duties and taxes.

No security will be taken over the shares in SMST Unterstützungskasse GmbH, a direct wholly-owned subsidiary of the guarantor organized in Germany. SMST Unterstützungskasse GmbH holds pension assets for employees of the German subsidiaries.

In addition, as of the date of this prospectus, there is not a perfected security interest over NXP Semiconductors Thailand Co. Ltd.'s machinery and equipment provided, however, that subject to the agreed security principles, we are obligated to provide security on NXP Manufacturing (Thailand) Co. Ltd.'s machinery and equipment by May 12, 2007.

The security over real property and fixed assets granted by NXP Manufacturing (Thailand) Co. Ltd. will be granted in favor of the collateral agent. There is some doubt as to whether such security granted to an agent, rather than each of the secured creditors individually, would be enforceable in Thailand. In addition, perfection of such security interests require approvals from the relevant Thai authorities. There can be no assurance that we will obtain such approvals.

In The Netherlands, Germany and Japan, security will be granted to the collateral agent in respect of a direct debt created under the collateral agency agreement. This debt is created to satisfy a requirement for certain collateral in Germany, The Netherlands and Japan that the collateral agent be

a creditor of the relevant security provider. However, there can be no assurance that such a structure will be effective as there is no judicial or other guidance as to its efficacy.

In certain jurisdictions, certain security interests will be taken on the closing date in respect of certain assets (in particular, accounts receivable and proceeds therefrom) but will not be perfected until after the occurrence of specified enforcement events.

Certain patents are also subject to licenses or other arrangements with third parties. In accordance with the agreed security principles and/or applicable law, security interests granted in such patents may be subject to, or otherwise limited by, such licenses or other arrangements.

We established three secured accounts with the collateral agent that are denominated in U.S. dollars, euro and pounds sterling, which we refer to as the "Initial Secured Accounts", and have deposited nominal amounts in each account. We are not required to separately lodge or create security in any other cash or bank accounts prior to an enforcement event or to make payments to the Initial Secured Accounts. If an enforcement event occurs, we will (1) pay the proceeds of sale or collection of collateral to an account or accounts that do not contain cash that is not the proceeds of collateral, (2) not commingle the proceeds of collateral with our other cash and (3) cause U.S. dollar, euro and pound sterling proceeds of collateral that are paid to or received by us to be paid promptly to the Initial Secured Accounts, and to the extent practicable, direct counterparties to pay the proceeds of collateral directly to the Initial Secured Accounts. Following an enforcement event, we will also grant, subject to the agreed security principles, a perfected security interest in all other accounts maintained by us to which proceeds of collateral are paid to the extent of the proceeds of such collateral, which we refer to as the "Additional Secured Accounts", and together with the Initial Secured Accounts, the "Secured Accounts". To the extent any of the Secured Accounts are or become part of the accounts used in our cash management system, we are entitled to grant an equal and ratable security interest in such accounts to the cash management bank securing our cash management obligations to such bank. In the event of a bankruptcy or insolvency event, certain of these security interests created after the closing date with respect to the collateral may be subject to avoidance as, among other grounds, preferential devices for the benefit of the note holders. If any such security interest is avoided in a relevant proceeding, the note holders would not receive the effective benefit of such security and would be treated as unsecured creditors with respect to those assets.

In addition, security interests over the shares and other ownership interests of non-guarantor subsidiaries may not be governed by local law and may not be perfected on the closing date. No assurance can be given that such security interests will be enforceable in the jurisdiction in which a non-guarantor subsidiary is organized or established.

The operation of insolvency laws in some or all of our jurisdictions may prevent such interests being perfected in the event that the relevant security provider is insolvent at the relevant time or may result in such security being considered a preference or fraudulent conveyance (see "—Insolvency laws and other limitations on the guarantees and the security may adversely affect their validity and enforceability").

Certain jurisdictions may impose withholding taxes on payments under the guarantees or security documents or impose foreign exchange restrictions which may reduce the amount recoverable by noteholders.

Payments made by NXP Manufacturing (Thailand) Co. Ltd., NXP Semiconductors Taiwan Ltd. and NXP Semiconductors Singapore Pte. Ltd. under their guarantees may (in each case) be subject to withholding tax, the amount of which will vary depending on the residency of the recipient and the availability of double-tax treaty relief.

In addition, foreign exchange controls applicable in certain jurisdictions, including Thailand and Taiwan, may limit the amount of local currency that can be converted into other currencies (including

U.S. dollars and euros) upon enforcement of the guarantee from, or any security provided by, such guarantor. In Thailand, the approval of the Bank of Thailand is required in order for the subsidiary guarantor organized under the laws of Thailand to remit payments under its guarantee outside Thailand. We were unable to obtain such approval. As such, the subsidiary guarantor organized under the laws of Thailand may not remit payments under the guarantees out of Thailand without a judgment from a Thai court, which may delay payment of the amount recoverable by the noteholders.

Certain of our subsidiaries, other entities and alliances in which we hold minority interests and all of our joint venture operations are not subject to the restrictive covenants in the indenture governing the exchange notes.

Certain of our subsidiaries, other entities and alliances in which we hold minority interests, including those with significant assets and business operations, and all of our joint venture operations, including SSMC and JNS, are not subject to the restrictive covenants in the indentures governing the exchange notes. This means that these entities, and all of our joint venture operations, will be able to engage in many of the activities that we are prohibited from doing, such as incurring substantial additional debt, securing assets in priority to the claims of the holders of the exchange notes, paying dividends, making investments, selling substantial assets and entering into mergers or other business combinations. These actions could be detrimental to our ability to make payments of principal and interest when due and to comply with our other obligations under the exchange notes, and could reduce the amount of our assets that would be available to satisfy your claims should we default on the exchange notes. In addition, the initiation of bankruptcy or insolvency proceedings or the entering of a judgment against these subsidiaries, or their default under their other credit arrangements, will not result in a cross-default on the exchange notes.

On a combined predecessor and successor basis, entities that are not subject to the restrictive covenants in the indenture generated 3% of our total sales for the twelve months ended December 31, 2006. These entities represented 8% of our total assets as of December 31, 2006.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

NXP B.V. is organized under the laws of The Netherlands. A majority of our assets are located outside of the United States. Most of the members of our supervisory board are not residents of the United States and a majority of their assets are located outside the United States. In addition, most of our executive officers are non-residents of the United States and a majority of the assets of our executive officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or the members of our supervisory board and executive officers, or to enforce against us or them judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in The Netherlands. See "Enforcement of Civil Liabilities."

You may face foreign exchange risks or adverse tax consequences by investing in exchange notes denominated in foreign currencies.

Several tranches of the senior secured and unsecured exchange notes will be denominated and payable in euros. If you are a U.S. or other non-euro-zone investor, an investment in the euro-denominated senior secured and unsecured exchange notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the U.S. dollar or other relevant currencies because of economic, political and other factors over which we have no control. Depreciation of the euro against the U.S. dollar could cause a decrease in the effective yield of the euro-denominated exchange notes below their stated coupon rates and could result in a loss to you on a U.S. dollar basis. Investing in the euro-denominated exchange notes by U.S.

investors may also have important tax consequences. See "Summary of Material U.S. Federal Tax Considerations—United States Taxation—Taxation of U.S. Holders." Non-U.S. investors investing in the dollar-denominated exchange notes will face similar taxation and foreign exchange-related risks.

If certain changes to tax law were to occur, we would have the option to redeem the exchange notes.

If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the exchange notes or the guarantees, we may redeem the exchange notes of that series in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. We are unable to determine whether such a change to any tax laws will be enacted, but if such change does occur, the notes will be redeemable at our option.

We may not be able to fulfill our repurchase obligations in the event of a change of control.

Any change of control would constitute a default under our senior secured revolving credit facility. Therefore, upon the occurrence of a change of control, the lenders under our senior secured revolving credit facility would have the right to terminate lending commitments and accelerate their loans and we would be required to prepay all of our outstanding obligations under our senior secured revolving credit facility.

Moreover, upon the occurrence of any change of control, we will be required by the indentures governing the exchange notes to make a change of control offer. If a change of control offer is made, there can be no assurance that we will have available funds sufficient to pay the change of control purchase price for any or all of the exchange notes that might be delivered by holders of the exchange notes seeking to accept the change of control offer and, accordingly, none of the holders of the exchange notes may receive the change of control purchase price for their exchange notes. Our failure to make or consummate the change of control offer or pay the change of control purchase price when due will give the trustee and the holders of the exchange notes the rights described under "Description of the Exchange Notes—Events of Default."

There is no established trading market for the exchange notes, and no market for the notes may develop. You may not be able to resell your notes or, if issued, the exchange notes.

The exchange notes are new issues of securities for which there is no established trading market. We are offering the exchange notes to holders of the outstanding notes, which we sold to institutional investors in October 2006. We have applied for the euro-denominated exchange notes to be listed on the Irish Stock Exchange and admitted to trading on the Alternative Securities Market of the Irish Stock Exchange. The euro-denominated outstanding notes currently trade on the Alternative Securities Market of the Irish Stock Exchange, and the outstanding notes are eligible for trading on the PORTAL Market.

However, an active market for the exchange notes may not develop or, if developed, may not continue. Historically, the market for non-investment grade debt has been subject to substantial volatility, which could adversely affect the prices at which you may sell your exchange notes. In addition, subsequent to their initial issuance, the exchange notes may trade at a discount from their value at the time of such issuance, depending upon prevailing interest rates, the market for similar notes, our operating performance and other factors.

RECENT SIGNIFICANT TRANSACTIONS

We refer to the transactions by which we acquired Philips' semiconductors businesses and Philips sold an 80.1% interest in these businesses to the Consortium as the "Transactions". Set forth below is a description of the Transactions.

The Separation

Prior to September 28, 2006, Philips reorganized its semiconductors businesses so that they became substantially separate from the other activities of Philips. We then acquired substantially all of these businesses from Philips on September 28, 2006. We refer to these transactions as the "Separation". As contemplated by the Separation arrangements, Philips' interest in ASMC (a joint venture in which Philips holds a 27% interest) has not yet been transferred to us. We expect that this interest will be transferred to us on or before June 30, 2007. In addition, not all contracts related to our business to which Philips was a party have been transferred to us.

In connection with the Separation, we entered into various agreements with Philips, including an intellectual property transfer and license agreement (the "IP Agreement"), a framework research and development agreement, a transitional services agreement, an information technology transitional services agreement, and a projects transfer agreement. The IP Agreement provides that, for a period of three years following the Separation, Philips may not compete with us, subject to certain exceptions for semiconductors activities in connection with Philips' existing lines of business. See "Certain Relationships and Related Party Transactions" for more information on these agreements.

The Acquisition

On September 28, 2006, KASLION entered into a Purchase Agreement with Philips. Pursuant to the Purchase Agreement, KASLION acquired 100% of our issued and outstanding shares from Philips on September 29, 2006, for an aggregate purchase price of €8,208 million. We refer to our acquisition by KASLION as the "Acquisition". The transfer of Philips' interest in ASMC to us as referred to above is subject to a deferred closing mechanism under the Purchase Agreement, pursuant to which Philips must deliver this interest on or before June 30, 2007 or compensate KASLION for the value of this interest based on an agreed-upon valuation mechanism.

Separately, Consortium Holding, the investment vehicle of the Consortium, paid approximately €3,451 million and Philips paid approximately €854 million, in exchange for, respectively, 80.1% and 19.9% of the total equity of KASLION (prior to dilution from our management equity program). KASLION used these funds to purchase 100% of our shares from Philips. See "Principal Shareholders."

The Purchase Agreement contains customary terms and conditions, including the following:

- *Non-solicit*. The Purchase Agreement provides that for a period of one year following the closing of the Acquisition, Philips and its affiliates may not directly or indirectly hire or solicit any of our employees, and KASLION and its affiliates may not directly or indirectly hire or solicit any employees of Philips or its affiliates holding a managerial position, subject, in each case, to certain exceptions.

- *Employee matters*. KASLION has agreed for a period of one year following the closing of the Acquisition to procure that we provide our employees with benefits that are the same as, or substantially comparable to, the benefits enjoyed by them at the time of the Acquisition.

On September 29, 2006, Philips, Consortium Holding, KASLION, Stichting Management Co-Investment NXP (a foundation that holds equity in KASLION as part of our management equity program) and we entered into the Shareholders Agreement. For so long as Philips holds more than

10% of KASLION's equity, the Shareholders Agreement will include, among other things, provisions regarding the composition of our supervisory board and provisions that subject certain of our activities to the approval of a supervisory board member designated by Philips or the chairman of our supervisory board. The agreement provides that the chairman must be a person not affiliated with Philips or Consortium Holding. The Shareholders Agreement also limits our ability without the approval of the supervisory board member designated by Philips to amend our organizational documents in a manner adverse to Philips' rights as a shareholder or its rights under the Shareholders Agreement, engage in transactions with affiliated persons, modify or waive the pre-emptive rights attaching to our shares, engage in a legal merger, demerger or liquidation, repurchase or redeem equity securities other than on a pro rata basis and sell all or substantially all of our assets in exchange for equity securities of a person not active in the semiconductor industry. In addition, the Shareholders Agreement limits our ability without the approval of the chairman of our supervisory board to:

- incur indebtedness or issue any debt securities or assume, guarantee or endorse any material obligation of any other person, if following such incurrence, issuance, assumption, guarantee or endorsement (i) our fixed charge coverage ratio would be less than 2.50:1.00 or (ii) our net debt leverage ratio would exceed a reference ratio determined by reference to our net debt as of the date of the closing of the transactions, (the fixed charge coverage ratio and the net debt leverage ratio are calculated in accordance with the definitions of these measures in the Shareholders Agreement, which are different from the definitions applicable to the exchange notes), and

- pay dividends or make other distributions, redeem or repurchase equity securities or make loans to KASLION if, after taking into account our free cash flow, our liquidity situation generally and our short- and medium-term prospects, in each case at the time of the proposed dividend or distribution, we would not have, in the reasonable judgment of the chairman of our supervisory board, sufficient and available liquidity for our foreseeable needs.

The provisions of the Shareholders Agreement described above terminate on the date that Philips ceases to own 10% or more of KASLION. Philips may sell all or part of its stake in KASLION at any time provided such sale is not to one of our competitors and Philips complies with rights of first offer granted to Consortium Holding.

The Financing Transactions

The financing transactions associated with the Separation and the Acquisition include the following:

- *The bridge financing*: On September 29, 2006, we entered into bridge financing facilities with affiliates of the initial purchasers of the outstanding notes, in an approximate aggregate principal amount of €4,529 million. We used a portion of the proceeds from these facilities to finance the Acquisition and retained the balance as cash.

- *The notes*: On October 12, 2006, we issued the outstanding notes in euro-denominated and dollar-denominated series, on both a secured and unsecured basis, in the approximate aggregate euro-equivalent principal amount of €4,529 million. We used the proceeds from the offering of the outstanding notes to repay all amounts owing under the bridge facilities. We are offering to exchange these outstanding notes for the exchange notes in the exchange offers.

- *The senior secured revolving credit facility*: In addition, we entered into a senior secured revolving credit facility on September 29, 2006, consisting of up to €500 million available from time to time in the form of multicurrency loans and letters of credit. As of December 31, 2006, we had used €2 million of the senior secured revolving credit facility for guarantees, and had €498 million in available credit remaining under the facility.

See "Description of the Exchange Notes" and "Description of Other Indebtedness."

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offers. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes. The outstanding notes surrendered in exchange for the exchange notes will be cancelled.

CAPITALIZATION

The following table sets forth our total capitalization as of December 31, 2006. You should read this table together with "Selected Historical Combined and Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined and consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

	As of December 31, 2006
	(€ in millions)
Existing debt:	
Senior secured credit revolving facility(1)	€—
Floating Rate Senior Secured Notes due 2013 (EUR)	1,000
Floating Rate Senior Secured Notes due 2013 (USD)	1,164(2)
7 7/8% Senior Secured Notes due 2014 (USD)	778(2)
8 5/8% Senior Notes due 2015 (EUR)	525
9 1/2% Senior Notes due 2015 (USD)	948(2)
Other debt	€ 34
Total debt	4,449
Total Shareholder's equity	3,685
Total capitalization	€ 8,134

(1) The senior secured revolving credit facility consists of up to €500 million available from time to time in the form of multicurrency loans and letters of credit. As of December 31, 2006, €2 million of this facility was used to provide certain guarantees.

(2) The U.S. dollar tranches have been converted for financial reporting purposes to euros at a rate of $1.3187 per €1.00 based on the noon buying rate on December 31, 2006.

SELECTED HISTORICAL COMBINED AND CONSOLIDATED FINANCIAL DATA

The following table summarizes our historical combined and consolidated financial data. We prepare our financial statements in accordance with U.S. GAAP. Because our accounting basis changed in connection with the Acquisition on September 29, 2006, we present our financial statements on a predecessor and successor basis. For periods ended on or before September 28, 2006, our summary historical combined financial data principally reflects the historical financial position, results of operations and cash flows of the semiconductors businesses that were previously included as a segment of Philips. The historical combined statements of operations data for the predecessor periods set forth below do not reflect significant changes that have occurred or will occur in the operations and funding of our company as a result of the Transactions. See "Risk Factors—Risks Related to Our Separation from Philips" for a further explanation of some of these changes. For periods ended after September 29, 2006, our summary historical consolidated financial data reflects the financial position, results of operations and cash flows of our Company (including our consolidated subsidiaries) on a stand-alone basis.

The selected historical combined financial data as of December 31, 2005, and for the years ended December 31, 2005 and 2004 and for the period January 1, 2006 through September 28, 2006 (predecessor periods) have been derived from our audited combined financial statements included elsewhere in this prospectus. The selected historical consolidated financial data for the period September 29, 2006 through December 31, 2006 (successor period) have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected combined financial data for the year ended 2003 has been derived from our audited combined financial statements not included in this prospectus. The selected combined financial data for the year ended December 31, 2002 has been derived from the unaudited accounting records of Philips and adjusted to include an allocation of costs in a manner generally consistent with the combined financial statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of Presentation."

The financial information presented below may not be indicative of our future performance and the financial information for our predecessor periods does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during those periods.

The selected historical combined and consolidated financial data should be read in conjunction with "Summary Historical Combined and Consolidated Financial Data," "Unaudited Pro Forma Condensed Financial Data," "Management's Discussion and Analysis of Financial Condition and

Results of Operations" and the combined and consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

	Predecessor					Successor
	For the year ended December 31,				For the period January 1-September 28, 2006	For the period September 29-December 31, 2006
	2002(1)	2003	2004	2005		
	(unaudited)					
	(€ in millions, except ratios)					
Combined and Consolidated Statements of Operations Data:						
Sales	€ 4,281	€ 3,994	€ 4,609	€ 4,615	€ 3,702	€ 1,172
Sales to Philips companies(2)	581	262	214	151	68	18
Total sales	4,862	4,256	4,823	4,766	3,770	1,190
Cost of sales		(3,106)	(2,955)	(2,933)	(2,331)	(917)
Gross margin		1,150	1,868	1,833	1,439	273
Selling expenses		(290)	(297)	(304)	(275)	(88)
General and administrative expenses		(416)	(437)	(435)	(306)	(194)
Research and development expenses		(975)	(979)	(1,028)	(737)	(258)
Write-off of acquired in-process research and development	—	—	—	—	—	(515)
Other income		30	79	36	18	3
Income (loss) from operations	(628)	(501)	234	102	139	(779)
Financial income (expense)		(95)	(93)	(63)	(22)	(73)
Income (loss) before taxes		(596)	141	39	117	(852)
Income tax benefit (expense)(3)		(38)	(113)	(101)	(65)	242
Income (loss) after taxes		(634)	28	(62)	52	(610)
Results relating to unconsolidated companies		2	12	(5)	3	(2)
Minority interests		3	(26)	(34)	(50)	(4)
Net income (loss)		€ (629)	€ 14	€ (101)	€ 5	€ (616)
Other Financial Data:						
EBITDA(4)	€ 398	€ 481	€ 1,069	€ 881	€ 563	€ 26
Capital expenditures	(416)	(259)	(641)	(370)	(465)	(111)
Depreciation and amortization	(1,063)	(977)	(849)	(818)	(471)	(811)
Ratio of earnings to		—	2.3x	1.5x	4.3x	—

fixed charges(5)

	Predecessor				Successor
	As of December 31,				
	2002	2003	2004	2005	As of December 31, 2006
	(unaudited)				
	(€ in millions)				
Combined and Consolidated Balance Sheet Data:					
Cash and cash equivalents	€ 24	€ 75	€ 110	€ 939	
Total assets	€ 5,050	3,900	4,057	4,005	9,867
Working capital (deficit)(6)	394	292	(382)	1,177	
Total debt(7)	1,645	1,284	1,432	1,483	4,449
Total business'/shareholder's equity(8)	1,752	1,458	1,126	3,685	

(1) The combined financial data for the year ended December 31, 2002 were generally derived based on the same methodology as the financial data for the years ended December 31, 2003, 2004 and 2005 and for the period from January 1, 2006 through September 28, 2006. Certain line items are omitted because, due to limited information available for 2002, among other factors, it is difficult to allocate certain costs to the appropriate expense line item. In addition, we did not record separately certain costs such as costs associated with Philips' software business and various non-operating expenses that were not separately tracked by Philips. These results have also not been subject to an audit or review. Accordingly, we are presenting more limited financial data for that year than for the other periods presented.

(2) Our total sales include direct and indirect sales to Philips companies or entities. We report direct sales on our combined statements of operations as "Sales to Philips Companies". We also sell products to OEMs and other third parties for incorporation into their end-products, which are then sold to Philips entities. These indirect sales are not reported as Sales to Philips Companies, although we do include them in customers' sales data elsewhere in this prospectus that describe sales to Philips.

(3) Our taxes for predecessor periods are calculated as if we filed separate tax returns although we were historically principally included in the consolidated tax return of Philips. Philips manages its tax position for the benefit of its entire portfolio of businesses, and its tax strategies are not necessarily reflective of strategies that we would have followed or currently follow as a stand-alone company.

(4) EBITDA is defined as net income (loss) before financial expense, income taxes, depreciation, and amortization. While the amounts included in EBITDA have been derived from our combined and consolidated financial statements, EBITDA is not a financial measure calculated in accordance with U.S. GAAP. Accordingly, EBITDA should not be considered as an alternative to net income or operating income as an indicator of our performance, or as an alternative to operating cash flows as a measure of our liquidity. Our management uses EBITDA to assess our company's operating performance and to make decisions about allocating resources among our various segments. In addition, we believe that EBITDA is a measure commonly used by investors. EBITDA, as presented in this prospectus, may not be comparable to similarly titled measures reported by other companies due to differences in the way this measure is calculated. EBITDA is calculated as follows (unaudited):

	Predecessor				Successor
	For the year ended December 31,				
	2003	2004	2005	For the period January 1-September 28, 2006	For the period September 29-December 31, 2006
	(€ in millions)				
Net income (loss)	€ (629)	€ 14	€ (101)	€ 5	€ (616)
Income tax expense	38	113	101	65	(242)
Financial expense	95	93	63	22	73
Depreciation and amortization	977	849	818	471	811
EBITDA	€ 481	€ 1,069	€ 881	€ 563	€ 26

(5) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of interest payable and similar charges, amortization of debt issuance cost, and one-third of

operating lease rental expense, deemed representative of the interest component of rental expense. Set forth below is an overview of how we calculate the ratio of earnings to fixed charges (unaudited):

	Predecessor				Successor
	For the year ended December 31,			For the period January 1-September 28, 2006	For the period September 29-December 31, 2006
	2003	2004	2005		
	(€ in millions, except ratios)				
Earnings:					
Income (loss) before taxes	€ (596)	€ 141	€ 39	€ 117	€ (852)
Fixed charges	115	106	82	36	86
Total earnings	€ (481)	€ 247	€ 121	€ 153	€ (766)
Fixed charges:					
Interest expense	€ 96	€ 88	€ 61	€ 19	€ 79
Interest component of rent	19	18	21	17	7
Total fixed charges	€ 115	€ 106	€ 82	€ 36	€ 86
Ratio of earnings to fixed charges(a)	—	2.3x	1.5x	4.3x	—

(a) For the year ended December 31, 2003 and the period September 29, 2006 through December 31, 2006, earnings were insufficient by €596 million and €852 million, respectively, to cover fixed charges.

(6) Working capital is calculated as current assets less current liabilities.

(7) Total debt includes external debt and, for predecessor periods, amounts due to Philips.

(8) In 2003, we adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", (SFAS 123). Under the provisions of SFAS 123, we recognize the estimated fair value of equity instruments granted to employees as compensation expense over the vesting period on a straight-line basis. For awards granted to employees prior to 2003, we continued to account for stock-based compensation using the intrinsic value method in accordance with US Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees".

UNAUDITED PRO FORMA CONDENSED FINANCIAL DATA

We have derived the unaudited pro forma condensed financial statements by applying the pro forma adjustments described below to our historical combined and consolidated financial statements for the periods January 1, 2006 through September 28, 2006 (predecessor periods) and September 29, 2006 through December 31, 2006 (successor period) which are included elsewhere in this prospectus. The unaudited pro forma condensed financial data give effect to the Transactions, to the extent not already reflected in our historical combined and consolidated financial statements, as if they had occurred on January 1, 2006. The assumptions underlying the pro forma adjustments are described fully in the accompanying notes, which should be read in conjunction with this unaudited pro forma condensed financial data.

The Transactions include the following:

- On September 28, 2006, Philips contributed approximately €8,071 million of cash to us in the form of a capital contribution of approximately €4,305 million and an intercompany loan in the amount of approximately €3,766 million.

- On September 28, 2006, we purchased the shares and assets comprising Philips' semiconductors businesses (to the extent not already owned by us) for approximately €8,071 million.

- On September 29, 2006, we entered into bridge financing facilities arranged by affiliates of the initial purchasers of the outstanding notes in the approximate aggregate euro-equivalent principal amount of €4,529 million. We used the proceeds of these bridge facilities, net of financing fees and expenses, to repay the intercompany loan and retained the remainder as cash. The total financing fees and expenses were approximately €130 million.

- On September 29, 2006, KASLION acquired our outstanding shares for a purchase price of €8,208 million.

- On October 12, 2006, we refinanced the bridge facilities with proceeds from the issuance of the outstanding notes.

The unaudited pro forma adjustments are based upon available information and certain assumptions that are factually supportable and that we believe are reasonable under the circumstances. The unaudited pro forma condensed financial statements are presented for informational purposes only. The unaudited pro forma condensed financial statements do not purport to represent what our actual results of operations would have been had the Transactions, to the extent not already reflected in our historical combined financial statements, actually occurred on the date indicated, nor are they necessarily indicative of future results of operations. The unaudited pro forma condensed financial statements should be read in conjunction with the information contained in "Recent Significant Transactions," "Selected Historical Combined and Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the combined and consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	Predecessor	Successor		Combined
	For the period January 1- September 28, 2006 (as reported)	For the period September 29- December 31, 2006 (as reported)	Pro forma adjustments	For the year ended December 31, 2006 (pro forma)
Total sales	€ 3,770	€ 1,190	€ —	€ 4,960
Cost of sales	(2,331)	(917)	(99)(a)(b)	(3,347)
Gross margin	1,439	273	(99)	1,613
Selling expenses	(275)	(88)	—	(363)
General and administrative expenses	(306)	(194)	(297)(a)(b)	(797)
Research and development expenses	(737)	(258)	(5)(a)	(1,000)
Write-off of in-process research and development	—	(515)	—	(515)
Other income	18	3	1	22
Income (loss) from operations	139	(779)	(400)	(1,040)
Financial income (expense)	(22)	(73)	(265)(a)(c)	(360)
Income (loss) before taxes	117	(852)	(665)	(1,400)
Income tax benefit (expense)	(65)	242	188(d)	365
Income (loss) after taxes	52	(610)	(477)	(1,035)
Results relating to unconsolidated companies	3	(2)	—	1
Minority interests	(50)	(4)	—	(54)
Net income (loss)	€ 5	€ (616)	€ (477)	€ (1,088)

See accompanying Notes to the Unaudited Pro Forma Condensed Statements of Operations.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

(a) Philips has historically provided a number of services and has managed a number of functions on a group-wide basis. In our historical combined financial statements, there are allocations reflected that represent an estimate of the costs incurred on our behalf by Philips. These costs include items such as interest expense, certain research and development costs, legal fees (including patent services), costs associated with the marketing of the Philips brand and other general corporate expense. Following the Separation, we now function as a stand-alone company. As part of the Separation, we hired certain Philips employees to perform many of these services, including research and development, legal and general corporate functions. This adjustment eliminates, for the period before the Acquisition, the historical allocation for the functions that we have replaced, or that will not be incurred on an ongoing basis, and replaces them with estimated stand-alone costs. The stand-alone costs have been computed based on transition agreements signed with Philips at the closing of the Separation and the estimated costs of the additional personnel. We have retained the historical cost allocated to us by Philips where we do not have a more reliable estimate of the anticipated costs (for example, pension costs).

	For the period January 1-September 28, 2006
	(€ in millions)
General and Administrative expenses:	
Remove general corporate services allocation	€ (51)
Remove brand campaign allocation	(10)
Remove costs associated with Acquisition	—
Record estimated corporate costs	4
	€ (57)
Costs of Sales:	
Record estimated Philips Intellectual Property & Standard costs	€ 23
Research and Development expenses:	
Remove general corporate services allocation	€ (15)
Record estimated research and development	20
	€ 5
Financial Expense:	
Remove financial items	€ (22)

(b) Represents the incremental depreciation and amortization expense associated with certain tangible and intangible assets. The adjustment has been calculated based upon management's determination of fair values and useful lives. The adjustment is calculated as follows:

	Estimated average useful life	Estimated fair value adjustment	Incremental Depreciation/Amortization expense For the period January 1- September 28, 2006
	(years)	(€ in millions)	
General and administrative expenses:			
Technology-related intangible assets:			
— Existing Technology(1)	8	€ 1,606	€ 211
— Core Technology(1)	10	791	63
Customer-related intangible assets:			
— Customer relationships(2)	14	592	32
— Order Backlog	1	47	35
Trade name	5	85	13
		€ 3,121	€ 354
Cost of sales:			
Property, plant and equipment	4	€ 422	€ 76

(1) The Company estimated the fair value of existing technology and core technology by applying an income analysis (which involves calculating the present value of future cash flows resulting from each asset), using an "excess earnings" method for product-related technologies, and a "relief from royalties" method for core fabrication technologies and patents. Discount rates between 11% and 28% were used in discounting cash flows, and royalty rates of between 2% and 6% were applied for purposes of the "relief from royalties" methodology. The estimated average useful lives of existing technology and core technology were determined using a weighted average of the various estimated useful lives of existing technology and core technology utilized within each of our business units, with weightings based on future revenue projections for each such business unit.

(2) The Company estimated the fair value of customer relationships by applying an income analysis, using an "excess earnings" approach. Under this approach, the Company estimated its customer attrition rates and then calculated the discounted present value of the estimated cash flows resulting from selling future products to those customers over the estimated life of the customer relationship. Discount rates between 15% and 20% were applied to this analysis. The estimated average useful life was determined using the weighted average of historical rates of attrition within each of our business units, with weightings based on future revenue projections within each such business unit.

For purposes of this calculation, all assets have been depreciated or amortized, as the case may be, on a straight-line basis. No adjustment was made to account for the one-time nature of the write-down of in-process research and development of €515 million that we recorded in our statement of operations immediately following the Acquisition, and which is fully reflected in the combined full-year 2006 pro-forma data. Similarly, the step-up in inventory value of €130 million which resulted from the purchase price accounting was expensed in the period September 29, 2006 through December 31, 2006, and accordingly has not been included as an adjustment.

The additional depreciation and amortization expense reflects the purchase price allocation among assets acquired and liabilities assumed as set forth below:

	(€ in millions)
Aggregate purchase price(1)	€ 8,208
Net assets acquired and liabilities assumed at September 29, 2006	€2,590
Excess of purchase price over net assets acquired and liabilities assumed	5,618
Allocations to reflect fair value of net assets acquired:	
Existing technology(2)	(1,606)
Core technology(2)	(791)
Customer relationships(2)	(592)
Order backlog(2)	(47)
Trademark(2)	(85)
In-process research and development(2)	(515)
Property, plant and equipment(2)	(422)
Inventories(2)	(130)
Investments in unconsolidated companies(2)	10
Pension liabilities(2)	104
Deferred income tax liability(3)	461
Allocation to goodwill(4)	€ 2,005

(1) Represents the push-down of the aggregate purchase price comprised of the total amount of the cash consideration paid to Philips in connection with the Acquisition (€8,071 million), the assumption of other debt (€8 million) and the estimated direct acquisition costs incurred in connection with the Acquisition (€10 million), the stock compensation costs to be repaid to Philips (€35 million) and the estimated settlement of net cash and working capital positions as of the Transaction date (€84 million).

(2) These unaudited pro forma condensed financial statements reflect the allocation of the purchase price associated with the Acquisition to pension liabilities, goodwill, tangible assets and other intangible assets. These amounts are based on our management's estimates of the fair value of acquired assets, including identifiable intangible assets.

(3) Represents the estimated impact on deferred income tax liabilities resulting from the purchase accounting adjustments to identified intangibles at an estimated blended statutory tax rate for the combined group of 25.2%. In determining this amount, we have calculated the anticipated tax impact of the Separation and estimated the resulting tax asset and liabilities. Any subsequent revisions to the purchase price allocation may affect the actual tax impact of the Separation, but no material changes are currently expected.

(4) Any subsequent revisions to the purchase price allocation may affect the allocation to goodwill, but no material revisions are currently expected.

(c) Interest expense for the historical periods represented an allocation from Philips to us of interest payable on certain intercompany loans. This allocation has been eliminated as part of the adjustments described in note (a) as this debt has been replaced with the financing incurred as part of the Transactions. The pro forma interest adjustments reflect the additional interest that

would have been payable on the notes and our revolving credit facility for the period January 1, 2006 through September 28, 2006.

	For the period January 1-September 28, 2006
	(€ in millions)
Floating Rate Senior Secured Notes due 2013 (EUR)(1)	€ 47
Floating Rate Senior Secured Notes due 2013 (USD)(1)	73
7 7/8% Senior Secured Notes due 2014(1)	48
8 5/8% Senior Notes due 2015(1)	34
9 1/2% Senior Notes due 2015(1)	70
Financing fees and expenses(2)	9
Revolving credit facility(3)	2
Continuing historical financial expense	4
Pro forma financial expense	€ 287

(1) Interest expense on the fixed rate notes has been calculated based on the stated interest rate. Interest expense on the dollar floating rate senior secured notes has been calculated based on 3-month LIBOR at October 5, 2006 (5.368%) plus the applicable margin and the interest expense on the euro floating rate senior secured notes has been calculated based on 3-month EURIBOR at October 5, 2006 (3.464%) plus the applicable margin. This does not reflect any impact of potential fluctuations in the currency exchange rates. The interest expense associated with the U.S. dollar-denominated tranches has been converted to euros at a rate of $1.2687 per €1.00 based on the noon buying rate on October 4, 2006.

We are required to register the outstanding notes prior to January 5, 2008. We are making this exchange offer to fulfill this obligation. If we do not register the outstanding notes by this date, we will be required to pay additional interest.

(2) Represents €96 million of financing fees and expenses associated with the outstanding notes and the revolving credit facility, which are amortized over the weighted average term of the borrowings of 7.8 years.

(3) Represents the commitment fee on our €500 million revolving credit facility. This is based on an annual fee of 0.5%.

(d) Represents the tax effect of the pro forma adjustments described above at an estimated effective statutory tax rate for the combined group of 28.4%, which was the effective rate for the period September 29, 2006 through December 31, 2006. We have applied this 28.4% rate to all periods presented as we believe it is a rate indicative of our future tax rate. We have assumed that tax benefits created will be utilized to offset tax liabilities in these periods. However, our ability to utilize such assets is dependent on our taxable income and actual deferred tax liabilities. Accordingly, our future effective tax rate may differ significantly from the rate presented in these unaudited pro forma condensed combined financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read together with our selected combined and consolidated financial and operating data, our unaudited pro forma condensed financial statements and the combined and consolidated financial statements and notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus particularly in "Risk Factors" and "Forward-Looking Statements."

"NXP B.V.," the "company," "we," "us," and "our" each refers to NXP B.V. and its subsidiaries, including its predecessor businesses, which comprise certain operations that were formerly part of the semiconductors segment of Koninklijke Philips Electronics, N.V. ("Philips"), as described under "—Basis of Presentation," except where the context makes clear that the reference is only to NXP B.V. itself and not to its subsidiaries or predecessor businesses. The assets and liabilities comprising the operations of our predecessor businesses were transferred to us on September 28, 2006.

Background

We are one of the world's largest semiconductor companies. With total sales of €5.0 billion in the calendar year ended December 31, 2006, we rank among the world's top ten semiconductor providers and among the top three suppliers of application-specific semiconductors in terms of total sales. With over 50 years of operating history, we are also one of the longest-established companies in our industry. Our business targets the home electronics, mobile communications, personal entertainment, automotive and identification application markets. Within these markets, we provide a diversified range of application-specific semiconductors, including system solutions and semiconductor components. We also have a strong multimarket products business, which provides our customers with general purpose semiconductor components, including transistors and diodes, general purpose logic and power discretes as well as an array of application specific standard products.

Prior to September 28, 2006, we were not operated as an independent, stand-alone company, but rather as a division of Philips. We acquired substantially all of the assets, liabilities and related infrastructure that comprise Philips' semiconductors businesses in the Separation, which occurred on September 28, 2006. Please refer to "Recent Significant Transactions" and "Certain Relationships and Related Party Transactions" for more information on the Separation. We have taken steps to ensure that, now that we are separate from Philips, we will be able to maintain substantially all of the customer relationships, intellectual property and know-how we have developed as an integral part of Philips. At the same time, we believe that as a separate legal entity, with our own management and governance structure, we will be able to put a greater focus on the factors that are critical to our success and more easily benchmark ourselves against the performance of our competitors.

Following the Separation, we were acquired by KASLION. Philips, on the one hand, and Consortium Holding, on the other, hold 19.9% and 80.1%, respectively, of the total equity of KASLION (prior to dilution from our management equity program). Stichting Management Co-Investment NXP, a foundation established to hold shares on behalf of our management, also owns an equity interest in KASLION as part of our management equity program. The terms of the Share Purchase Agreement and other documents relating to the acquisition are described in more detail in "Recent Significant Transactions".

Our historical combined financial statements for the predecessor periods have been prepared based on a number of assumptions regarding what our costs would have been if we had been independently operated during the relevant periods. These assumptions relate in particular to the expense allocations for certain corporate functions historically provided to us by Philips, including

general corporate expenses, basic research costs, employee benefits and incentives (including pensions), legal and intellectual property services, and financing expenses. We expect that our costs for these allocated expenses will decrease in the periods following the Separation because we expect that as a stand-alone company we will now incur lower corporate infrastructure costs than we did as part of a larger company. Our financing costs, however, are now significantly greater as a result of the financing incurred in connection with the Transactions.

Our Business

We have four business units: Mobile & Personal, Home, Automotive & Identification and Multimarket Semiconductors, each of which reports as a separate segment in our financial statements. Mobile & Personal provides semiconductors for use in portable consumer electronic devices, primarily cellular phones and personal entertainment devices. Home sells semiconductors for use in consumer electronics typically found in the home, such as televisions and set-top boxes. Automotive & Identification provides semiconductors for use in automotive applications, including in-vehicle networking, tire pressure monitoring and in-vehicle entertainment, as well as in identification applications for governmental, security and supply chain functions. Multimarket Semiconductors provides both standard products and application specific standard products to distributors, OEMs and ODMs, and also operates four semiconductor wafer fabrication facilities and four assembly and test sites.

The balance of our manufacturing activities is carried out by our Integrated Circuit Manufacturing Operations (IMO) division, which reports as a fifth segment. In addition to operating our integrated circuit manufacturing sites, IMO also coordinates our manufacturing outsourcing activities, which are becoming an increasingly important component of our business strategy. Revenues and expenses not allocated to any of these five segments, including those generated by our IP licensing and software businesses, are reported in a sixth segment, Corporate and Other.

With the exception of our Corporate and Other segment, each of our segments is managed by a separate team, and each segment is charged for its use of corporate resources, such as accounting. Our senior management reviews the performance of each segment individually, based on, among other measures, income from operations, to assess such segment's as well as our company's overall operating performance and to make decisions about allocating resources amongst the various segments.

The revenues and expenses of our segments in any given period include substantial amounts of sales between segments, primarily reflecting transfers between IMO and our four business units. All intersegmental revenues and related expenses are eliminated during consolidation. Our segmental sales, as presented herein, exclude inter-segmental sales.

The products sold by our four business units fall into two categories. The first category consists of highly differentiated application specific semiconductors and system solutions. Our Mobile & Personal, Home and Automotive & Identification business units primarily sell products in this category. The profitability of these products depends to a significant degree on our ability to innovate and develop new technologies and customer solutions. The second of our product categories consists of standard products, which are devices that can be incorporated in many different types of electronic equipment and which are typically sold to a wide variety of customers, both directly and through distributors. Our Multimarket Semiconductors business unit makes a large number of standard products, in addition to application specific standard products. The profitability of standard products tends to be driven by manufacturing cost, supply chain efficiency, continuous improvement of manufacturing processes and product mix.

We manage our business in accordance with the principles and strategies we have set forth in our Business Renewal Program, a comprehensive performance improvement program we formally launched in the first half of 2005. The Business Renewal Program focuses on increasing sales and improving

profitability and cash flow through a strategic focus on markets where we hold a competitive advantage, intensive cost reduction initiatives and implementation of an asset-light manufacturing strategy. As part of this program, we have worked to:

- streamline costs in manufacturing, selling, general and administrative activities and research and development,
- improve our organizational efficiency, manufacturing and supply chain performance, and
- improve time-to-market of new products, product quality and customer service.

We believe that the Business Renewal Program has been highly successful to date. Among other objectives that have been met, we have already exceeded our target of reducing annual costs by €250 million in the aggregate by the end of 2006, compared to 2004 levels, which we use as a benchmark. We believe that we will continue to realize benefits from ongoing implementation of this program. Please see "—Our Business Renewal Program" below for more information.

Key Factors Driving Our Results

Our results of operations are driven by a combination of factors affecting the semiconductor industry as a whole and various structural and operational factors specific to our company. Set forth below is an overview of the key drivers affecting our results.

- ***End market demand and the semiconductor cycle***. Demand for our semiconductors depends to a large degree on demand in the consumer and industrial end markets for the products in which our semiconductors are used. As demand for end-market products increases, our customers order more of our semiconductors in order to meet their production requirements and also to build their inventories. When demand for these end-market products falls, our customers reduce their orders, as they require fewer semiconductors and as they deplete their inventories. Since new semiconductor wafer production facilities (called wafer fabs) typically involve significant capital investments and take a considerable amount of time to construct, the amount of industry capacity typically lags changes in demand for semiconductors. As a result, an acceleration of demand can cause supply shortages within the industry, and significant increases in prices and margins. Reductions in demand, or development of excess capacity, can result in lower prices and margins. Trends in demand for consumer products such as televisions and mobile devices are particularly important because a significant portion of our sales are connected to consumer products. Semiconductor market demand generally is a more significant factor for our more standardized products, such as those produced by Multimarket Semiconductors. Changes in end-market demand and the current state of industry capacity relative to that demand are important factors driving our sales and profitability.

  The semiconductor industry has historically experienced cycles between growing demand and reductions in demand or overcapacity in the market. In the period 2001-2003, a combination of lower demand and excess capacity in the market resulted in lower prices and margins in the semiconductor industry. We experienced significant operating losses during this period. Since that time, we and other semiconductor producers have taken steps to reduce our exposure to potential cyclicality, in particular through the use of outsourcing of production to third party foundries, increasing the flexibility of production facilities, controlling costs and improving supply chain management. Demand for semiconductors has grown significantly over the past two years, and we expect that growth, in particular for the markets we address, will continue in the near term.

- ***Success of our customers' products***. In addition to market demand for semiconductors generally, our sales and margins are driven by the success of our customers and the products in which our semiconductors are used. This is particularly the case for more tailored products such as our

application-specific systems solutions, which may be developed for and used in one particular product or range of products by a customer, such as a particular mobile phone or a model line of mobile phones. If our customers are successful, we will experience higher sales volumes and generally higher margins. If products in which our semiconductors are used are not successful, or experience significant competition on price or other factors, that can affect our sales and the prices and margins we are able to realize.

- ***Ability to develop and execute on the delivery of successful new products***. In our Mobile & Personal, Home, and Automotive & Identification business units we strive to deliver application-specific system solutions to our customers. These products typically generate higher prices and higher margins because of their complexity and tailored application and because the number of companies capable of designing and selling competing products is lower than in markets for standard products. In order to develop these new products, we incur significant research and development costs up front. Our ability to target these development efforts towards products for which significant demand will exist is vital for us to recoup those research and development expenditures and realize a positive return on our research and development investments. Equally important, once we have developed a particular product, is our ability to manufacture that product in a cost-effective and timely manner consistent with demand.

- ***Utilization rates for our facilities***. Our results also depend significantly on the degree to which our fabrication facilities are utilized. The capital expenditures involved in building new facilities are substantial, and we must maintain certain minimum capacity utilization levels at our facilities in order to realize a positive return on invested capital. Increased production volumes allow these fixed costs to be absorbed by a greater number of units, thereby increasing our gross margin. The following table shows our average utilization rates for the periods indicated:

	For the year ended December 31,		
	2004	2005	2006(2)
Average utilization (in percent) of IMO wafer fabs(1)	86	79	80

(1) Excludes Crolles fabrication site.

(2) 2006 figure on a combined predecessor and successor basis.

To attempt to maintain a consistent level of utilization at our wholly owned manufacturing facilities, we have moved to outsource a significant portion of our production to third parties, and expect that we will increase our use of outsourcing in the future. We believe that our outsourcing strategy allows us to meet customer requirements during the periods of highest demand without building capacity that would be idled during times of lower demand. We have also worked to make our production facilities more flexible so that they can be adapted to manufacture different products depending on demand. Our expectation is that these efforts will enable us to maintain relatively high utilization levels for our facilities and reduce the risk associated with reductions in utilization rates.

- ***Ability to win new customers and maintain existing ones***. The semiconductor industry is characterized by innovation, which has the effect of shortening product life cycles. As a result, we must continually introduce new products into the market and win customers for those products. When a new product cycle is launched, we must re-establish ourselves as the supplier of choice even with our existing customers. Our ability to win selection contests, or "design-in wins", determines how successful we will be with a given product. Once we have achieved a design-in win, our customers will typically design their products around our semiconductors, creating high switching costs for the customer and providing us with a degree of sales predictability for the product. Conversely, a failure to gain design-in wins means we will be

largely restricted from accessing a particular customer until the next product cycle. Achieving an early design-in win in emerging product areas or with new-generation technology is often the critical determinant of future success in that market.

- ***Achieving economies of scale***. In several of our markets, our profitability is driven by the market position we occupy and our size relative to our competitors. Higher levels of research and development expenditures, which are more sustainable at higher sales volumes, permit next-generation products to be brought to market more quickly, facilitating access to the leading OEMs. Scale also lowers overall fixed costs per unit, and creates other advantages, such as the ability to participate in the development of industry standards. As a result, we generally strive to occupy one of the top two positions in the markets we address, although in certain markets, particularly those which are highly fragmented, we believe we can maintain profitability by focusing on niche segments.

- ***Ability to maintain a competitive cost position***. Consistent innovation in the semiconductor industry means that production costs generally fall over time. As a result of competitive pressures, average selling prices for semiconductor products also typically decline over time. Our ability to reduce our production costs relative to reductions in average selling price is an important factor in determining our margins. Because a large portion of our costs are fixed, our relative cost position is frequently driven by our ability to manage fixed costs and increase the productivity of our assets and also by the volume of our production and the utilization of our facilities. If we are able to reduce costs over time, we frequently are able to maintain margins on products even if prices for those products are falling.

- ***Foreign exchange rate fluctuations***. Approximately 73% of our sales are outside Europe and mainly denominated in U.S. dollars. Most of our front-end manufacturing facilities and our development sites are located in Europe, and as a result only approximately 53% of our costs are incurred in U.S. dollars. Therefore, movements in the value of the U.S. dollar relative to the euro or to other currencies can have a significant impact on our results, particularly to the extent that these fluctuations occur between the time at which we incur a particular cost and the time at which we realize the related revenue. A decrease in the value of the U.S. dollar relative to any of these currencies makes products or services paid for in those currencies more expensive, which in turn tends to decrease our margins. An increase in the value of the U.S. dollar has the opposite effect. The dollar has been weak relative to the euro over the past three years, and as a result our euro-denominated costs have increased relative to our U.S. dollar revenue, with a consequent negative effect on margins. We have limited ability to pass along these increased costs since many of our competitors are exposed to and incur costs in currencies other than the euro. Since we report our results in euros, our results are also subject to translation effects. In order to reduce the impact of foreign currency fluctuations, we engage in hedging activities with respect to our transactional exchange rate exposure. We do not hedge translational risk. See "Exchange Rate Information" above. We currently intend to change our reporting currency to U.S. dollars effective January 1, 2008.

Our Business Renewal Program

In response to the decline in sales we experienced between 2001 and 2003, and the resulting losses we reported, we started to implement changes in our business strategy and operations. These changes focused on reducing excess capacity, exiting unprofitable business lines and reducing costs. Since that time, we have formalized this approach into a comprehensive performance improvement program that we refer to as the Business Renewal Program. We seek through this program to maximize our ability to capitalize on profit opportunities during strong markets and to protect our business from the periodic downturns that occur in the semiconductor cycle. The program comprises eight elements, based on a detailed analysis of our operational performance, and encompasses all of our global operations from

procurement to manufacturing, sales, marketing and logistics, and overhead. We have already accomplished many of our initial objectives for the program, and expect to benefit as the program continues to be implemented.

The key elements of our Business Renewal Program are to:

- ***Create a Simplified Market-Oriented Organizational Structure***. We have implemented a simplified organizational structure in order to reduce complexity and focus our employees on the markets we service. We have reduced the number of our management levels from four to three, grouped our business into four business units rather than seven and streamlined our sales and marketing activities.

- ***Lower Our Break-Even Point***. We are lowering our break-even point by reducing fixed costs, increasing our manufacturing productivity and improving yields. As a result, we can operate our manufacturing facilities economically even at lower utilization levels.

- ***Improve Operational Excellence***. In each of our business units, we have launched a range of programs to measure and reduce the cost of inefficiencies in our supply chain, manufacturing and sales and marketing processes and to shorten the time-to-market for new products.

- ***Build Market Share***. We are working to grow the market share of each of our business units by improving the competitiveness of our products, increasing our presence in our key geographic regions and marketing our existing products to a greater number of customers or in application areas we have not addressed in the past.

- ***Streamline Our Portfolio of Businesses and Focus on Key Markets***. We are focusing our business on areas where we believe that we have or can achieve a competitive advantage and in product lines that we expect to grow at rates higher than that of the overall market. As part of this effort, we have successfully redirected to growth businesses €175 million of research and development costs from exited businesses and €50 million from mature businesses.

- ***Adopt an Asset-Light, Flexible Manufacturing Strategy***. To improve our return on invested capital and reduce our capital expenditures, we are pursuing an asset-light manufacturing strategy, particularly with respect to advanced CMOS fabrication.

- ***Increase Scale in Key Areas and Invest in New Products***. We focus on businesses where we believe we have the potential to maintain or achieve cost and market leadership positions. Accordingly, our strategy is to direct our research and development investments, sales efforts and marketing focus towards business lines where we believe that we can build or sustain leading market shares.

- ***Consider Acquisition Opportunities and Build Partnerships***. We actively consider targeted acquisition opportunities, in particular to build on our market leadership positions. We also have established a partnering support strategy and developed resources to help each of our business units engage in collaborations with customers, technology providers and other semiconductor companies in order to gain deeper application insight and share costs associated with designing and manufacturing new products. We also partner with industry leaders to create new standards for emerging technologies, providing us with the opportunity to shape industry trends in a strategically advantageous manner.

Basis of Presentation

The discussion and analysis of the financial results and condition of NXP is based on the audited U.S. GAAP financial statements of the Company for the years ended December 31, 2004 and 2005 and the period from January 1, 2006 through September 28, 2006 (predecessor periods) and the period from September 29, 2006 through December 31, 2006 (successor period). This discussion should be

read in conjunction with those audited combined and consolidated financial statements, which have been included in this Prospectus.

We were incorporated in The Netherlands on December 21, 1990, as a Dutch private company with limited liability (*besloten vennootschap*) and as a wholly-owned subsidiary of Philips. Because our accounting basis changed in connection with the Acquisition, our financial statements are prepared on a predecessor and successor basis. Our consolidated statements of operations, changes in shareholder's equity and cash flows for the period September 29 through December 31, 2006 and our consolidated balance sheet as of December 31, 2006 represent our financial condition and results of operations as a stand-alone entity following the Acquisition. Our combined statements of operations, changes in business' equity and cash flows for the years ended December 31, 2004 and 2005 and the period from January 1 through September 28, 2006 and our combined balance sheet as of December 31, 2005 are for the predecessor periods and have been derived from the consolidated financial statements and accounting records of Philips for its semiconductors businesses that, following the Separation, became part of our company. Our combined financial statements for those periods have been derived from the consolidated financial statements and accounting records of Philips, principally using the historical results of operations and historical basis of assets and liabilities of the semiconductors businesses. Our combined statements of operations for predecessor periods include expense allocations for the cost of certain corporate functions historically provided to us by Philips, including management oversight, corporate services, basic research, brand campaign expenses, employee benefits and incentives. Additionally, the combined financial statements for predecessor periods include cash, debt and related interest income and expense, which have been historically reported in the semiconductors segment of Philips. Furthermore, our combined financial statements for predecessor periods present taxes calculated as if we filed separate tax returns from Philips. These allocations were made on a specifically identifiable basis or using the relative percentages, as compared to Philips' other businesses, of our net sales, payroll, fixed assets, inventory, net assets excluding debt, headcount or other reasonable methods. While we and Philips consider these allocations to be a reasonable reflection of the utilization of the services provided to us by Philips, the corresponding costs we incur as a separate, stand-alone company may be higher or lower than the amounts reflected in our historical combined statements of operations. Additionally, Philips uses a worldwide centralized approach to cash management and the financing of its operations, with all related activity between Philips and our company reflected as business equity transactions in owner's net investment on our combined balance sheets for predecessor periods. Accordingly, our combined financial statements for predecessor periods may not necessarily reflect our results of operations, financial position and cash flows in the future or what our results of operations, financial position and cash flows would have been had we been a separate, stand-alone company during the periods presented.

In particular, our combined financial statements for predecessor periods do not reflect the effects on us of borrowing funds as a separate entity. Our interest expense has increased significantly and our effective tax rate has decreased as a result of the Transactions.

In addition, our combined financial statements for predecessor periods do not reflect the impact of any purchase accounting for the Acquisition. The push-down of purchase accounting has resulted in, among other things, changes to pensions, deferred tax liabilities and inventories and a significant resulting change to goodwill in the consolidated financial statements for the successor period.

Notwithstanding the difference in the basis of accounting between the successor and predecessor described above, we have prepared our discussion of the results of operations for the year ended December 31, 2006 based on the arithmetical combination of these results for each of the periods January 1, 2006 through September 28, 2006 (predecessor) and September 29, 2006 through December 31, 2006 (successor), since we believe this provides the most meaningful comparison with previous year's results. Because our accounting basis changed upon the Acquisition, however, the presentation of the combined results of our predecessor and successor periods does not comply with

U.S. GAAP and has not been audited. Where relevant, we have described the impact on our results of the purchase accounting used in connection with the Acquisition. We have also described the impact of cost allocations to the predecessor and the actual stand-alone costs of the successor, where relevant to the analysis.

Replacement of Independent Registered Public Accounting Firm

While we were operated as a division of Philips, KPMG Accountants N.V. ("KPMG"), which is the independent registered public accounting firm for the Philips consolidated group, audited us and our subsidiaries. For fiscal periods commencing subsequent to our separation from Philips, Deloitte Accountants B.V. ("Deloitte") will replace KPMG as our independent registered public accounting firm. The appointment of Deloitte was proposed by our supervisory board and board of management and approved at a general meeting of shareholders held on December 19, 2006. During the fiscal years ended December 31, 2004 and 2005 and for the periods January 1, 2006 through September 28, 2006 and through the date of this Prospectus, there have been no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of KPMG would have caused it to make reference thereto in its reports on our financial statements for such periods. During 2006, we engaged Deloitte to provide us with advice regarding regulatory requirements relating to the offering of outstanding notes.

Results of Operations

Description of Key Line Items of Our Statements of Operations

Set forth below is a brief description of the composition of the key line items of our combined statements of operations:

Total sales. Total sales comprises revenues from sales to customers and are shown net of intersegmental transactions. Sales prices for our products generally fall over time as a result of competition and lower production costs. As a result, growth of total sales is principally driven by:

- Increasing sales volumes, which can offset lower average prices, and
- Innovation and creation of new products that will attract higher prices.

Our total sales include direct and indirect sales to Philips companies or entities. We report direct sales on our combined statements of operations as "Sales to Philips companies". We also sell products to OEMs and other third parties for incorporation into their end-products, which are then sold to Philips companies or entities. These indirect sales are not reported as Sales to Philips companies, although we do include them in sales data when we describe sales to Philips. Direct and indirect sales to Philips in 2004 and 2005, and for the calendar year ended December 31, 2006 were €425 million, €359 million and €315, respectively.

Cost of sales. Cost of sales comprises:

- variable manufacturing and transportation costs, including the cost of labor, energy and process chemicals;
- fixed manufacturing costs, including maintenance costs, depreciation of property, plant and equipment, and restructuring charges, if any, associated with a write-down of our fixed assets or reductions in our manufacturing workforce;
- raw material costs, including the cost of substrate silicon wafers; and
- the purchase price of goods for which we have outsourced production.

As a result of the relatively high fixed costs associated with semiconductor fabrication, our gross margins are largely driven by utilization rates at our manufacturing facilities. Variable cost factors, such as yields and labor costs, also play a role. Material costs are generally a relatively small component of our cost of sales.

Gross margin. Gross margin is calculated as total sales minus cost of sales. Because prices for our products generally decline over time, an important driver of our gross margins is our ability to reduce production costs in line with (or by more than) reductions in prices.

Selling expenses. Selling expenses mainly consist of the costs of our sales and marketing force, including salaries and wages for employees in account management, marketing, support and the order desk. A majority of selling expenses are fixed. Higher sales volumes will generally result in lower selling expenses as a percentage of total sales.

General and administrative expenses. General and administrative expenses include costs related to management and administrative support (such as executive management, finance and accounting and supply chain management) both by our corporate center and at the level of each segment. In addition, general and administrative expenses include amortization of intangibles. As with selling expenses, a high proportion of general and administrative costs are fixed.

Research and development expenses. Research and development expenses include costs related to research and development activities by particular segments or with respect to particular business lines, as well as expenses related to more general process technologies that are broadly applicable across our entire business, and are presented net of subsidies we may receive relating to these activities. All research and development costs are expensed as incurred.

Other business income (expense). Other business income (expense) includes amounts of gain or loss related to the disposal of businesses and assets, and amounts received (or paid) in respect of certain miscellaneous items, such as insurance proceeds.

Financial income (expense). Financial income (expense) includes net interest expense, financing costs and foreign exchange costs and benefits. It also includes amounts such as dividend income that result from non-current financial assets.

Income tax benefit (expense). Income tax benefit (expense) for predecessor periods represents an allocated portion of the income tax payable or the value of deferred tax assets recognized by Philips during the relevant period. The allocation is based on certain assumptions, including the assessment by management whether it will be more likely than not that some portion of or all deferred tax assets will not be realized. Income tax benefit (expense) for the successor period is accounted for using the asset and liability method.

Results relating to unconsolidated companies. Results relating to unconsolidated companies includes our proportionate share of the profit or loss of various business entities in which we hold an interest but whose financial results we do not consolidate with our financial results. We apply this method of accounting to an entity where we have determined that we exert significant influence over such entity's operating and financial policies, but do not control such entity. This includes any alliances where the nature of the agreement is consistent with an unincorporated joint venture. The remainder of our alliances are treated as cost sharing agreements with revenues and costs combined in the statements of operations. Our holdings in Advanced Semiconductor Manufacturing Company (ASMC) and T3G, in which we hold interests of 27% and 41%, respectively, at December 31, 2006 are accounted for in results relating to unconsolidated companies.

Minority interests. Minority interests represents the proportionate share of the profit or loss of our consolidated subsidiaries that is allocable to third parties. Minority holdings in Systems on Silicon Manufacturing Company (SSMC), in which we currently hold a 61.2% interest, and in Jilin NXP Semiconductors Limited, in which we hold a 60% interest, are accounted for in this manner.

Year Ended December 31, 2006 Compared with Year Ended December 31, 2005

	Predecessor		Successor	Combined	Predecessor/Combined	Predecessor	Combined
						For the year ended December 31,	
	For the year ended December 31, 2005	For the period January 1- September 28, 2006	For the period September 29- December 31, 2006	For the year ended December 31, 2006	Change, 2006 over 2005	2005	2006
	(€ in millions)		(€ in millions)		(%)	(% of total sales)	
Statements of Operations Data							
Total sales	€ 4,766	€ 3,770	€ 1,190	€ 4,960	4.1	100.0	100.0
Cost of sales	(2,933)	(2,331)	(917)	(3,248)	(10.1)	(61.5)	(65.5)
Gross margin	1,833	1,439	273	1,712	(6.6)	38.5	34.5
Selling expenses	(304)	(275)	(88)	(363)	(19.4)	(6.4)	(7.3)
General and administrative expenses	(435)	(306)	(194)	(500)	(14.9)	(9.1)	(10.1)
Research and development expenses	(1,028)	(737)	(258)	(995)	3.2	(21.6)	(20.1)
Write-off of acquired in-process research and development	—	—	(515)	(515)	—	—	(10.4)
Other business income	36	18	3	21	(41.7)	0.7	0.4
Income (loss) from operations	102	139	(779)	(640)	(727.4)	2.1	(12.9)
Financial income (expense)	(63)	(22)	(73)	(95)	(50.8)	(1.3)	(1.9)
Income (loss) before taxes	39	117	(852)	(735)	(1984.6)	0.8	(14.8)
Income tax benefit (expense)	(101)	(65)	242	177	275.2	(2.1)	3.6
Income (loss) after taxes	(62)	52	(610)	(558)	(800.0)	(1.3)	(11.2)
Results relating to unconsolidated companies	(5)	3	(2)	1	120.0	(0.1)	0.0
Minority interests	(34)	(50)	(4)	(54)	(58.8)	(0.7)	1.1
Net income (loss)	€ (101)	€ 5	€ (616)	€ (611)	(505.0)	(2.1)	(12.3)
Segment Data							
Total sales							
Mobile & Personal	€ 1,618	€ 1,172	€ 396	€ 1,568	(3.1)	33.9	31.6
Home	1,002	730	212	942	(5.9)	21.0	19.0
Automotive & Identification	719	662	210	872	21.4	15.1	17.6
Multimarket Semiconductors	1,238	1,017	328	1,345	8.6	26.0	27.1
IMO(2)	146	140	28	168	15.1	3.1	3.4
Corporate and Other(3)	43	49	16	65	51.2	0.9	1.3
Combined total sales	€ 4,766	€ 3,770	€ 1,190	€ 4,960	4.1	100.0	100.0
Income (loss) from operations(1)							
Mobile & Personal	€ 72	€ 23	€ (135)	€ (112)	(255.6)	4.4	(7.1)
Home	(85)	(37)	(164)	(201)	(136.5)	(8.5)	(21.3)
Automotive & Identification	168	151	(256)	(105)	(162.5)	23.4	(12.0)
Multimarket Semiconductors	139	203	(79)	124	(10.8)	11.2	9.2
IMO(2)	32	7	(71)	(64)	(30.0)	—	—
Corporate and Other(3)	(224)	(208)	(74)	(282)	(25.9)	—	—
Combined income (loss) from operations	€ 102	€ 139	€ (779)	€ (640)	(727.4)	2.1	12.9

(1) Segmental income (loss) from operations percentages are given as a percentage of segment total sales, rather than combined total sales.

(2) Total sales of our IMO division includes only external sales. Income (loss) for our IMO division incorporates intersegmental sales, which are determined by a market-based internal transfer pricing mechanism between IMO and each business unit. As a result, income (loss) from operations of our IMO segment bears little meaningful relation to total sales of our IMO segment, and we do not present income (loss) from operations as a percentage of total sales.

(3) Total sales of our Corporate and Other division primarily includes intellectual property license sales. Income from operations for our Corporate and Other division incorporates research expenses not related to any specific business unit, corporate restructuring charges and other expenses not allocated to our other five segments. As a result, income (loss) from operations of our Corporate and Other segment bears little meaningful relation to total sales of our Corporate and Other segment, and we do not present income (loss) from operations as a percentage of total sales.

Company-Wide

Total sales

Total sales were €4,960 million for the year ended December 31, 2006, compared to €4,766 million for the year ended December 31, 2005, an increase of 4.1%. This increase reflects total sales growth in each of our business units, across which sales were generally strong during the first nine months of the year, especially in our Multimarket Semiconductors and Automotive & Identification business units. Increases were driven primarily through volume growth, although a positive mix impact was also observed, primarily due to the relatively larger contribution from sales of our Automotive & Identification business unit, where unit prices tend to be higher. Multimarket Semiconductors benefited from strong demand and relatively stable prices for its more mature products. In the last three months of the year, sales declined as part of an overall industry slowdown, which we attribute to an inventory correction at many of our customers. Excluding foreign currency effects, total sales for the year ended December 31, 2006 increased 5.1% over the year ended December 31, 2005.

Cost of sales

Cost of sales for the year ended December 31, 2006 was €3,248 million, or 65.5% of total sales, compared to €2,933 million, or 61.5% of total sales, in the year ended December 31, 2005. The increased cost of sales reflects primarily the impact of increased inventory valuations and additional depreciation costs during the period following the Acquisition. These costs amounted to €155 million, comprised of €130 million related to a higher carry cost for our inventory and €25 million related to increased depreciation of tangible fixed assets. Certain non-recurring items, amounting to €53 million and consisting of costs associated with our separation from Philips restructuring and litigation, also negatively affected 2006 cost of sales. Excluding the effect of the foregoing factors, cost of sales decreased in 2006 compared to 2005, primarily the result of reduced manufacturing unit costs, which in turn related to an increase in utilization rates at our wafer fabs from 76% to 85% over the two periods. Front-end manufacturing yields improved over the same periods as well.

Gross margin

Gross margin was €1,712 million, representing 34.5% of total sales, for the year ended December 31, 2006, compared to €1,833 million, representing 38.5% of total sales for the corresponding period.

Selling expenses

Selling expenses were €363 million for the year ended December 31, 2006, compared to €304 million for the year ended December 31, 2005, an increase of 19.4%. As a percentage of total sales, selling expenses increased from 6.4% to 7.3%. Increased selling expenses reflected an increase in total sales, as well as the impact of increased spending on customer designs in efforts and restructuring costs that were incurred in connection with the reorganization of our sales and marketing group. Restructuring charges primarily represent severance costs and relocation allowances reflecting a reduction in staffing levels and the geographical realignment of several of our sales offices, which we have undertaken in order to better address the needs of our customers.

General and administrative expenses

General and administrative expenses were €500 million for the year ended December 31, 2006, compared to €435 million for the year ended December 31, 2005, an increase of 14.9%. As a percentage of total sales, general and administrative expenses increased from 9.1% to 10.1%, primarily the result of increased amortization of intangible assets following the Acquisition. €120 million in increased amortization costs were recorded in the period September 29 through December 31, 2006, as

the result of a step-up in fair value of intangibles in connection with the Acquisition. Excluding this effect, G&A expenses decreased in 2006, reflecting lower headcount resulting from reorganizational initiatives undertaken in connection with our Business Renewal Program. Total G&A expenses for 2006 include €62 million for corporate functions and regional overhead historically provided or incurred by Philips, for the period January 1, 2006 through September 28, 2006 compared to EUR 81 million for the full year 2005. As a stand-alone organization, €4 million in costs were recorded for the period September 29, 2006 through December 31, 2006.

Research and development expenses

Research and development expenses were €995 million for the year ended December 31, 2006, compared to €1,028 million for the year ended December 31, 2005, a decrease of 3.2%. This decline was primarily caused by our exit from a number of business lines, including DVD-R and mobile display drivers, and the corresponding elimination of research and development activities relating to those businesses. Of the research and development costs we saved through this elimination, we redirected a portion towards other research and development priorities, including 3G cellular systems and in-car entertainment, partially offsetting the savings. Separately, we recorded a charge of €515 million during the period September 29 through December 31, 2006, as the result of our write-off of in-process research and development acquired in connection with the Acquisition for which no alternative use was identified.

Other business income

Other business income was €21 million for the year ended December 31, 2006, compared to €36 million for the year ended December 31, 2005, a decrease of 41.7%. The 2005 figure reflects sales of certain of our U.S. assets, including real property in Albuquerque, New Mexico and San Antonio, Texas, as well as a legal settlement with a supplier. The 2006 figure reflects sales of certain other U.S. real property assets and a release of certain litigation provisions.

Income (loss) from operations

Loss from operations was €640 million, for the year ended December 31, 2006, compared to operating income of €102 million, for the year ended December 31, 2005. Excluding the effects of the purchase accounting applied to the Acquisition, income from operations for 2006 was €150 million, representing 3.0% of total sales, compared to 2005 income from operations of €102 million, representing 2.1% of total sales.

Financial income (expense)

Financial expense was €95 million for 2006, consisting of net interest expenses of €98 million, financing costs of €45 million, and the positive effect of exchange rates on the series of outstanding notes denominated in U.S. dollars, which amounted to €48 million.

Financial expense in 2005 amounted to €63 million, mainly related to net interest expenses as incurred on funding by Philips.

Income tax expense

Income tax benefit was €242 million for the period September 29, 2006 through December 31, 2006, largely the result of a €227 million benefit recognized as part of the purchase accounting applied to the Acquisition. For the period January 1, 2006 through September 28, 2006 income tax expense amounted to €65 million.

In 2005 income tax expense was €101 million, including €38 million for withholding taxes. Income tax expense in predecessor periods reflects an allocation of expenses based on the pre-tax results of our subsidiaries in various jurisdictions. These allocations do not necessarily reflect our future tax expense.

Results relating to unconsolidated entities

Results relating to unconsolidated entities were €1 million for the year ended December 31, 2006, compared with a loss of €5 million for the year ended December 31, 2005. These results relate to our investments in ASMC and T3G.

Minority interests

Minority interests were €54 million for the year ended December 31, 2006, compared to €34 million for the year ended December 31, 2005. In both periods, minority interests related almost exclusively to minority shareholdings in SSMC.

Net loss

Net loss was €611 million for the year ended December 31, 2006, compared to a net loss of €101 million in the year ended December 31, 2005. The change was due principally to the effects of the purchase accounting applied to the Acquisition.

Mobile & Personal

Total sales

Total sales of our Mobile & Personal segment were €1,568 million for the year ended December 31, 2006, compared to €1,618 million for the year ended December 31, 2005, a decrease of 3.1%. The decrease is primarily attributable to sales in our Cellular Systems and Cordless and IP Terminal Business Lines, each of which decreased in 2006 compared to 2005 an effect that was, especially evident in the last three months of 2006. In Cellular Systems, which is our largest business line, the decrease was largely the result of lower relative sales levels experienced by certain of our OEM customers. Decreased Cordless & IP terminals sales were related to strong price erosion, a result of the increasingly commoditized nature of these products. In addition, our customers are increasingly demanding "naked dies", or unpackaged semiconductors, in the cordless market segment, which attract lower prices. These lower sales were partially offset by increases in our Connectivity and Personal Entertainment Solutions business lines, each of which grew approximately 6% in 2006, as compared to 2005. Connectivity sales were driven by strong growth in Bluetooth and embedded connectivity devices, while in personal Entertainment Solutions sales were led by Nexperia multimedia devices. Sales in our Sound Solutions business increased by 5% in 2006 as compared to 2005. Excluding foreign currency effects total sales in Mobile & Personal decreased 2.0% for the year ended December 31, 2006, over the year ended December 31, 2005.

Income from operations

Income from operations of our Mobile & Personal segment was a loss of €112 million for the year ended December 31, 2006, compared to income of €72 million for the year ended December 31, 2005 an effect that was, especially evident in the last three months of 2006. Excluding the effects of the Acquisition, primarily increased costs of sales as a result of higher depreciation and amortization costs, 2006 income from operations in Mobile & Personal was €42 million, a decrease of 41.7% as compared to 2005. A large portion of this decrease is attributable to increased research and development activity, primarily in key growth areas, including 3G cellular systems and Nexperia multimedia, an effect that was offset in part by lower G&A costs resulting from efficiency improvements. Also affecting results was a significant reduction in the margin contribution of our Personal Entertainment Solutions business

line, mainly as a result of significant price erosion in FM radio products, which in turn has resulted from the entry of new competitors into that market. In our Connectivity business line, profitability improved considerably primarily due to significantly higher sales.

Home

Total sales

Total sales of our Home segment in 2006 were €942 million compared to €1,002 million in 2005, a decrease of 6.0%. The decrease is primarily attributable to significantly lower sales during the last three months of the year, which we believe is a consequence of inventory corrections at our customers. The fourth quarter showed a further decline in analog TV-related sales, reflecting the ongoing market transition to digital TV. In the analog market segment, we continue to hold a market share of above 40%, and as a result of declining overall market has a significant effect on our sales. Lower sales in PC Systems, especially in our personal computer systems business, were caused by delays in the development of the PC TV market and later than expected availability of System solutions for this market. Excluding foreign currency effects, total sales in Home decreased 4.9% for the year ended December 31 2006, compared to the year ended December 31, 2005.

Loss from operations

Operating loss of our Home segment was €201 million for the year ended December 31, 2006, compared with an operating loss of €85 million in the year ended December 31, 2005. This increased loss resulted principally from increase costs of sales resulting from the purchase accounting applied to the Acquisition. Excluding these effects, our loss in 2006 improved to €55 million, primarily due to increased profitability in our digital television, set-top box and tuner businesses. We also realized a benefit from reductions in research and development activity in these product areas, since we have been able to scale down early-stage research efforts as these technologies have become more developed. We were also able to eliminate many costs associated with our exited DVD-R business. These positive effects were offset in part by decreased margins in our personal computer systems business, caused primarily by delays we experienced in connection with the development of system solutions products for the PC-TV market.

Automotive & Identification

Total sales

Total sales of our Automotive & Identification segment were €872 million in the year ended December 31, 2006, compared with €719 million in the year ended December 31, 2005, an increase of 21.4%. This increase was mainly related to significantly higher sales in our identification businesses. Our automotive sales were up moderately over the same period, slightly above overall growth in the automotive market. Sales increases in our identification businesses related mainly to eGovernment and automatic fare collection products. Our eGovernment business, primarily related to electronic passports, saw very significant sales growth, as a result of a significant ramp-up of production following recent design-in wins. In automatic fare collection, our MiFare products have become an industry standard, and growth was driven by the continuing adoption of our products. RFID sales, which include our automatic fare collection products, were up strongly in 2006 as compared to 2005. Excluding foreign currency effects, total sales in Automotive & Identification increased 22.2% for the year ended December 31, 2006, compared to the year ended December 31, 2005.

Income from operations

Income from operations of our Automotive & Identification segment was a loss of €105 million in the year ended December 31, 2006, compared with income of €168 million in the year ended

December 31, 2005. Excluding the effects of the purchase accounting applied to the Acquisition, income from operations in 2006 was a profit of €194 million, an increase of 15.5% over 2005. This increase is due principally to the volume effect of higher sales and the resulting improved margins in our identification businesses, which were offset in part by increased research and development investments in automotive, which were primarily focused on zero-defect quality initiatives.

Multimarket Semiconductors

Total sales

Total sales of our Multimarket Semiconductors segment were €1,345 million in the year ended December 31, 2006, compared to €1,238 million in the year ended December 31, 2005, an increase of 8.6%. This increase resulted from significantly higher sales in our Standard ICs, General Application and Power Management business lines. Sales in Standard ICs increased substantially, driven by strong growth in general purpose logic, interface products and microcontrollers. This resulted from the ramp-up of recent OEM design-in wins and was also due to the success of a concentrated sales effort focused on North American customers during the period. General Application sales increased substantially in 2006, which was primarily related to a strong gain in overall market share, coupled with strong market demand for transistors & diodes, and a ramp-up of earlier design wins in integrated discretes. Power Management sales increased moderately, driven by strong growth in power solutions and dataconverters. These increases were partially offset by the phasing out of our Mobile Display Drivers business line, which recorded sales of €103 million in 2005 and €23 million for 2006. Excluding foreign currency effects, total sales in Multimarket Semiconductors increased 9.6% for the year ended December 31, 2006, compared to the year ended December 31, 2005.

Income from operations

Income from operations of our Multimarket Semiconductors segment was €124 million for the year ended December 31, 2006, compared to €139 million for the year ended December 31, 2005. Excluding the effects of the purchase accounting applied to the Acquisition, 2006 income from operations was €272 million, an increase of 95.7% over 2005. This increase resulted principally from higher sales volumes and higher margins, with the latter the result of both stable market prices, and higher utilization rates at our discrete semiconductor fabrication facilities. Our continuing rationalization of manufacturing operations and in particular our shift of bipolar power discrete semiconductor fabrication activities from the United Kingdom to China, has resulted in significant cost savings.

IMO

Total sales

Total sales of our IMO segment include external sales only, and were €168 million for the year ended December 31, 2006, compared to €146 million in the year ended December 31, 2005, an increase of 15.1%. This increase resulted from increased sales of completed silicon wafers by SSMC to TSMC.

Income (loss) from operations

Income (loss) from operations of our IMO segment is based on internal and external sales. Income from operations was a loss of €64 million for the year ended December 31, 2006, compared to operating income of €32 million for the year ended December 31, 2005. Excluding the effect of purchase accounting applied to the Acquisition, 2006 income from operations was a loss of €22 million. Substantial erosion in wafer prices and higher spending in the Crolles Alliance affected negatively income from operations in 2006. This was partly offset by depreciation and amortization costs that were lower (excluding purchase accounting effects), which resulted from the continued implementation of our asset-light strategy, and by savings from our Business Renewal Program.

Corporate and Other

Total sales

Total sales of our Corporate and Other segment were €65 million for the year ended December 31, 2006, compared to €43 million for the year ended December 31, 2005. These figures reflected a decline in IP licensing income in 2006 that was more than offset by revenues relating to our software unit, which is now consolidated within our Corporate and Other segment.

Loss from operations

For the year ended December 31, 2006, our Corporate and Other segment reported an operating loss of €282 million, compared with an operating loss of €224 million in the year ended December 31, 2005. In each of 2006 and 2005, these losses related primarily to certain cost allocations relating to our separation from Philips, including restructuring charges and certain cost allocations relating to items including pensions, IP management, corporate research and development and corporate infrastructure. The purchase accounting applied to the Acquisition did not have a material effect on 2006 income for operations.

Year Ended December 31, 2005 Compared with Year Ended December 31, 2004

	For the year ended December 31,			For the year ended December 31,	
	2004	2005	Change	2004	2005
	(€ in millions)		(%)	(% of total sales)	
Combined Statements of Operations					
Total sales	€ 4,823	€ 4,766	(1.2)	100.0	100.0
Cost of sales	(2,955)	(2,933)	0.7	(61.3)	(61.5)
Gross margin	1,868	1,833	(1.9)	38.7	38.5
Selling expenses	(297)	(304)	(2.4)	(6.2)	(6.4)
General and administrative expenses	(437)	(435)	0.5	(9.1)	(9.1)
Research and development expenses	(979)	(1,028)	(5.0)	(20.3)	(21.6)
Other business income	79	36	(54.4)	1.6	0.7
Income (loss) from operations	234	102	(56.4)	4.9	2.1
Financial income (expense)	(93)	(63)	32.3	(1.9)	(1.3)
Income (loss) before taxes	141	39	(72.3)	2.9	0.8
Income tax benefit (expense)	(113)	(101)	10.6	(2.3)	(2.1)
Income (loss) after taxes	28	(62)	(321.4)	0.6	(1.3)
Results relating to unconsolidated companies	12	(5)	(141.7)	0.2	(0.1)
Minority interests	(26)	(34)	(30.8)	(0.5)	(0.7)
Net income (loss)	€ 14	€ (101)	(821.4)	0.3	(2.1)
Segment Data					
Total sales					
Mobile & Personal	€ 1,525	€ 1,618	6.1	31.6	33.9
Home	1,060	1,002	(5.5)	22.0	21.0
Automotive & Identification	706	719	1.8	14.6	15.1
Multimarket Semiconductors	1,268	1,238	(2.4)	26.3	26.0
IMO(2)	178	146	(18.0)	3.7	3.1
Corporate and Other(3)	86	43	(50.0)	1.8	0.9
Total sales	€ 4,823	€ 4,766	(1.2)	100.0	100.0
Income (loss) from Operations(1)					
Mobile & Personal	€ 90	€ 72	(20.0)	5.9	4.4
Home	(30)	(85)	(183.3)	(2.8)	(8.5)
Automotive & Identification	159	168	5.7	22.5	23.4
Multimarket Semiconductors	139	139	—	11.0	11.2
IMO(2)	(19)	32	268.4	—	—
Corporate and Other(3)	(105)	(224)	(113.3)	—	—
Income from operations	€ 234	€ 102	(56.4)	4.9	2.1

(1) Segmental income (loss) from operations percentages are given as a percentage of segment total sales, rather than combined total sales.

(2) Total sales of our IMO division includes only external sales. Income from operations for our IMO division incorporates intersegmental sales, which are determined by a market-based internal transfer pricing mechanism between IMO and each business unit. As a result, income (loss) from operations of our IMO segment bears little meaningful relation to total sales of our IMO segment, and we do not present income (loss) from operations as a percentage of total sales.

(3) Total sales of our Corporate and Other division primarily includes intellectual property license sales. Income from operations for our Corporate and Other division incorporates research expenses not related to any specific business unit, corporate restructuring charges and other expenses not allocated to our

other five segments. As a result, income (loss) from operations of our Corporate and Other segment bears little meaningful relation to total sales of our Corporate and Other segment, and we do not present income (loss) from operations as a percentage of total sales.

Company-Wide

Total sales

Total sales were €4,766 million for 2005, compared to €4,823 million for 2004, a decrease of 1.2%. This reflects the effects of a significant decrease in total sales to Philips, primarily attributable to our exit of the mobile display drivers and DVD-R businesses, while total sales to non-Philips customers remained essentially flat. Increased sales in Mobile & Personal and Automotive and Identification were offset by decreases in Home and Multimarket Semiconductors. Overall, total sales were weaker in the first half of 2005, reflecting generally slow demand growth in the semiconductor industry. The market improved significantly in the second half of the year, particularly in the fourth quarter. Excluding foreign currency effects, total sales in 2005 decreased 1.4% over 2004.

Cost of sales

Cost of sales for 2005 was €2,933 million, or 61.5% of total sales, compared to €2,955 million, or 61.3% of total sales, for 2004. This increase as a percentage of total sales was caused primarily by a sales of lower-margin products and lower utilization levels during the first half of 2005. Throughout 2005, we improved manufacturing efficiencies, increased yields and generally reduced operating costs. This, coupled with improving sales volumes and the resulting utilization increase in the second half of the year, led to significantly improved cost of sales results during the third and fourth quarters.

Gross margin

Gross margin was €1,833 million, representing 38.5% of total sales, in 2005, compared to €1,868 million, representing 38.7% of total sales, in 2004.

Selling expenses

Selling expenses remained at similar levels, with selling expenses of €304 million, representing 6.4% of total sales, for 2005, compared to €297 million, representing 6.2% of total sales, for 2004.

General and administrative expenses

General and administrative expenses were €435 million for 2005, representing 9.1% of total sales, compared to €437 million, representing 9.1% of total sales, for 2004. We undertook a significant management reorganization, designed to reduce general and administrative expenses, in the second half of 2005. There was no significant impact, however, on our 2005 expense levels. To the extent that marginal savings were recognized in the second half of 2005, they were generally offset by one-time costs associated with initiating the reorganization.

Research and development expenses

Research and development expenses were €1,028 million for 2005, compared to €979 million for 2004, an increase of 5.0%. This increase was related to higher research and development expenditures incurred in connection with, amongst other research priorities, the introduction of digital television and 3G cellular systems products, respectively, during 2005. We incurred a €6 million charge during 2005 relating to the rationalization of our research and development sites and a slight reduction in headcount.

Other business income

Other business income was €36 million for 2005, compared to €79 million for 2004, a decrease of 54.4%. The decrease was due principally to the extraordinary receipt in 2004 of insurance proceeds related to fires at certain of our facilities, in the amount of €63 million. The 2005 figure is comprised of €17 million in gain from the disposal of certain fixed assets, primarily at former sites in San Jose, California and Vienna, Austria, and €19 million in other revenues, most significantly amounts received from settlement of a legal dispute with a supplier. The 2004 figure, other than the insurance proceeds, consisted of €12 million in gain from the disposal of fixed assets, primarily real property in San Jose, California.

Income from operations

Income from operations was €102 million, representing 2.1% of total sales, in 2005, compared to €234 million, representing 4.9% of total sales, in 2004, a decrease of 56.4%. This decrease principally resulting from the reduction in other business income arising from the absence of the extraordinary receipt of insurance proceeds in 2004, lower sales, and higher research and development costs.

Financial expense

Financial expense was €63 million for 2005, compared to €93 million for 2004, a decrease of 32.3%. This decrease resulted principally from lower interest expenses, which in turn resulted from lower allocated debt levels. Excluding the allocated portion of Philips interest expense, interest expense was €19 million in 2005, compared to €22 million in 2004.

Income tax expense

Income tax expense was €101 million for 2005, compared to €113 million for 2004. These figures include withholding taxes of €17 million and €38 million in 2004 and 2005, respectively.

Results relating to unconsolidated entities

Results relating to unconsolidated entities was a loss of €5 million for 2005, compared with a gain of €12 million for 2004. The 2005 loss was comprised mainly of losses resulting from our shareholdings in ASMC. The gain in 2004 relates to results at ASMC and a gain we realized on the sale of shares of a small strategic investment.

Minority interests

Minority interests were €34 million for 2005, compared to €26 million for 2004, an increase of 30.8%. For both 2005 and 2004, these minority interests related almost exclusively to minority shareholdings in SSMC.

Net income (loss)

Net loss was €101 million for 2005, compared to net income of €14 million for 2004. This difference is due principally to the absence of the extraordinary insurance receipt that was received in 2004, together with 2005 results that were adversely affected by lower sales, higher research and development costs.

Mobile & Personal

Total sales

Total sales of our Mobile & Personal segment were €1,618 million for 2005, compared to €1,525 million for 2004, an increase of 6.1%. The increase is primarily attributable to sales growth in Cellular Systems, which showed strong growth in 2005, despite a decline in selling prices due to volume discounts. This sales growth was primarily driven by end-market demand for MP3 players which use our power management products, and 3G cellular handsets that incorporate our radio frequency devices. Growth in Mobile & Personal was also driven by increasing sales in our Personal Entertainment

Solutions business line, primarily resulting from our success with FM radios for mobile applications. The effect of these increases was partially offset by a significant decrease in sales of semiconductors for cordless phones, a result of significant price erosion and a declining market share. Also offsetting increases was the effect of our exit from imaging sensor sales, which resulted in a sales reduction of €30 million. Sales in the Sound Solutions business line also decreased as a result of lower sales to a particular customer, who moved in 2004 from a single supplier to a multi-source supplier base. Excluding foreign currency effects, sales of our Mobile & Personal segment increased 5.8% in 2005 over 2004.

Income from operations

Income from operations of our Mobile & Personal segment was €72 million for 2005, compared to €90 million for 2004, a decrease of 20.0%. This decrease was due mainly to lower margins, which in turn resulted primarily from price decreases in our Cellular Systems business line. These price decreases were the result of pre-negotiated volume-related discounts to certain of our OEM customers. Lower sales of embedded connectivity devices and delayed introduction of a low-cost Bluetooth product also contributed to the decline. We experienced in 2005 an increase in margins in Cordless and IP Terminals following 2004 levels that were negatively impacted by restructuring costs associated with our exit from the camera sensors business. Margins in Personal Entertainment Solutions improved slightly in 2005, due to a favorable market for FM radio and improvements in costs. Increased research and development expenses, which resulted from additional expenditures on 3G cellular systems products and Nexperia multimedia, together with higher sales and marketing costs, also impacted 2005 income from operations.

Home

Total sales

Total sales of our Home segment were €1,002 million for 2005, compared to €1,060 million for 2004, a decrease of 5.5%. In 2005, our sales to the analog television market, which represents the largest business line in our Home segment, declined substantially compared to 2004. Although overall sales decreased, our market share increased. The effects of the decrease in analog television sales were partially offset by an increase in sales to the digital television market, which is, in large part, replacing the analog television market. Our market share in digital television, while trending upwards, remained significantly lower than for analog television, and as a result digital television sales did not make up for the decline we experienced in the analog market. Our sales into the digital television market more than doubled in 2005, but in absolute terms the amount of sales remained small. Increases were also seen in television front-end and radio frequency solutions, which in turn related to a strong set-top boxes market generally. Our front-end and radio frequency products are used in a large number of set-top boxes not incorporating our set-top boxes system solution. Excluding foreign currency effects, total sales in Home decreased 5.9% in 2005 as compared to 2004.

Loss from operations

The operating loss of our Home segment was €85 million in 2005, compared to an operating loss of €30 million for 2004. This increase resulted principally from the impact of lower gross margins. The lower gross margins were in turn caused primarily by price pressures in the television market. Consumer prices for analog televisions decreased substantially and, while we were able to lower our costs, we nevertheless experienced a small decline in our gross margin. Given the large size of the business line, this small decline had a significant impact on our overall gross profit. In digital television, gross margins also declined substantially in large part to strong competition for market share, and also due to relatively high costs associated with early-stage production. A significant decrease was also seen in television tuners, as a result of pricing pressures. DVD-R margins also suffered, and as a result we decided to exit this business, effective January 1, 2006. Other cost reduction measures, such as the

closing of two development sites, were taken in 2005, but the associated cost savings did not impact our results in that year.

Automotive & Identification

Total sales

Total sales of our Automotive & Identification segment for 2005 were €719 million, compared to €706 million for 2004, an increase of 1.8%. Excluding the effects of an extraordinary non-recurring sale of smartcard devices in 2004, which resulted from supply problems at a competitor, total sales increased by €77 million, or 12%. This increase was due to generally higher sales across each of our Automotive & Identification business lines, with the exception of Car Entertainment Solutions, where delays in new product launches adversely impacted sales. Automotive sales were up, in part due to market share gains in Car Access and Immobilizer Systems. Overall our Identification businesses grew slightly below the broader industry. Several businesses, however, showed particularly strong growth, especially RFID, which increased sales as a result of sales for supply chain management and animal identification applications. Excluding foreign currency effects, total sales in Automotive & Identification increased 1.9% in 2005 as compared to 2004.

Income from operations

Income from operations of our Automotive & Identification segment was €168 million in 2005, compared with €159 million in 2004, an increase of 5.7%. This increase is due principally to improvements in gross margin, which improved broadly across all of our identification businesses, in large part due to a beneficial product mix effect, as well as through continued growth in high-margin areas of the SIM market, such as high-security bank cards and embedded memory devices. These positive effects were partially offset by increased research and development expenses, which primarily related to expenditures in our Car Entertainment Solutions business line.

Multimarket Semiconductors

Total sales

Total sales of our Multimarket Semiconductors segment were €1,238 million for 2005, compared to €1,268 million for 2004, a decrease of 2.4%. Our exit from the Mobile Display Drivers business line, which we commenced in the second half of 2005, was a major contributor to the decline. Excluding the effect of the Mobile Display Drivers exit, sales were essentially flat. General market weakness in the first half of 2005 led to moderate declines in radio frequency products. Sales in our Power Management business line also declined, mainly due to our decision to reduce our sales efforts in this business line in advance of the restructuring of our bipolar power operations. Bipolar Power sales declined significantly compared to the prior period. Sales in our Standard ICs business line remained flat, mainly due to gains in market share in General Purpose Logic in the second half of the year, which offset a decline in sales of Interface Products and Microcontrollers. Excluding foreign currency effects, total sales in Multimarket Semiconductors decreased 2.5% in 2005 as compared to 2004.

Income from operations

Income from operations of our Multimarket Semiconductors segment was €139 million for 2005, compared to €139 million for 2004. Gross margins improved in certain business lines, such as General Application and Standard ICs, primarily due to volume effects and gains in market share. These gains were offset, however, by a reduction in gross margins in our Mobile Display Drivers and Power Management business lines, which resulted from significantly lower volumes in each of these businesses. Price erosion in mobile display drivers, a result of the increasing commoditization of these products, also contributed to the margin reduction. Other expenses in 2005, such as selling and research and development costs, were essentially flat with 2004 levels. Restructuring costs of €8 million and €4 million were recorded in 2005 and 2004, respectively.

IMO

Total sales

Total sales of our IMO segment were €146 million for 2005, compared with €178 million for 2004, a decrease of 18.0%. This decrease resulted primarily from a discontinuation of external sales of semiconductors for projection televisions from our plant in Böblingen, Germany. Excluding foreign currency effects, total sales in IMO decreased 18.0% in 2005 over 2004.

Income (loss) from operations

Income from operations of our IMO segment was €32 million for 2005, compared with an operating loss of €19 million for 2004. This improvement resulted principally from a reduction in production costs, which in turn related to the implementation of our Business Renewal Program, and from lower depreciation expenses resulting from the full depreciation of several of our manufacturing assets, decreased capital spending and the continued implementation of our asset-light manufacturing strategy.

Corporate and Other

Total sales

Total sales of our Corporate and Other segment in 2005 were €43 million, compared to €86 million in 2004, a decrease of 50.0%. This decrease principally reflects a decline in IP license income.

Loss from operations

Operating loss of our Corporate and Other segment in 2005 was €224 million, compared to €105 million in 2004, an increase of 113.3%. In each of 2004 and 2005, losses related primarily to certain cost allocations, including restructuring charges and certain cost allocations relating to items including pensions, IP management, corporate research and development and corporate infrastructure.

Liquidity and Capital Resources

Liquidity in our business is derived primarily from cash generated by our operations. Management expects our cash on hand, cash flows from operations and funds available under our senior secured revolving credit facility to provide sufficient liquidity to fund our current obligations, expected working capital requirements, restructuring obligations and capital spending for a period that includes the next 12 months. As of December 31, 2006, we had a cash position of €939 million, and had used approximately €2 million of our senior secured credit facility for the issuance of guarantees, with approximately €498 million of credit still available.

If our cash position, revolving senior credit facility and cash flows from operations are insufficient to fund our debt service and other obligations, we may need to raise funds using other means available to us, such as, subject to covenants contained in the indentures governing the exchange notes, increasing our borrowings, decreasing or delaying capital expenditures, making divestitures, raising additional capital or restructuring or refinancing our indebtedness. However, there can be no assurance that such funds would be available on commercially reasonable terms or at all.

Cash Flows

Net Cash Provided By Operating Activities

Our net cash generated by operating activities for 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods) was €978 million, €792 million and €468 million, respectively, and for the period September 29 through December 31, 2006 (successor period) was €292 million. Our cash flows are typically higher during the second half of the year due to our customer demand patterns. Cash flows for 2004, 2005 and 2006 were primarily influenced by changes in our net income as adjusted for non-cash items and changes in working capital.

Our net income adjusted for non-cash items generated operating cash flows of €882 million, €757 million, and €529 million in 2004, 2005 and the period January 1 through September 28, 2006, (predecessor periods) respectively, and €149 million for the period September 29 through December 31, 2006 (successor period). The largest non-cash item affecting these cash flows was depreciation and amortization expense, which was €849 million in 2004, €818 million in 2005, €471 million in the period January 1 through September 28, 2006 (predecessor periods), and €811 million for the period September 29 through December 31 (successor period). The trend of declining depreciation and amortization expense prior to the date of Acquisition is a result of implementation of our asset-light strategy, pursuant to which we restricted our capital expenditures in each of 2004 and 2005 to an amount that was less than that year's depreciation and amortization expense. The effect of new cost bases for tangible and intangible assets following the Acquisition has increased depreciation and amortization charges.

Our working capital has been affected in each of 2004, 2005, and 2006 (both predecessor and successor periods) by increasing accounts payable and accrued liabilities, increasing net receivables and increasing inventory levels. Our accounts payable and accrued liabilities were €1,018 million as of December 31, 2005 (predecessor period) and €974 million as of December 31, 2006 (successor period). These levels of payables, higher than typical historical levels, are the result of our trade credit management effort, whereby we have sought to extend our terms with many suppliers.

The impact of increased payables on working capital has been augmented by lower accounts receivable, which were €589 million as of December 31, 2005 and €563 million as of December 31, 2006. The relatively high level in 2005 was influenced in part by the unusually high degree of seasonality exhibited by our sales during 2005, causing a disproportionate amount of those sales to be incurred in the latter part of the year. Average days outstanding for our sales were 37 in 2005 and 43 in 2006. Decreased inventories have also affected working capital. Inventories were €696 million as of December 31, 2005 and €646 million as of December 31, 2006.

Net Cash Used in Investing Activities

Our net cash used in investing activities in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods) was €590 million, €358 million and €457 million, respectively, and for the period September 29, 2006 through December 31, 2006 (successor period)was €184 million. These cash flows are influenced most significantly by capital expenditures, proceeds from the sale of property, plant and equipment, the purchase of interest in business and proceeds from the sale of businesses.

Capital expenditures in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods) were €641 million, €370 million and €465 million, respectively, and for the period September 29 through December 31, 2006 (successor period) were €111 million. We seek to minimize capital expenditures as part of our asset-light strategy. In order to execute this strategy, we utilize third-party foundries for a portion of our manufacturing capacity and expect that this portion will increase relative to our overall manufacturing capacity in the future. We also seek to share capital expenses, including those relating to both manufacturing and research and development, with strategic partners. Our joint-venture wafer fabs, such as SSMC and JNS are examples of this strategy.

Generally, the majority of our capital expenditures are in our IMO segment. The following table provides details of our capital expenditures by segment and use:

	Predecessor			Successor
	For the year ended December 31,		For the period January 1– September 28, 2006	For the period September 29– December 31, 2006
	2004	2005		
	(€ in millions)			
IMO				
Front-end	€310	€115	€123	€46
Back-end	136	115	111	19
Total IMO	446	230	234	65
Crolles	43	28	135	18
Multimarket Semiconductors	65	34	52	14
Other Segments	87	78	44	14
Total	€641	€370	€465	€111

Cash used in the purchase of intangible assets were €21 million, €18 million and €12 million in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods), respectively, and were €5 million for the period September 29 through December 31, 2006 (successor period). These purchases primarily related to acquisitions of software.

Cash used in the purchase of interests in businesses were €0 million, €27 million and €3 million in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods), respectively, and were €93 million for the period September 29 through December 31, 2006 (successor period). This primarily relates to our acquisition of interests in SSMC.

Proceeds from the disposal of property, plant and equipment were €63 million, €50 million and €26 million in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods), respectively, and were €22 million for the period September 29 through December 31, 2006 (successor period). This primarily involves the sale of real property at various sites following discontinuation of activities.

Proceeds from the sale of interests in unconsolidated businesses were €9 million, €7 million and €0 million in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods), respectively, and were €5 million for the period September 29 through December 31, 2006 (successor period). These figures relate primarily to dispositions of various shareholdings.

Net Cash Provided by (Used in) Financing Activities

Our net cash provided by (used in) financing activities in 2004, 2005 and the period January 1 through September 28, 2006 (predecessor periods) was (€448 million), (€408 million) and €48 million, respectively, and for the period September 29 through December 31, 2006 (successor period) was €702 million. Our most significant financing activities in our predecessor periods were our net cash transactions with Philips, repayment of intercompany debt and our repayment of external debt. During the successor period, our financing activities primarily involved transactions in connection with the Acquisition, including the entry into a bridge loan facility in the amount of €4,500 million, repayment of a loan to Philips in the amount of €3,704 million (net of adjustments), receipt of gross proceeds of €4,529 million from the issuance of the outstanding notes and the subsequent repayment of the bridge loan in the amount of €4,528 million.

Cash Management

Prior to the acquisition, we participated in Philips' worldwide cash management system under which we generally maintained accounts that were zero balanced at the Philips global pool, in order to

facilitate centralized cash management by Philips. The balance of these accounts is reflected in business' equity on our combined balance sheet for predecessor periods, as Philips' net investment in our company.

Following the Acquisition, we have implemented our own cash management structure for global cash pooling and centralized cash management. Short-term fluctuations in our cash requirements are generally funded from our cash balances, although we may also use short-term borrowings or drawdowns on our senior secured revolving credit facility.

As of December 31, 2006, our total debt represents 55% of our total capitalization. As of December 31, 2006, we had outstanding €4,449 million in aggregate total indebtedness, and an additional €498 million of borrowing capacity available under our senior secured revolving credit facility. On a pro forma basis, giving effect to the Transactions as if they occurred on January 1, 2006, our cash interest expense for the twelve months ended December 31, 2006 would have been €366 million.

Intercompany debt outstanding was €1,112 million as of December 31, 2005. Proceeds from intercompany debt have been used primarily for the business operations of our U.S. subsidiaries.

Our external debt for predecessor periods was principally comprised of loans recorded by SSMC and our Philippines subsidiary. External debt outstanding was €371 million as of December 31, 2005. In connection with the Separation, €57 million of external debt was transferred to us. There was a net decrease of €27 million of this amount prior to closing of the Transactions. In October 2006, in connection with the Acquisition, we issued an aggregate euro equivalent principal amount of €4,529 million in secured and unsecured senior notes. As of December 31, 2006, we had €4,415 of this debt on our balance sheet.

Post-Employment Benefit Obligations

Pensions

Our employees participate in employee pension plans, which Philips has established in many countries in accordance with the legal requirements, customs and the local situation in the respective countries.

The majority of employees in Europe and North America are covered by defined-benefit pension plans, partly treated as multi-employer plans as described below. The benefits provided by these plans are based on employees' years of service and compensation levels. The funded status determination date for all defined-benefit pension plans is December 31. Contributions were historically made by Philips, as necessary, to provide assets sufficient to meet the benefits payable to defined benefit pension plan participants.

These contributions are determined based upon various factors, including funded status, legal and tax considerations as well as local customs. Philips historically funded certain defined-benefit pension plans as claims were incurred.

We have accounted for our participation in Philips-sponsored pension plans, in which we and other Philips businesses participate, as multi-employer plans. The costs of pension benefits with respect to our employees participating in these plans have been allocated to us based upon actuarial computations, except for certain less significant plans, in which case a proportional allocation based upon compensation or headcount has been used. The amounts included in the combined statements of operations for 2004, 2005 and the period January 1 through September 28, 2006 were €58 million, €64 million and €51 million, respectively. Related assets and liabilities are not included in our balance sheet.

For pension plans in which only our employees participate (our dedicated plans), the related costs, assets and liabilities have been included in our balance sheets for both predecessor and successor periods.

For the purposes of the Separation, we estimated the value of the pension plan assets and liabilities transferred to us. At the time of the Separation, we did not calculate the value of the pension assets and liabilities relating to the multi-employer plans since those plans involved a large number of participants outside of the Company and the future disposition of those plans was sufficiently in doubt as to make a meaningful calculation impracticable. Following the Separation, the number of plan participants who are our employees has been determined, and therefore some of the uncertainty surrounding these plans has been removed. We are now in the process of calculating the funded status of each plan. The funded status as of September 29, 2006, the date of the Acquisition, and December 31, 2006, the end of our most recent fiscal year, have been determined. The Company estimates that its unfunded liability associated with these pension obligations was €234 million as of September 29, 2006 and €234 million as of December 31, 2006. Our costs to meet these liabilities going forward may be significant and could have a material adverse impact on our financial condition.

Postretirement benefits other than pensions

Our employees in certain countries participate in Philips sponsored plans that provide other postretirement benefits, primarily retiree healthcare benefits. The costs of other postretirement benefits, with respect to our employees, have been allocated to us based upon headcount and actuarial calculations.

The amounts included in the combined statements of operations in 2004, 2005 and the period January 1, 2006 through September 28, 2006 are expense of €8 million, income of €19 million, and expense of €1 million, respectively. For the consolidated statement of operations for the period September 29 through December 31, the amount was €1 million.

The recognition of income in 2005 relates to a release of the postretirement benefit obligation by Philips. The release was triggered by a change in Dutch law relating to the treatment of medical insurance costs.

Contractual Obligations

While we own most of our major facilities, we lease certain office and factory buildings, generally under non-cancelable operating leases.

The following table provides a maturity analysis of our contractual obligations as of December 31, 2006:

	Payments due by period				
	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
	(€ in millions)				
Operating Lease Obligations	€ 89	€ 23	€ 22	€ 14	€ 30
Long-term debt obligations(1)	4,420		2	—	4,418
Obligations relating to Software Licenses(2)	53	38	15	—	—
Other obligations(3)	21	12	9	—	—
Other long-term liabilities reflected on our balance sheet(4)	32	25	2	3	2
Interest on the notes	2,817	355	710	710	1,042
Total(5)	€ 7,432	€ 453	€ 760	€ 727	€ 5,492

(1) These borrowings are subject to certain debt covenants. The violation of any such covenants could result in the acceleration of these payments. Payments relating to the notes, which includes U.S. dollar denominated debt, do not include the effect of foreign currency exchange fluctuations and as a result, the amounts may change.

(2) Included in this amount are periodic payments we are obligated to make under the terms of EDA software license contracts with Synopsis and Cadence.

(3) Amount represents a joint development contract relating to our Nijmegen manufacturing site with Catena Holding BV.

(4) Amount represents other long-term liabilities, including the current portion, reflected in the combined balance sheet where both the timing and amounts of the payment streams are known. Amount primarily includes payments for environmental remediation liabilities. Amount does not include payments for pension contribution and payments for deferred taxes and other tax liabilities.

(5) This table does not reflect purchase orders entered into in the normal course of business or long-term commitments for normal purchases and sales. We occasionally provide guarantees in the normal course of business that could require us to make future payments in the event that the third party primary obligor does not make its required payments.

Off-Balance Sheet Arrangements

We use customary off-balance sheet arrangements, such as operating leases and letters of credit, to finance our business. None of these arrangements has or is likely to have a material effect on our results of operations, financial condition or liquidity.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risk, including changes in interest rates and currency exchange rates.

Our cash flows and earnings are subject to exchange rate fluctuations. The prices of our products are primarily denominated in U.S. dollars, whereas our costs are more heavily denominated in euros and in certain Asian currencies. From time to time, we enter into foreign currency exchange instruments to minimize the short-term impact of movements in foreign exchange rates. As of December 31, 2006 we held forward contracts on the U.S. dollar, euro, Japanese Yen, Polish Zloty, British pound, Malaysian ringgit, Swedish kroner, Singapore dollar and Thailand baht, with an aggregate fair value of €6 million, which are reflected on our balance sheet on a mark-to-market basis.

As of December 31, 2006, we had approximately €2,164 million in floating rate debt outstanding under the notes and no amounts outstanding under our senior secured revolving credit facility. A quarter percentage point increase or decrease in the interest rates on the total borrowings is estimated to change pre-tax income by approximately €4 million. We may from time to time enter into swap contracts or similar financial instruments designed to reduce our exposure to the effects of volatility in short-term interest rates.

Critical Accounting Policies

The preparation of financial statements and related disclosures in accordance with accounting principles generally accepted in the United States requires our management to make judgments, assumptions and estimates that affect the amounts reported in our combined financial statements and the accompanying notes. Our management bases its estimates and judgments on historical experience, current economic and industry conditions and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. If actual results differ significantly from management's estimates, there could be a material adverse effect on our results of operations, financial condition and liquidity.

Our combined financial statements have been derived from the consolidated financial statements of Philips and principally represent the semiconductors segment. We were historically operated as a segment of Philips and a number of services were provided to us free of charge by Philips. These include certain corporate functions such as management oversight and brand campaigns, basic research and IP services. In addition, we participated in Philips pension plans, overall treasury management and tax planning strategies. We have estimated the cost of all such services and have recorded these amounts in our combined financial statements. These estimates are subject to significant judgment and have had a material impact on our combined financial statements.

Our combined financial statements do not reflect the impact of the Transactions. There has been a significant impact as a result of accounting for the Acquisition. This impact is now reflected in our consolidated financial statements for periods following the Acquisition. Our significant accounting policies are summarized in note 1 to our combined financial statements. Summarized below are those

of our accounting policies where the nature of the estimates or assumptions involved is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and the impact of the estimates and assumptions on financial condition or results of operations is material.

Inventories

Inventories are stated at the lower of cost or market. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include direct labor and fixed and variable production overheads, taking into account the stage of completion. The cost of inventories is determined using the first-in, first-out (FIFO) method. In determining the value of our inventories, estimates are made of material, labor and overhead consumed. In addition, our estimated yield has a significant impact on the valuation. We estimate yield based on historical experience.

An allowance is made for the estimated losses due to obsolescence. This allowance is determined for groups of products based on purchases in the recent past and/or expected future demand. The allowance was €81 million and €59 million as of December 31, 2005 and 2006, respectively. Deductions from the allowance were €33 million, €71 million and €30 million for the years ended December 31, 2004 and 2005 and the period January 1, 2006 through September 28, 2006 (predecessor periods), respectively, and was €32 million for the period September 29, 2006 through December 31, 2006 (successor period).

Impairment

We review long-lived assets for impairment when events or circumstances indicate that carrying amounts may not be recoverable. Assets subject to this review include equity and security investments, definite life intangible assets and tangible fixed assets. Impairment of equity and security investments results in a charge to income when a loss in the value of an investment is deemed to be other than temporary.

Management regularly reviews each equity and security investment for impairment based on the extent to which cost exceeds market value, the duration of decline in market value and the financial condition. In determining impairments of intangible assets and tangible fixed assets, management must make significant judgments and estimates to determine whether the cash flows generated by those assets are less than their carrying value. Determining cash flows requires the use of judgments and estimates that have been included in the Company's strategic plans and long-range forecasts. The data necessary for the execution of the impairment tests are based on management estimates of future cash flows, which require estimating revenue growth rates and profit margins. For our IMO segment, the review of impairment of long-lived assets is carried out on a company-wide basis as IMO is the shared manufacturing base for the other business units with no discrete cash flows that are largely independent of other cash flows.

Assets other than goodwill are written down to their fair value when the undiscounted cash flows are less than the carrying value of the assets. The fair value of impaired assets is generally determined by taking into account these estimated cash flows and using a present value technique for discounting these cash flows. Goodwill is evaluated at least annually for impairment at business unit level, and written down to its implied fair value, in the case of impairment. The determination of such implied fair value involves significant judgment and estimates from management.

Changes in assumptions and estimates included within the impairment reviews could result in significantly different results than those recorded in the combined and consolidated financial statements.

Restructuring

The provision for restructuring relates to the estimated costs of initiated reorganizations that have been approved by our board of management and that involve the realignment of certain parts of the industrial and commercial organization. When such reorganizations require discontinuance and/or closure of lines of activities, the anticipated costs of closure or discontinuance are included in restructuring provisions.

Restructuring charges were €41 million, €12 million, €22 million and €5 million for the years ended December 31, 2004 and 2005, the period January 1, 2006 through September 28, 2006 (predecessor periods) and the period from September 29, 2006 through December 31, 2006 (successor period), respectively. Management uses estimates to determine the amount of restructuring provision. Our estimates are based on our anticipated personnel reductions and average associated costs. These estimates are subject to judgment and may need to be revised in future periods based on additional information and actual costs.

Revenue Recognition

The Company's revenues are primarily derived from made-to-order sales to original equipment manufacturers ("OEMs") and similar customers. A smaller portion of the Company's revenues are derived from sales to distributors.

The Company applies the guidance in SEC Staff Accounting Bulletin Topic 13 "Revenue Recognition" and recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or the service has been provided, the sales price is fixed or determinable, and collection is reasonably assured, based on the terms and conditions of the sales contract. For "made to order" sales, these criteria are generally met at the time the product is shipped and delivered to the customer and title and risk have passed to the customer. Examples of delivery conditions typically meeting these criteria are "Free on Board point of delivery' and "Costs, Insurance Paid point of delivery'. Generally, the point of delivery is the customer's warehouse. Acceptance of the product by the customer is generally not contractually required, since, with "made-to-order" customers, design approval commences manufacturing and delivery without further acceptance protocols. Payment terms used are those that are customary in the particular geographic market. When management has established that all aforementioned conditions for revenue recognition have been met and no further post-shipment obligations exist revenue is recognized.

For sales to distributors, the same recognition principles apply and similar terms and conditions as for sales to other customers are applied. However, for some distributors, contractual arrangements are in place that allow these distributors to return product if certain conditions are met. These conditions generally relate to the time period during which return is allowed and reflect customary conditions in the particular geographic market. Other return conditions relate to circumstances arising at the end of a product cycle, when certain distributors are permitted to return products purchased during a pre-defined period after the Company has announced a product's pending discontinuance. Long notice periods associated with these announcements generally prevent significant amounts of product from being returned, however. Repurchase agreements with OEMs or distributors are not entered into by the Company.

For sales where return rights exist, the Company applies the guidance given in SFAS 48 "Recognition When Right of Return Exists." Based on historical data, management has determined that only a very small percentage of the sales to this type of distributors is actually returned. Currently the return percentage is less than 1%. In accordance with the requirements of SFAS 48, a pro rata portion of the sales to these distributors is not recognized but deferred until the return period has lapsed or the other return conditions no longer apply.

Revenues are recorded net of sales taxes, customer discounts, rebates and similar charges. Shipping and handling costs billed to customers are recognized as revenues. Expenses incurred for shipping and

handling costs of internal movements of goods are recorded as cost of sales. Shipping and handling costs related to sales to third parties are reported as selling expenses.

Royalty income, which is generally earned based upon a percentage of sales or a fixed amount per product sold, is recognized on an accrual basis. Government grants, other than those relating to purchases of assets, are recognized as income as qualified expenditures are made.

A provision for product warranty is made at the time of revenue recognition and reflects the estimated costs of replacement and free-of-charge services that we will have incurred with respect to the sold products. In cases where the warranty period is extended and the customer has the option to purchase such an extension, which is subsequently billed separately to the customer, revenue recognition occurs on a straight-line basis over the contract period.

Income Taxes

Our income taxes as presented in the predecessor combined financial statements were calculated on a separate tax return basis, although the Company was included in the consolidated tax return of Philips. Philips manages its tax position for the benefit of its entire portfolio of businesses, and its tax strategies are not necessarily reflective of the tax strategies that the Company would have followed or follows as a stand-alone Company.

Income taxes in the successor consolidated financial statements are accounted for using the asset and liability method. We operate in numerous countries where our income tax returns are subject to audits and adjustments. Because we operate globally, the nature of the audit items are often very complex. We employ internal and external tax professionals to minimize audit adjustment amounts where possible.

We exercise judgment in determining the extent of the realization of the net operating losses (NOLs) based upon estimates of future taxable income in the various jurisdictions in which these NOLs exist. Where there is an expectation that on the balance of probabilities there will not be sufficient taxable profits to utilize these NOLs a valuation allowance has been made against these deferred tax assets. If actual events differ from management's estimates, or to the extent that these estimates are adjusted in the future, any changes to the valuation allowance could materially impact the Company's financial position and results.

At December 31, 2006, we had gross deferred tax assets of €340 million and had recorded a valuation allowance of €51 million against this amount. At December 31, 2005, we had had gross deferred tax assets of €859 million and had recorded a valuation allowance of €694 million against this amount.

Benefit Accounting

Currently and following the Separation the Company's employees participate in pension and other postretirement benefit plans that Philips has established in many countries. The costs of pension and other postretirement benefits and related assets and liabilities with respect to the Company employees participating in these plans have been allocated to the Company based upon actuarial computations.

In addition to Philips-sponsored plans, we have approximately five defined benefit pension plans in which only our employees participate. We record the assets and liabilities associated with these plans in our balance sheet, and record the actuarially determined pension costs each period. Pension costs in respect of defined-benefit pension plans primarily represent the increase in the actuarial present value of the obligation for pension benefits based on employee service during the year and the interest on this obligation in respect of employee service in previous years, net of the expected return on plan assets.

In calculating obligation and expense, we are required to select certain actuarial assumptions. These assumptions include discount rate, expected long-term rate of return on plan assets and rates of increase in compensation costs. Our assumptions are determined based on current market conditions, historical information and consultation with and input from our actuaries.

Recent Accounting Pronouncements

We view the following recently-issued FASB pronouncements as being particularly relevant to us.

In November 2004, SFAS No. 151, "Inventory costs, an amendment of ARB No. 43, Chapter' was issued. This Statement clarifies the accounting for abnormal amounts of idle facility expense and waste and prohibits such costs from being capitalized in inventory. In addition, this Statement requires that allocation of fixed production overheads to the inventory cost be based on the normal capacity of the production facilities. In accordance with the early adoption provisions of the Statement, we adopted SFAS No. 151 effective January 1, 2005. This Statement did not have a material effect on our financial statements.

In March 2005, FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations' was issued. The standard clarifies that the obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and the method of settlement. Accordingly we would be required to recognize a liability for the fair value of a conditional asset retirement obligation if that fair value can be reasonably estimated. We have investigated the existence of such obligations and concluded that the effects on the financial statements are not material. The standard became effective for fiscal years ending after December 15, 2005.

In June 2005, FASB issued FASB Staff Positions No. 143-1, Accounting for Electronic Equipment Waste Obligations.' This Staff Position concerns the recognition of liabilities resulting from the European Union's Directive on Waste Electrical and Electronic Equipment (WEEE), which came into effect on February 13, 2003. Member States were required to transform the Directive into national law by August 13, 2004. The Directive stipulates who is responsible for the costs related to the environmentally sound disposal of waste of certain types of goods. Due to the nature of our products, there is no material effect on the Company's financial statements. The standard became effective for the first reporting period ending after June 8, 2005.

FSP FAS 123(R)-4 Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event.

This FAS Staff Position (FSP) was posted on February 3, 2006 and amends paragraph 32 of SFAS 123 (revised 2004) Share-based Payment.

The FSP requires share options and restricted shares that have contingent cash settlement features that are outside the control of the employee, such as a change in control or the death or disability of an employee, to be accounted for as liabilities rather than equity if the contingent event is probable of occurring.

The stock-based compensation plans that our employees participate in do not contain contingent cash settlement features. Cash settlement can only occur upon our initiative and with consent of the employee. Therefore it is concluded that this FSP is not applicable for us.

FSP FIN 46(R)-6 Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R).

This FASB Staff Position addresses how the variability to be considered for variable interest entities should be determined. The FSP becomes effective January 1, 2007. We believe that application of this FSP will not have any effect on us.

In July 2006, the FASB issued FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes.' FIN 48 establishes the threshold for recognizing the benefits of tax-return positions in the combined financial statements as "more-likely-than-not' to be sustained by the taxing authority, and prescribes a measurement methodology for those positions meeting the recognition threshold. FIN 48 is effective for the fiscal years beginning after December 15, 2006. We are currently evaluating the effect that the adoption of FIN 48 will have on our combined financial position and result of operations.

In September 2006, the FASB issued FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefit Plans" ("FASB 158"), which requires that

we recognize on our balance sheet the over-funded or under-funded status of our defined benefit and post retirement plans as an asset or liability. For all of our defined pension benefit plans, the measurement date on which we determine the funded status is December 31. FASB 158 requires that we recognize as a component of other comprehensive income the gains or losses and prior service costs and credits that arise during the year but are not recognized as a component of net periodic benefit cost.

FASB 158 also requires that we disclose additional information regarding certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service credits, and transition assets or obligations. Since we have not issued equity securities that trade in a public market, we are not required to adopt the provisions of FASB 158 until our fiscal year ending December 31, 2007. The impact of adopting FASB 158 will be dependent upon the fair value of plan assets and the projected benefit obligations determined as of December 31, 2007.

Recent Developments

On January 16, 2007, we announced that we would discontinue our participation in the Crolles alliance, effective December 31, 2007.

On February 8, 2007, we announced that we had agreed to acquire several cellular communications business lines from Silicon Laboratories Inc., an Austin, Texas-based technology company, for a purchase price of approximately $285 million (approximately €220 million), subject to certain adjustment mechanisms. We expect to close this acquisition during the first quarter of 2007.

On March 22, 2007, we announced the closure of our Böblingen, Germany manufacturing operations and the reorganization of our back-end operations in the Philippines.

THE SEMICONDUCTOR INDUSTRY

Semiconductors form the core building blocks of many electronic devices. They can, depending on their design, convert electronic signals, process information, execute specific program instructions, perform mathematical calculations, store data or control electrical or mechanical equipment. This broad range of capabilities makes semiconductors the critical elements for many consumer, communications, computing automotive and industrial electronic systems.

Historically, the relationship between supply and demand in the semiconductor industry has caused a high degree of cyclicality in the market. However, the magnitude of the variation between the peaks and troughs of the cycles has diminished as the overall industry matures. Furthermore, improved tracking of lead indicators, such as inventory levels throughout the supply chains, have resulted in a more balanced and transparent supply/demand dynamic. The semiconductor industry has realized strong growth rates during the past two decades, notwithstanding significant cyclical downturns in 1985 and 2001. Primary drivers of this growth include the rise in demand for electronic devices and the increased use of semiconductor components in these devices.

Types of Semiconductors

Semiconductors can be broadly classified into two categories—discrete semiconductors and integrated circuits. Discrete semiconductors generally contain a single type of electronic circuit element (such as individual diodes, thyristors and transistors) and are designed to perform a relatively simple task. For example, discrete semiconductors may be designed to act as sensors of temperature, light or pressure, or to regulate or amplify electrical current. However, while discrete semiconductors perform relatively simple tasks, they may be required to operate at extreme conditions such as levels of high voltage, power or frequency, which introduces specific design and manufacturing challenges. Integrated circuits consist of multiple circuit elements (ranging from a few to many millions of such elements) manufactured on a single semiconductor. The integration of multiple circuit elements permits the creation of highly complex devices that may undertake a broad range of tasks and respond to a large number of inputs in a very short period of time.

We provide integrated circuits for diverse applications in the mobile, personal, home entertainment, automotive and identification markets. We also provide, through our Multimarket Semiconductors division, a broad range of discrete semiconductors for use across multiple end markets and applications.

Semiconductors can also be classified into two other broad categories: general purpose (or standard) and application-specific. General purpose semiconductors are utilized to perform general tasks such as power management, basic logic processing and data storage necessary in multiple applications. Suppliers of general purpose products differentiate themselves primarily through cost and performance. Application-specific semiconductors address unique requirements of specific applications or electronic systems, such as a cell phone baseband or a computer microprocessor. Designers of application-specific semiconductors are able to integrate the functionality required for a specific application onto a single semiconductor, often resulting in smaller size, higher performance and lower power consumption, all at lower per unit costs. As a result, these semiconductors are typically subject to higher switching costs due to the hardware or software redesign required in switching to a competitor's products. In addition, given the higher degree of differentiation, these semiconductors usually attract higher prices and margins. Although we provide both general purpose and application-specific semiconductors, our primary focus is providing application-specific semiconductors.

A significant portion of the semiconductor industry revenue is composed of memory semiconductors, which store data in digital form. The majority of stand-alone memory semiconductors shipped are of a commodity nature, with prices being driven primarily by changes in worldwide supply and demand of memory semiconductors. The stand-alone memory semiconductor market is often characterized by periods in which demand and supply are mismatched, resulting in severe price

fluctuations, which in turn lead to volatile earnings and cash flow for providers of these types of semiconductors.

We do not provide stand-alone memory semiconductors but certain of our products contain embedded, non-volatile memory, as for example in integrated circuits for identification or cellular handset applications.

Semiconductor-based Systems Solutions

Certain semiconductor suppliers provide not only component semiconductors but are also focused on providing full system solutions that integrate the functionality of multiple semiconductors required to operate an application. System solutions may comprise multiple semiconductors, or may be integrated into a single semiconductor, commonly called a system-on-a-chip. System solutions combine these semiconductors with software and customer support, with the sophistication of the software ranging from basic drivers to full applications. System solutions ensure a high level of interoperability between various components that make up the system and enable semiconductor vendors to offer greater functional differentiation in their product offerings. Customers incorporating system solutions in their end products are able to reduce research and development costs, reduce the manufacturing cost of the system, improve time-to-market, use a consistent system platform across multiple product lines, and focus on core competencies. As a result, increasing consolidation is expected, particularly among component vendors that seek to improve their competitive position by acquiring or being acquired by another vendor with complementary capabilities.

We provide both integrated circuits that perform specific functions and system solutions that are tailored specifically to our customers' requirements.

Recent Trends in the Semiconductor Industry

There are a number of trends in the semiconductor industry that affect our business, including the following:

- ***Original equipment manufacturers (OEMs) are increasingly relying on their semiconductor suppliers to design and deliver system solutions.*** As electronics systems become more complex and the market for these systems becomes more competitive, OEMs are increasingly choosing to focus their resources, including research and development efforts, on core competencies such as design, sales, marketing and distribution in an effort to improve their ability to bring products to market quickly and cost effectively. As a result, OEMs are increasingly outsourcing to suppliers the integration of the semiconductor and software components of their products. OEMs are also increasingly adopting complete system-level solutions that integrate the functionality of multiple integrated circuits required to operate a system on a system-on-a-chip. These trends benefit semiconductor companies that possess strong system-level expertise, software capabilities, validation and testing capabilities, fully functional reference designs and the detailed knowledge of specific end markets to successfully provide system solutions. These semiconductor vendors are able to increase the functional differentiation in their product offerings.

- ***New growth opportunities in the digital consumer sector.*** The data processing sector had traditionally been the largest and fastest growing revenue opportunity for semiconductor suppliers. While data processing still represents the largest end market for semiconductors, consumer products such as multipurpose mobile phones, car entertainment and digital entertainment devices for the home are contributing significantly to growth in the industry. This trend is driving higher growth of consumer related semiconductors. This growth is driven in turn by the increasing sophistication of consumers with respect to electronics systems, increasing prevalence of digital content, widespread penetration of broadband communications, and innovative audio, video, and mobile semiconductor technology that enables the digital consumer to access content and information across multiple electronic devices. Semiconductor vendors

with a competitive product offering in the consumer sector are likely to benefit from the strong growth expected in this market.

- ***Convergence of advanced functionality and increasing need for connectivity across multiple end markets.*** Consumers increasingly use televisions, personal computers, mobile phones and other consumer devices to enjoy an expanding range of audio and video content and expect applications across home, mobile and automobile platforms to have a similar look and feel. As a result many of these devices incorporate similar functionality and technologies. For example, multiple mobile handhelds such as cell phones, cordless phones and personal digital assistants (PDAs) increasingly incorporate audio, video and Voice-over Internet Protocol (VoIP) functionality and have the ability to communicate using multiple wireless technologies. Similarly, automobiles are increasingly incorporating audio, video, navigation and communication technologies. As a result, similar technologies and capabilities are proliferating in multiple end-market devices. This trend benefits semiconductor companies with broad technology portfolios that are applicable to multiple markets as they can leverage their intellectual property portfolios, systems-level expertise and research and development investments in multiple markets.

- ***Semiconductor manufacturers increasingly outsource manufacturing to third parties.*** As the investment required to build a manufacturing fabrication facility for complex semiconductors continues to rise and CMOS becomes the standard for advanced manufacturing processes, semiconductor manufacturers are increasingly outsourcing the manufacturing of their advanced semiconductors to third parties. Historically, most semiconductor companies were vertically integrated, designing, manufacturing and marketing their semiconductors with their own proprietary manufacturing processes. In the last two decades, enabled by process standardization in the CMOS field, the industry has become less vertically integrated, resulting in the emergence of two new types of semiconductor companies: foundries and "fabless" semiconductor companies. Foundries focus on providing outsourced manufacturing services to other semiconductor companies. Fabless semiconductor companies design and market semiconductor products, but outsource their manufacturing requirements to foundries. Fabless semiconductor companies represent an increasing proportion of the overall semiconductor industry. By outsourcing manufacturing, companies are able to reduce capital expenditures, reduce process development costs, increase cash flow, and reduce fixed costs. This helps reduce earnings volatility, especially during semiconductor industry down cycles. Simultaneously, there are certain other segments of the semiconductor industry, such as discrete semiconductors, where manufacturing capabilities continue to represent an opportunity for differentiation. This trend benefits semiconductor companies with flexible manufacturing models that can both manufacture internally those products where manufacturing capabilities are key differentiating factors and outsource the manufacturing of more standard processes.

- ***Emerging markets growing as a source of electronics systems end-demand.*** Emerging regions are an increasing source of demand for electronic systems. For example, China has already established itself as a major new market for electronic systems, and India is expected to represent an increasing source of demand in coming years. This trend benefits semiconductor companies with established operations closer to these sources of demand, relationships with the local customers and skills to customize semiconductor-based solutions in order to meet specific regional usage patterns and pricing requirements.

- ***Increasing complexity and globalization of the electronics supply chain.*** OEMs have increasingly been outsourcing the manufacturing of their electronic systems to specialized companies, such as electronic manufacturing service providers or original design manufacturers, which, in addition to assisting with manufacturing, often provide design services and influence the selection of semiconductor and component suppliers. In addition, other outsourcing manufacturing partners such as independent design houses, specializing in designing systems for specific regional markets, have emerged. This trend has increased the complexity of the electronics supply chain and, as a result, semiconductor companies now need to effectively engage with and support multiple participants around the world.

BUSINESS

Overview

We are one of the world's largest semiconductor companies. With total sales of €5.0 billion in the calendar year ended December 31, 2006, we rank among the world's top ten semiconductor providers and among the top three suppliers of application-specific semiconductors in terms of total sales. With over 50 years of operating history, we are also one of the longest-established companies in our industry. Our business targets the home electronics, mobile communications, personal entertainment, automotive and identification application markets. Within these markets, we provide a diversified range of application-specific semiconductors, including system solutions, and semiconductor components. We also have a strong multimarket products business, which provides our customers with general purpose semiconductor components, including transistors and diodes, general purpose logic and power discretes as well as an array of application specific standard products. In our targeted application markets, we emphasize market leadership, and we seek to gain and maintain leading shares in the markets we address.

Our strategy centers on what we call the "connected consumer", by which we mean the modern electronics consumer who accesses a range of information and multimedia content on a wide variety of electronic devices. To meet the demands of the connected consumer, we focus on developing system solutions containing technologies that can be applied across a broad spectrum of consumer markets. We also aim to develop products that facilitate innovation and allow our customers to bring their end-product to market more quickly. We do this by combining our deep knowledge of the consumer electronics market, developed through our long experience with Original Equipment Manufacturer (OEM) customers, with our particular expertise in audio, video, radio frequency communications, power management and security technologies. Our Nexperia product line embodies this integrated approach. Nexperia enables our customers to develop connected multimedia devices that incorporate one or more semiconductor components and associated software into a highly flexible, upgradable architecture. In addition, innovative platform solutions such as Nexperia allow us to apply advances in design and process technology across all of our business units.

We are organized into four business units: Mobile & Personal, Home, Automotive & Identification and Multimarket Semiconductors. Our Mobile & Personal, Home and Automotive & Identification business units primarily offer application-specific semiconductors with an emphasis on system solutions. Our Multimarket Semiconductors business unit offers standard products for use in multiple application markets, as well as application specific standard products.

Semiconductors sold by each of our four business units are produced by our centralized integrated circuit manufacturing operations (IMO) division, which is responsible for integrated circuit fabrication, test and packaging. In addition, our Multimarket Semiconductors unit, which relies on IMO for most of the integrated circuits it sells, operates its own dedicated wafer fabrication and test and packaging facilities, primarily for discrete semiconductors. We pursue an asset-light manufacturing strategy, in order to increase return on invested capital, reduce capital expenditures and lower our fixed cost base. We rely on a combination of wholly owned manufacturing facilities, manufacturing facilities operated jointly with other semiconductor companies, third-party foundries and assembly and test subcontractors. IMO operates 12 wholly owned integrated circuit manufacturing sites and coordinates our participation in our Systems on Silicon Manufacturing Company Pte. (SSMC) joint venture, which is a global leader in semiconductor fabrication, as well as our Crolles2 research and manufacturing alliance ("Crolles"). In January 2007, we announced that we would discontinue our participation in Crolles, effective December 31, 2007. Multimarket Semiconductors operates an additional seven wholly owned discrete semiconductor manufacturing facilities and one wholly owned integrated circuit wafer fabrication facility. Multimarket Semiconductors also coordinates our participation in Jilin NXP Semiconductors Limited (JNS), a joint venture manufacturer of discrete semiconductors for power management applications.

We also have additional business operations that report outside of our four business units and IMO, such as marketing and selling software as a separate product offering, licensing our intellectual property and investing in emerging semiconductor technologies. The segment under which these activities report, Corporate and Other, also reflects research expenses not related to any specific business unit, corporate restructuring charges and other extraordinary expenses.

Our customers include most of the world's leading consumer electronics and automotive suppliers, as well as a number of technology providers, electronics distributors and governments. Within this diversified base, we have a core group of blue-chip customers on which we focus our sales efforts. In 2006, we derived over 70% of our total sales from our top 50 customers, although no single customer accounted for more than 8% of our total sales. Based on total sales, for 2006, our top five customers were Nokia, Samsung, Philips, Ericsson and Arrow. Philips accounted for 6% of our total sales during this period.

Our Strengths

We believe that our key strengths include the following:

- ***Leading market positions***. We hold a number of market leadership positions, with particular strength in markets that relate to our "connected consumer" strategy. These key markets include: within our Home business unit, the analog television, terrestrial set-top box and silicon tuners markets; within our Mobile & Personal business unit, the FM radio, USB and cordless telephone markets; within our Automotive & Identification business unit, the eGovernment, radio frequency identification (RFID), in-vehicle networking and car access and immobilizer application markets; and within our Multimarket Semiconductors business unit, the diodes and transistors and integrated discretes markets.

- ***Highly diversified product portfolio***. We offer thousands of products and systems in both consumer and industrial semiconductor markets, and believe that our product portfolio is among the most diversified in the industry. In our view, this diversification reduces our exposure to the cyclicality of the overall semiconductor industry, especially as we do not participate in the relatively volatile stand-alone memory market. In addition, our portfolio is distributed among businesses that are in different stages of their lifecycle. These include mature businesses, which tend to be stable cash generators; growth businesses, for which there is an established market that we expect will exhibit significant growth; and emerging businesses, where revenues are currently small but have the potential to grow substantially in the future.

- ***Strong growth potential***. We operate in many high growth markets, which are driven by the increasing prevalence of semiconductors in the growing markets for electronic equipment, particularly the consumer market. As a result of our focus on "connected consumer" applications, we address market segments that we believe will on average grow more rapidly than the overall semiconductor industry. These include high-growth markets such as digital television, mobile multimedia and connectivity, third generation cellular telephone products, RFID, and digital car information and entertainment systems. We believe we are also well-positioned to capitalize on the strong growth of the electronics industry in Asia.

- ***Strong technology and intellectual property portfolio***. We are a technology leader in our industry, with a strong legacy of innovation dating back more than 50 years. We believe that we have differentiating intellectual property across the key technologies used in connected consumer applications, including audio, video, radio frequency communications, power management and security. Our technology leadership is supported by our significant investment in research and development and our portfolio of approximately 5,300 patent families, as well as royalty-free licenses to certain patents held by Philips. We maintain our leadership through our extensive research and development organization. We also participate in strategic alliances and industry

organizations that provide us access to industry-leading technology, while allowing us to share research and development expenses.

- ***Deep customer relationships***. We have strong, well-established relationships with our customers, many of which are leaders in their respective industries. Our customers include almost every major consumer electronics company, cellular handset company and automotive supplier in the world. Apple, Bosch, LG Electronics, Nokia, Philips, Samsung, Sony Ericsson and Siemens VDO are all customers, as well as all major electronic components distributors. Our products, particularly our systems solutions, often represent critical components of our customers' end-products, and in many cases enable our customers to differentiate themselves with high performance, new functionality, low cost, or rapid time-to-market. A significant portion of our revenues are from products that are "designed-in" to our customers' end-products, resulting in close relationships with those customers. As part of the design-in process, we collaborate closely with our customers on product development, which we believe enhances our competitiveness by enabling us to anticipate customer requirements and industry trends.

- ***Asset-light manufacturing strategy***. Over the past several years, we have started to implement an asset-light manufacturing strategy. We have reduced our wholly owned manufacturing capacity and established joint venture manufacturing operations, enabling us to decrease the amount of capital employed in our business and increase our flexibility. We have increased our use of outsourcing to third party foundries for manufacturing, leveraging our strong relationships with leading foundries such as Taiwan Semiconductor Manufacturing Company (TSMC) and Advanced Semiconductor Manufacturing Company (ASMC), both of which were co-founded by Philips. These actions have reduced the fixed component of our cost structure and increased our return on invested capital, providing us with a solid base from which to extend our asset-light manufacturing strategy.

- ***Experienced management team with significant industry knowledge***. We have a highly experienced management team with deep industry knowledge. The 12 members of our executive management team have an average of 23 years of experience in the technology industry. Together they form a talented and experienced leadership team. Our management will also participate in a management equity plan that provides management with the possibility of sharing significantly in the success of our business.

- ***Strong sponsorship***. Our principal owners are investment funds associated with or advised by KKR, Bain, Silver Lake, Apax and AlpInvest, who manage equity funds that together total more than $70 billion. The Sponsors have substantial experience investing in the technology industry, having made more than 100 investments in technology companies, including significant transactions such as Avago Technologies, Inmarsat, PanAmSat, Q-Cells, Sensata Technologies, SunGard Data Systems and UGS. The equity commitment to the Acquisition in total represents one of the largest equity commitments ever made by private equity sponsors to a single acquisition. In addition, Philips has retained an indirect 19.9% ownership interest in our equity (prior to dilution from our management equity program), providing alignment of interests among our shareholders.

Our Strategy

Our vision is to be a leading semiconductor supplier in a world where consumers connect to information, entertainment and services through electronic devices containing our system solutions. We aspire to be industry leaders in the markets for our Mobile & Personal, Home, Automotive & Identification and Multimarket Semiconductors business units, and to continue to grow revenue,

profitability and cash flow. In order to meet these goals, we have adopted the strategies described below:

- ***Build on our market leadership positions***. We believe that our market leadership positions, extensive intellectual property and strong research and development organization provide us with a strong foundation from which to gain additional market share in our targeted markets. We intend to build on this foundation by continuing to invest in our product portfolio, with a focus on innovations in our more profitable and faster growing segments. We look to exploit our strengths in "connected consumer" markets, particularly in audio, video, radio frequency communications, power management and security systems. We also look to extend our competitive advantage by offering differentiated system solutions that leverage our broad range of competencies. We believe that industry consolidation will take place in forthcoming years. We intend to play an active role in this process using strict criteria for return on investment and financial discipline.

- ***Deepen our relationships with our key customers***. We intend to increase our share of the semiconductors purchased by our existing customers, with a particular focus on our top 50 accounts. To realize this objective, we are redeploying our sales and marketing resources to target these top customers more effectively. We have created dedicated account teams that work across regions in order to better accommodate our customers' increasing geographical diversity. We are seeking to deepen our customer relationships by continuing to provide high value systems solutions and by increasing the amount of collaborative design work that we conduct with our customers.

- ***Continue our Business Renewal Program***. In 2005, we launched our Business Renewal Program, a comprehensive multi-year performance improvement program intended to drive revenue growth and increase profitability. As part of this program, we look to streamline costs in manufacturing, selling, general and administrative activities and research and development, and to improve our organizational efficiency, manufacturing and supply chain performance, time-to-market of new products, product quality and customer service. We believe that the Business Renewal Program has been highly successful to date. We have already exceeded our target of reducing annual costs by €250 million in the aggregate by the end of 2006 compared to the 2004 levels we use as a benchmark, and believe that we will continue to realize benefits from the ongoing implementation of this program.

- ***Extend our asset-light manufacturing strategy***. We will continue to pursue our asset-light manufacturing strategy. Over the next several years, we expect to significantly increase the proportion of our semiconductor wafer production that is outsourced. In particular, we plan to utilize third party foundries for a substantial component of the future growth in our manufacturing requirements. For assembly and test processes, we expect to maintain current outsourcing levels, as we believe that our in-house facilities are highly competitive in terms of quality and cost. We believe that our asset-light strategy will further reduce the fixed component of our cost structure, increase our return on invested capital and increase our operational flexibility throughout the industry cycle, while also ensuring our continued access to world-class manufacturing capacity and leading-edge process technology.

- ***Capitalize on our new independence***. Our separation from Philips will allow us to execute a strategy that is fully focused on the semiconductors business. We believe our independence will provide us with greater flexibility to respond to customers' needs and technology trends, and enable us to pursue opportunities without a potential conflict of interest related to Philips' control. We also plan to build our new brand identity as an independent stand-alone company. Through this approach, we intend to accelerate our growth, build greater scale in our key businesses and operations and continue to be a leader in setting industry standards for our products.

Products and Applications

The products sold by our four business units fall into two categories. The first category consists of highly differentiated application-specific semiconductors and system solutions. Our Mobile & Personal, Home and Automotive & Identification business units primarily sell products in this category. The profitability of these products depends to a significant degree on our ability to innovate and develop new technologies and customer solutions. The second of our product categories consists of standard, products, which are devices that can be incorporated in many different types of electronic equipment and which are typically sold to a wide variety of customers, both directly and through distributors. Our Multimarket Semiconductors business unit makes a large number of standard products, in addition to application specific standard products. The profitability of standard products tends to be driven by manufacturing cost, supply chain efficiency, continuous improvement of manufacturing processes and product mix. Across all four of our business units, we leverage both our knowledge of the consumer and our particular technical expertise in the areas of audio, video, radio frequency communications, power management and security technologies to create and deliver semiconductor solutions for the connected consumer.

The following chart sets out, for each of our business units, key application markets, key products and selected customers.

Business Unit	Key application markets	Key Products	Selected customers
Mobile & Personal	• Cellular systems • Connectivity • Personal entertainment solutions • Cordless and VoIP phones • Sound solutions	• Cellular baseband, radio frequency transceivers, power amplifiers • Power management units • Application processors • FM radio and television-on-mobile • Bluetooth, WLAN transceivers and USB ICs • Speakers, stereo headset and sound panel components • Audio/video processors • Printer ASICs • Cordless baseband and radio frequency transceivers	• Apple • Nokia • VTech • Samsung • Sony Ericsson
Home	• Television (digital, analog) • Set-top boxes • Personal computer solutions (including PC-TV) • Home media devices (Digital media adapters, audio) • Television front-end • Radio frequency devices • Large panel display	• Channel decoders • Video decoders • Media processors • Silicon tuners • Can tuners • Radio frequency modules • IF/MOPLL • Large panel display drivers	• Dell • LG Electronics • Philips • Sharp • Sony
Automotive & Identification	• In-car entertainment • In-vehicle networking • Car access and immobilizer systems • Tire pressure monitoring • Radio frequency identification • Smart cards • eGovernment • Near field communications	• Analog and digital tuners • Analog and digital radio signal processing • ICE power amplifiers, voltage regulators and optical storage • ePassport integrated circuits and inlays • Radio frequency integrated circuits • Near field communications, radio frequency integrated circuits • CANBus, LIN, FlexRay	• Bosch • Gemalto • Siemens VDO • Sony • Visteon
Multimarket Semiconductors	• Standard ICs • General application • Power management • Radio frequency products	• Transistors & diodes • Integrated discretes • General purpose logic • Power discretes • Tuning discretes • Standard radio frequency products • Dataconverters • Sensors • CATV modules • Microcontrollers	• Arrow • Avnet • Future • Nokia • WPI

For total sales and financial performance of our business units and other reporting segments, see note 4 to our financial statements including elsewhere in this prospectus.

Mobile & Personal

Overview

Our Mobile & Personal business unit provides application-specific semiconductors, selected components and complete system solutions for use in mobile and portable devices, such as cellular handsets, portable media players and cordless phones. The convergence of cellular handsets and portable entertainment devices is creating demand for solutions enabling the delivery of multimedia content over wireless networks. As a result, multimedia handsets are incorporating increasing functionality, including application processing, video processing, wireless connectivity, and other personal entertainment technologies. The increasing prevalence and complexity of semiconductors within a given handset device, especially those which enable multimedia connectivity, is driving growth in this sector. Our television-on-mobile, FM radio and mobile USB products, for example, are part of our strategic focus on the devices and technologies that we expect to gain increasing importance as voice and multimedia capabilities converge in the mobile market. Our key customers in Mobile & Personal include Apple, Nokia, VTech, Samsung and Sony Ericsson.

Applications and Products

Cellular Systems. Our Cellular Systems business supplies system solutions and integrated circuit components to the cellular handset industry. We provide basebands, radio frequency transceivers, power management units and power amplifiers for 2/2.5G cellular systems based on most major standards, including GSM, GPRS and EDGE, as well as 3/3.5G devices based on UMTS/HSDPA and emerging TD-SCDMA technology. We believe we are also at the forefront of new UMA technologies, which permit wireless communications over the Internet, as well as cellular networks. We have special expertise in power management components for portable electronic devices, which we believe positions us well in this market, given the increasing energy demands of battery-powered devices.

Connectivity. We offer connectivity solutions focused on the mobile connected consumer, including Bluetooth, WLAN and wireless universal serial bus (WUSB) stand-alone integrated circuits and pre-integrated integrated circuits for inclusion in cellular handset system solutions. We also offer our connectivity solutions in partnership with other cellular baseband providers.

Personal Entertainment Solutions. We provide semiconductors and system solutions that enable multimedia functionality in portable electronic devices, including application processors, FM radio and modules, and TV-on-Mobile modules for multimedia-capable cellular handsets and audio/video processors for portable media players. Our customers are among the leaders in their industries.

Cordless and VoIP Phones. We are the leading provider of basebands and radio frequency transceiver integrated circuits as well as cordless system solutions for digital cordless phones, which now dominate the home telephone market. Our cordless technology supports all current standards for these devices. In addition, we provide solutions for telephone applications using Voice-over-Internet Protocol (VoIP), the standard for telephone communications over the Internet.

Sound Solutions. We are the leading provider of acoustic solutions for various telecom applications, such as mobile phone speakers and receivers, which are important complements to our semiconductor products. We are developing emerging technologies for miniature speakers and microphones that use semiconducting materials to generate and capture sound, which we believe will lead to synergies with our semiconductor manufacturing operations in the future.

Home

Overview

Our Home business unit provides system solutions for the analog and digital TV, STB and PC-TV application markets, as well as related semiconductor components. We believe our products are well positioned to meet the demands of the connected consumer for multimedia access in the home. We hold leading positions in the digital television, set-top box and PC-TV application markets, which in large part have grown out of our leadership in the analog television application market, where we are one of the top suppliers of semiconductors globally. Growth is being driven by recent trends, such as government mandates in some countries requiring the inclusion of a digital tuner in every new television, increasing broadband penetration and the increasing availability of high definition content, that are driving growth in the end markets on which we focus. The DTV market, in particular, is expected to grow at a rapid rate as a result of increasing product complexity and increasing unit sales. As DTV technology becomes more complex, we expect that traditional DTV OEMs will look to semiconductor vendors who can provide a competitive total system solution. We believe we were the first to offer a total system solution for the DTV application market and are therefore well positioned to benefit from this growth. In addition, as the consumer market becomes more digitized and as the mobile device market becomes increasingly multimedia enabled, we are able to leverage technologies from our Mobile & Personal business unit to gain an advantage over many of our key competitors. Our key customers in Home include LG Electronics, Sony, Sharp, Philips and Dell.

Applications and Products

Television. Semiconductors for the television industry make up the largest product segment of our Home business unit. We believe we are the leading supplier of semiconductors to the analog television application market and are among the market leaders in the rapidly growing DTV application market. While analog televisions are on the decline in developed countries, they remain a strong product in emerging markets and we believe our position as the worldwide market leader in this area will allow us to continue to generate substantial revenues from this business. We also intend to capitalize on our strong market position in analog television to further strengthen our position in the DTV market. In 2004, our TV810 chip was the first-to-market fully integrated system-on-chip solution for DTV.

Set-top Boxes. We have a strong presence in the market for set-top boxes, which are devices used by consumers to access television content broadcast over terrestrial, cable or satellite systems, as well as through the Internet using emerging Internet Protocol-based systems. We focus on market segments where we believe we have a competitive advantage and where we expect significant growth. For example, we are active in the cable STB application market only in China, where we believe opportunities are greater than in other regions. We are also focused on the terrestrial STB and IP-STB application markets, which we see as presenting particular growth opportunities over the next several years, as well as on satellite STB.

PC Solutions. We are a leader in the fast-growing application market for PC-TV devices, which permit users to view broadcast television on their PCs. Working closely with our partners, including Microsoft, Intel and AMD, we offer our customers television tuner cards and audio/video encoders and decoders for television functionality on PCs. While this market is still in its early stages, we already generate substantial revenues from this business and, given our early leadership in this application market, we expect that PC-TV will continue to present an important opportunity for us in the future.

Television Front-End Tuners and Radio Frequency Devices. In addition to integrated system solutions for television, we also offer selected audiovisual components for this market, including can tuners and silicon tuners, which receive television broadcast signals, as well as front-end radio-frequency devices, including IF and MOPLL. Silicon tuners are semiconductor devices which are expected to

replace mechanical can tuners as the dominant technology in television receivers, since they are cheaper and facilitate digital and high-definition television. We expect the market for digital tuners to grow substantially in coming years, driven by the replacement of can tuners and the increasing number of non-television devices containing a tuner, including set-top boxes, DVD players and digital video recorders. We believe that we are the worldwide market leader in silicon tuners.

Automotive & Identification

Overview

Our Automotive & Identification business unit provides system solutions and semiconductor components for the automotive and identification application markets. In our Automotive business, we provide semiconductor products used in the in-car entertainment, in-vehicle networking, car access and immobilizer systems, and tire pressure monitoring application markets. The market for automotive semiconductors has grown consistently in recent years and at a higher growth rate than the overall semiconductor market, despite relatively slow growth in the sales of automobiles. This is due to the increasing prevalence of semiconductor devices within vehicles, which in turn has been the result of the increasing integration of consumer electronics in cars, an increasing focus on consumer safety and the replacement of mechanical devices with semiconductors in order to meet more demanding safety, reliability, weight and power-reduction requirements. The emergence of more integrated, "smart" safety and security systems, which utilize combinations of sensors, in-vehicle networks, microcontrollers and power management components, favor a broad automotive portfolio such as the product lines we currently maintain. We are able to leverage technology and experience from our Mobile & Personal and Home business units to develop analogous in-car devices, such as car information and entertainment solutions. We believe that significant barriers to entry in the automobile market, a result of long product lifecycles and the very low tolerances and defect rates that must be achieved to meet the demands of automotive manufacturers, also give us a competitive advantage.

Our Identification business has played an important role in creating the markets for RFID, eGovernment and NFC technologies. The primary factors driving growth in these markets are new governmental requirements for secure identity documents, the increasing prevalence of cashless transactions and more sophisticated supply chain management models. Our innovation has allowed us to achieve the leading market position in each of these application markets. We have focused on complex and high-margin areas of the identification market. For example, in smart cards, we have avoided the largely commoditized segments of the SIM and banking card market, emphasizing instead the high-security, higher value-added segments. RFID, where we have an early market lead, is expected to show strong growth.

Our key customers in Automotive & Identification include Bosch, Gemalto, Siemens VDO, Sony and Visteon.

Automotive Applications and Products

In-Car Entertainment. We provide analog and digital radio integrated circuits and system solutions for in-car entertainment devices, ranging from audio and video applications to connectivity solutions that allow cars to connect with devices such as portable music players. We are a leader in both analog and digital car audio, and we believe we can capitalize on this position to gain competitive advantage in the emerging in-car video market.

In-Vehicle Networking. We are a leading provider of transceivers for in-vehicle networking based on the current controller area network bus (CANBus) and LIN standards. In addition, as a founding member of the FlexRay consortium, we are developing next-generation technologies to support "by-wire" applications, which are electronic control systems that we expect to replace many aspects of car control currently provided by mechanical means, such as steering and braking. By-wire technologies

are intended to allow automotive manufacturers to reduce costs while improving dependability, availability and flexibility.

Car Access and Immobilizer Systems. We are the leading supplier to the car access and immobilizer market. Our product offerings include integrated circuits for passive keyless entry and ignition systems, two-way radio frequency car keys and immobilizers.

Tire Pressure Monitoring. We supply radio frequency and signal-conditioning integrated circuit components for tire pressure monitoring systems. This market has grown considerably in recent years and is expected to continue to expand, in large part due to regulations in the United States requiring all new passenger vehicles to contain tire-pressure monitoring systems. Similar regulations are under consideration in Europe.

Identification Applications and Products

Radio Frequency Identification. Based on our internal market analyses, we are the leading provider of radio frequency integrated circuits with embedded memory for RFID-based technology. We expect RFID to replace bar code identification in a wide variety of uses, including in supply chain and inventory management, electronic fare collection in public transport and in emerging applications, such as animal identification and pharmaceutical authentication. We have established ourselves as the early leader in the transportation segment of this application market with our MiFare fare collection system, which is the technology behind such prominent fare collection programs as London's Oyster card. We believe that our broad product range, which covers the full spectrum of radio frequencies used in RFID applications and includes integrated circuits used in both RFID tags and readers, as well as our important role in setting industry standards in this market, give us a significant competitive advantage.

Smart Cards. We have adopted a selective portfolio strategy in the smart card market. We focus on higher value-added products including radio frequency integrated circuits for contactless transactions, high-security, encrypted communications and high-capacity non-volatile storage cards, and seek to avoid the largely commoditized and low-margin segments of the SIM card and banking application market.

eGovernment. We provide contact-free and highly secure eGovernment applications, including ePassports and health insurance cards. Our radio frequency integrated circuit products and inlay products, which feature high levels of data encryption and physical hacking countermeasures, are market leaders, especially in ePassport applications, where we currently hold the leading market position. Over 25 governments have selected us as their ePassport provider.

Near-Field Communication (NFC). In 2006, we became first-to-market with radio frequency integrated circuits for NFC applications, and we expect the NFC application market to become a significant new revenue source in the future. NFC technology permits short-range two-way wireless connectivity and secure transactions that facilitate the mobile lifestyle which underpins our focus on the connected consumer. We are a founder and the current chair of the NFC Forum, an industry roundtable of over 85 companies who are defining this technology and setting the technical standards that will govern it. In collaboration with our partners Nokia and Vodafone, we drove the first successful commercial implementation of NFC, in a public transport application in Germany, and are currently undertaking additional trials in North America, Europe and Asia. In addition to its substantial growth potential, NFC technology, as a mobile-centered platform, presents what we believe is a valuable synergy with our cellular business lines.

Multimarket Semiconductors

Overview

Our Multimarket Semiconductors business unit supplies a broad range of standard products and ASSPs, including standard and specialty logic devices, discrete semiconductors, analog and mixed signal components and a broad range of microcontrollers. Many of the standard products we make in our Multimarket Semiconductors business unit, such as transistors, diodes, power control devices and general purpose logic devices, are offered by a large number of companies, using widely known production techniques, with characteristics that are standardized throughout the industry. We frequently sell these products to distributors, and are primarily differentiated on cost and customer service. In addition to these, we also provide a range of application-specific standard products, including microcontrollers and radio frequency devices. To manufacture our Multimarket Semiconductors products we use our IMO unit for most of our integrated circuit production while operating dedicated discrete semiconductor manufacturing operations that report entirely within the Multimarket Semiconductors unit. Our key customers in Multimarket Semiconductors include distributors Avnet, Arrow, Future and WPI, as well as OEMs such as Nokia.

Applications and Products

Standard ICs. We provide a wide range of microcontrollers, general purpose logic and interface products for use in a variety of end-market products, including home and personal electronic devices, mobile handsets and automotive applications.

General Application Discretes. We make standard semiconductor components, such as diodes, small signal transistors as well as application-specific standard products such as integrated discretes and sensors, for use in a variety of end-market products, including home and personal electronic devices, mobile handsets and automotive applications.

Power Management. We provide integrated power devices, data converters and other power management products manufactured using both bipolar and powerMOS process technologies. We also sell automotive power products, which are an important complement to the products provided by our Automotive & Identification business unit.

Radio Frequency. We make small-signal radio frequency devices, cable television modules and tuning discretes for use in a variety of end-market products.

Other Business Activities

Several of our businesses operate outside of our primary business units, including:

Software Solutions. Our Software Solutions business develops audio and video multimedia solutions that enable mobile device manufacturers to quickly produce differentiated hand-held products that enhance the end-user experience. Our Software Solutions business was formed in 2003 from various embedded software units of Philips' research, consumer electronics and semiconductors divisions. Its software has been incorporated into over 100 million mobile devices produced by many of the world's leading mobile device manufacturers. It is particularly focused on partnerships with the top six OEM handset manufacturers, as well as on specific integrated circuit-based products, such as our Nexperia product line, which integrates software and hardware solutions in a system-on-chip design. Software Solutions has approximately 200 employees in The Netherlands, China, the United States, and in other countries in Europe and Asia.

IP Licensing. We license and cross-license our intellectual property to semiconductor companies and other technology firms. Apart from the revenues these licensing activities generate, we also view active intellectual property licensing as an important means to promote our businesses and

technologies. Our cross-licensing activities are typically conducted with other large semiconductor companies, who have resources and research and development activities similar to ours.

Emerging Semiconductors Businesses. Our Emerging Business unit focuses on growing innovative early-stage businesses in various application areas relating to the development and use of semiconductor technology. Through this unit, we seek to leverage our existing businesses and assets to create growth opportunities for the future.

Research and Development, Innovation and Technology

Our research and development activities are critical to our success. We conduct both product-specific and process technology research and development. Our product specific research and development, which constitutes the majority of our research and development expenditures, is primarily aligned with our four business units. Our process technology research and development is conducted centrally and seeks to develop improved semiconductor fabrication technologies that can be utilized by all of our business units. The following table provides our research and development expenditures (in each case net of governmental grants and subsidies) for 2004, 2005 and 2006:

	Predecessor		Combined
	For the year ended December 31,		
	2004	2005	2006
	(€ in millions)		
Expenditures (net of subsidies and grants)	€979	€1,028	€995
As a percentage of total sales	20.3%	21.6%	20.1%

Product-Specific Research and Development

Our product-specific research and development is carried out at 23 sites in Europe, Asia and the United States. The majority of our product specific research and development activities are contained within our four business units. In addition, a portion of our product-specific research and development is managed centrally through our Chief Technology Office (CTO). We pursue several strategies to maximize the efficiency of our product-specific research and development activities. We look to take advantage of economies of scale by concentrating our research and development expenditure on markets where we have leadership positions or where we believe that we can attain market leadership. We look to leverage our strength in audio, video, radio frequency communications, power management and security by developing products that incorporate these technologies. We also focus on developing and maintaining common underlying platforms and architectures, such as Nexperia, across all of our business units in order to minimize development costs and reduce the time to market for new products.

We have a particular focus on developing innovative system solutions using intellectual property that can be repurposed across a broad range of media enabled products and applications. Through the use of standard IP blocks, coordinated by our CTO, we have achieved what we believe is an industry-leading level of IP re-use. Our systems solutions include system-on-a-chip solutions and system-in-a-package solutions, which integrate the functionality of a system into a single semiconductor or a single package, respectively, as well as complete reference designs. We also have a strong software research and development program.

In addition to our in-house product-specific research and development activities, we cooperate with research and commercial partners and are active in standard setting bodies. These include the FlexRay consortium for in-vehicle networking and the NFC Forum, an industry roundtable for which we are a founding member and also serve as the current chair. We also collaborate on specific projects with a number of universities. We believe that this collaboration increases our competitiveness by allowing us

to anticipate industry trends and participate in the formulation of industry standards. We plan to continue to expand our network of alliances and partners.

Process Technology Research and Development

Our process technology research and development is managed centrally through our CTO. Process technology research and development encompasses the development of new process and test and packaging technologies, management of our IP libraries, designing manufacturing tools and methodologies, and developing semiconductor architecture choices. Our process technology development enables technology advances in our products, and is conducted in close coordination with our four business units. We currently develop advanced CMOS process technology through our Crolles alliance as well as through collaboration with Philips and at our own process research and development labs in Leuven, Belgium and Eindhoven, The Netherlands. The Crolles alliance, with Freescale and STM, is focused on the development of advanced CMOS process technology with minimum feature sizes ranging from 90 nanometers down to 45 nanometers. In January 2007, we announced our intention to withdraw from the Crolles alliance, effective December 31, 2007, and are currently determining our future strategy for developing leading process technologies. In Leuven, we are part of the internationally renowned IMEC high-tech research program, which develops state-of-the-art process technology that can be incorporated into our own products. In addition, we and Philips have continued our extensive operation in process research and development activities following our separation as a standalone company, in recognition of the substantial benefits we believe that we both receive from our partnership in this area.

We have reduced the number of our research and development facilities in recent years and currently have facilities at 23 sites. Our ten largest research and development sites in terms of number of employees are: Nijmegen, The Netherlands; Eindhoven, The Netherlands; Hamburg, Germany; Caen, France; Bangalore, India; San Jose, United States; Southampton, United Kingdom; Zurich, Switzerland; Le Mans, France; and Sophia Antipolis, France. In the future, we intend to increase our research and development capabilities in the Asia-Pacific region to take advantage of cost benefits and proximity to our customers.

Strategic Alliances and Investments

We participate in a number of strategic alliances with respect to technology development and manufacturing. These alliances are an important part of our asset-light strategy, since they permit us to reduce fixed costs associated with manufacturing and development activities and to share research and development expenses with third parties.

Systems on Silicon Manufacturing Co. Pte. Ltd.

Systems on Silicon Manufacturing Co. Pte. Ltd. (SSMC), based in Singapore, was established in 1998 as a joint venture between us, TSMC and EDB Investments Pte. Ltd. (EDB), an entity of the Economic Development Board of Singapore. We hold a 61.2% stake in SSMC. SSMC is a leading manufacturer of CMOS-based semiconductors, using process technologies to make wafers with line widths down to 140 nanometers. SSMC is one of the larger eight-inch CMOS wafer fabs in the industry.

We use SSMC to augment our fully owned eight-inch wafer CMOS capability, and also to jointly develop and share technological advances with TSMC, our partner in this venture. We have made certain commitments to SSMC, whereby we are obligated to make cash payments to SSMC should we fail to take up an agreed-upon percentage of the total available capacity at SSMC's fabrication facilities if overall SSMC utilization levels drop below a fixed proportion of the total available capacity. We have only had to make one such payment, for 2002, in the amount of €15 million. In the event that our

demand for production from SSMC falls in the future, we may be required to make a similar payment, which could be significant if we did not take any of our quota. We were not required to make any such payment in 2006, and we do not expect to be required to make a payment in 2007.

Crolles Alliance

Crolles is a strategic research and manufacturing alliance among us, STM and Freescale based in Crolles, France, in which we hold a 31% stake. Crolles is one of the largest semiconductor process development alliances in the world and one of the leaders in developing new advanced CMOS fabrication technologies for the semiconductor industry. Under an arrangement with TSMC, TSMC maintains manufacturing facilities that are compatible with the process technologies developed at Crolles. This allows us to move to full-scale production at TSMC with new process technologies developed at Crolles with relatively low delay and cost, and also provides us with an alternative source for wafer fabrication using process technologies developed at Crolles.

Advanced CMOS process technologies at minimum feature sizes of 90 nanometers and 65 nanometers have been developed at Crolles, and early development of 45 nanometer CMOS has also taken place. Full-scale production at 90 nanometers is currently underway, and early-stage 65 nanometer production began in early 2006. Crolles places particular emphasis on developing semiconductors that have very low power consumption and contain embedded memory functions. The semiconductor products using this technology are primarily those which depend on battery power or which must generate minimal amounts of heat.

Crolles includes the LIPP initiative, which is an arrangement that gives us and our alliance partners access to the intellectual property libraries developed at Crolles. In addition, Crolles includes an assembly and test partnership that allows us to collaborate in the development of back-end manufacturing technology along with the other members of the alliance.

On January 16, 2007, we announced our intention to withdraw from the Crolles alliance, effective December 31, 2007. We are currently determining our future strategy with respect to developing and accessing leading-edge process technologies.

Jilin NXP Semiconductors Limited

Jilin NXP Semiconductors Limited (JNS) is a joint venture based in China that we operate in collaboration with Jilin Sino-Microelectronics Co. Ltd. (JSMC). We currently hold a 60% ownership interest in JNS, and JSMC holds the remaining 40%. Based in Jilin City, China, JNS was founded in 2003 and manufactures bipolar power products, which are semiconductor devices used to switch, regulate and convert electrical currents, particularly those currents that are very large or involve very high voltages. JNS has a manufacturing facility with line widths in the 4 micron range.

Advanced Semiconductor Manufacturing Company

We established the Advanced Semiconductor Manufacturing Company (ASMC) in Shanghai in 1995 in partnership with a number of Chinese joint venture partners. ASMC is the successor to Philips Semiconductor Corporation of Shanghai, which we founded in 1988, and currently operates three wafer fabs, producing five-, six- and eight-inch wafers of primarily analog integrated circuits using CMOS and bipolar process technologies. We use ASMC to supplement our in-house capacity for analog integrated circuits with line widths in the 0.35 to 3 micron range. We currently beneficially own 27% of the outstanding shares of ASMC, which are publicly traded on the Hong Kong Stock Exchange. Our shares are held in trust for us by Philips. Philips is obligated to transfer full ownership of the shares to us no later than June 30, 2007, following the expiry in April 2007 of the lockup period imposed on these shares in connection with ASMC's public listing in 2006.

Software Partnerships

In addition to manufacturing and process technology research, we leverage strategic partnerships to develop software for our products. As our market focus turns increasingly towards system solutions, software is playing a critical role in determining our competitiveness. By partnering with independent software developers, we gain the benefit of industry-leading expertise and quality levels with respect to the software which operates on our products. In return, our partners, who currently include close to 100 software companies, gain a platform with which to align their software.

Manufacturing

We manufacture integrated circuits and discrete semiconductors. The manufacturing of our integrated circuit products is managed centrally by our IMO division, which serves as an integrated source for integrated circuit fabrication, test and packaging for each of our four business units. The integration of our integrated circuit manufacturing operations across all four business units permits us to reduce the volatility in production demand that would result from independent operations. Our Multimarket Semiconductors unit, which relies on IMO for most of the integrated circuits it sells, operates its own dedicated wafer fabrication and test and packaging facilities, primarily for discrete semiconductors. Our IMO and Multimarket Semiconductors operations include facilities wholly owned by us, as well as partial interests in certain facilities. Our IMO operations also coordinate our usage of third party foundries and assembly and test subcontractors.

We pursue an asset-light manufacturing model, especially for advanced process technologies. Our asset-light strategy seeks to increase return on invested capital, reduce capital expenditures and lower overcapacity risk by utilizing a combination of wholly owned manufacturing facilities, manufacturing facilities operated jointly with other semiconductor companies, third party foundries and assembly and test subcontractors. We currently meet a majority of our production requirements with our in-house facilities. However, as part of our asset-light strategy, we intend to significantly increase the proportion of our front-end wafer production that is outsourced or conducted through joint venture operations. When we outsource the production of high-volume products, we generally seek to maintain some production in our own facilities. This "dual sourcing" allows us to rapidly return fabrication in-house when production demand decreases, without the necessity of first qualifying in-house processes.

In addition to our semiconductor fabrication facilities, we also operate certain non-semiconductor manufacturing plants, which produce specific radio frequency and acoustic devices.

The manufacturing of a semiconductor involves several phases of production, which can be broadly divided into "front-end" and "back-end" processes. Front-end processes take place at highly complex wafer manufacturing facilities (called fabrication plants or "wafer fabs"), and involve the imprinting of substrate silicon wafers with the precise circuitry required for semiconductors to function. The front-end production cycle requires high levels of precision and involves as many as 300 process steps. Back-end processes involve the assembly, test and packaging of semiconductors in a form suitable for distribution. In contrast to the highly complex front-end process, back-end processing is generally less complicated, and as a result we tend to determine the location of our back-end facilities based more on cost factors than on technical considerations.

Our front-end manufacturing facilities use a broad range of production processes and proprietary design methods, including complementary metal on silicon oxide semiconductor (CMOS), bipolar, bipolar CMOS (BiCMOS) and double-diffused metal on silicon oxide semiconductor (DMOS) technologies. Our wafer fabs produce semiconductors with line widths ranging from 65 nanometers to 3 microns for integrated circuits and 0.5 microns to greater than 4 microns for discretes. This broad technology portfolio enables us to meet increasing demand from customers for system solutions, which require a variety of technologies.

Our back-end manufacturing facilities test and package many different types of products using a wide variety of processes. To optimize flexibility we use shared technology platforms for our back-end assembly operations.

The following table shows selected key information with respect to our major front-end and back-end facilities.

Site	Ownership	Wafer sizes used	Linewidths used (microns)	Technology
Integrated Circuits—Front-end				
Böblingen, Germany(1)	100%	8"	>0.32	CMOS, BiCMOS
Caen, France	100%	6"	0.5-1.0	Passive Integration
Fishkill, USA	100%	8"	0.18-0.35	CMOS, BiCMOS
Hamburg, Germany	100%	6"	0.5-1.0	CMOS, BiCMOS
Nijmegen, The Netherlands	100%	8", 6", 5", 4"	0.18-3.0	CMOS, BiCMOS, Bipolar, BCDMOS
Singapore (SSMC)(1)	61.2%	8"	0.14-0.25	CMOS
Crolles, France(2)	31%	12"	0.065-0.12	CMOS
Integrated Circuits—Back-end				
Bangkok, Thailand	100%			Low-pin count leadframes
Cabuyao, Philippines	100%			System-in-package/modules
Calamba, Philippines	100%			Leadframe-based packages and ball grid
Kaohsiung, Taiwan	100%			Leadframe-based packages and ball grid
Suzhou, China	100%			Leadframe-based packages and ball grid
Discrete Semiconductors—Front-end				
Hamburg, Germany	100%	6", 4"	>0.5	Bipolar, diodes, sensors
Hazelgrove, UK	100%	6"	>0.5	PowerMOS
Jilin, China (JNS)(3)	60%	5"	>4	Bipolar
Discrete Semiconductors—Back-end				
Hong Kong, China	100%			Discrete packages
Guangdong, China	100%			Discrete packages
Seremban, Malaysia	100%			Discrete packages
Cabuyao, Philippines	100%			Discrete packages, sensors

(1) On March 22, 2007, we announced our intention to close our manufacturing facility in Böblingen.

(2) We are entitled to 61.2% of SSMC's annual capacity.

(3) We are entitled to 27% of Crolles' manufacturing capacity. In January 2007, we announced that we would discontinue our participation in Crolles, effective December 31, 2007.

(4) We are entitled to 60% of JNS's annual capacity.

We use a large number of raw materials in our front- and back-end manufacturing processes, including silicon wafers, chemicals, gases, lead frames, substrates, molding compounds and various types of precious and other metals. Our most important raw materials are the raw, or substrate, silicon wafers we use to make our semiconductors. We purchase these wafers, which must meet exacting

specifications, from a limited number of suppliers in the geographic region in which our fabrication facilities are located. At our fully-owned fabrication plants, we use raw wafers ranging from 4 inches to 8 inches in size, while our joint-venture plants use wafers ranging from 5 inches to 12 inches. Emerging fabrication technologies employ larger wafer sizes and accordingly we expect that our production requirements will in the future shift towards larger substrate wafers. Recently, an increase in demand for solar panels, which are manufactured using the same polycrystalline silicon used in substrate wafers, has led to a decline in the worldwide supply of wafers, although we have not and do not expect to experience any shortages. While incremental price increases may result from this development, we do not believe the impact will be material.

We typically source our other raw materials in a similar fashion as our wafers, although our portfolio of suppliers is more diverse. Some of our suppliers provide us with materials on a just-in-time basis, which permits us to reduce our procurement costs and the negative cash flow consequences of maintaining inventories but exposes us to potential supply chain interruptions. We purchase most of our raw materials on the basis of fixed-price contracts but generally do not commit ourselves to long-term purchase obligations, which permits us to renegotiate prices periodically.

Sales and Marketing

We market our products worldwide to a variety of OEMs, original design manufacturers, contract manufacturers and distributors. We focus on generating demand for our products using our long-standing customer relationships and providing high quality customer support. We have 55 sales offices in 27 countries. Our internal sales force is organized into teams located in proximity to our customers that bring dedicated expertise and knowledge to our customers.

Our sales and marketing organization is divided into four key sales regions and four global functions. Our sales and marketing teams in each sales region, which are Europe, the Americas, Greater China and Asia Pacific, are responsible for managing the global key account teams for customers headquartered in that region as well as for managing regional sales to non-key accounts. Our global functions are divisional marketing, channel management, alliance and partnership management and global support operations. Each of these global functions is managed by our central sales and marketing office, which is located at our headquarters in Eindhoven, The Netherlands.

In 2005, we initiated a significant reorganization of our sales and marketing group. This included realigning our sales force towards dedicated key account teams, reinforcing our technical customer support resources, establishing regional competence centers in areas where our customers have a geographic concentration and creating "hunter teams" to actively seek out additional sales opportunities.

Our sales and marketing strategy focuses on building lasting relationships with our customers and becoming their preferred supplier, which we believe assists us in reducing sale volatility in difficult markets. When we target new customers, we generally focus on companies that are leaders in their markets.

Based on total sales during 2006, our top 50 customers account for over 70% of our total sales, our ten largest customers account for approximately 46% of our total sales and no customer represented more than 8% of our total sales. While our customer mix may change over time, our largest customer is currently Nokia, which accounted for approximately 8% of our total sales in 2006. Philips accounted for approximately 6% of our total sales in 2006. The proportion of our sales to Philips has declined in recent years, and was 9% in 2004 and 8% in 2005.

Our sales and marketing activities are affected by certain laws and government regulations, including legislation governing our customers' privacy and regulations prohibiting or restricting the export of certain electronic components that may have a military application. While we believe that we

have been, and continue to be, in compliance with these laws and regulations, if we fail to comply with their requirements we could face fines or other sanctions.

Competition

We compete with many different semiconductor companies, ranging from multinational companies with integrated research, development, manufacturing, sales and marketing organizations across a broad spectrum of product lines, to "fabless" semiconductor companies, to companies that are focused on a single application market segment or standard product. Most of these competitors compete with us with respect to some, but not all, of our business units. A key feature of the competitive landscape is that many semiconductor companies are not only competitors but also suppliers or customers of each other, and we are currently engaged in a number of strategic alliances with competitors.

Our key competitors include Freescale, ON Semiconductor, STMicroelectronics, Texas Instruments, Broadcom, Infineon, Toshiba, Fairchild, Conexant, Qualcomm and Renesas.

The basis on which we compete varies across market segments and geographic regions. Our standard products business, which sells largely commoditized products, competes primarily on the basis of manufacturing and supply chain excellence. Our application-specific semiconductors businesses, in contrast, primarily depend on our ability to develop new products and the underlying intellectual property on time and on meeting customer requirements in terms of cost, product features, quality, warranty and availability. In addition, our system solutions businesses require in-depth knowledge of a given application market in order to develop robust system solutions and qualified customer support resources.

Intellectual Property

The creation and leverage of intellectual property is a key aspect of our strategy to differentiate ourselves in the marketplace. We seek to protect all of our significant technologies by seeking patents, retaining trade secrets, and defending and enforcing our intellectual property rights, where appropriate. We believe this strategy allows us to preserve the advantages of our products and the technologies we use and license, and helps us to improve the return on our investment in research and development. We own approximately 5,300 patent families, including approximately 25,000 patents, patent applications and rights to file future patent applications in the United States, Europe and various other regions, and also hold intellectual property licenses, all of which were granted to us by Philips in connection with the Separation. To protect confidential technical information which is not subject to patent protection, we rely on trade secret law and frequently enter into confidentiality agreements with our employees, customers, suppliers and partners. In situations where we believe that a third party has infringed on our intellectual property, we enforce our rights through all available legal means to the extent that we determine the benefits of such actions to outweigh any costs involved.

Pursuant to the agreements we entered into with Philips in connection with our separation as a stand-alone company, Philips has granted us royalty-free licenses for the continued use of certain patents that have not been transferred to us, and retain a royalty-free license to the intellectual property we acquired. We believe that the intellectual property transferred and licensed to us by Philips is adequate for us both to carry out our business in substantially the same manner as we did before the Separation and to execute our current business strategy. For more information on the intellectual property arrangements we have entered into with Philips in connection with the Separation, see "Certain Relationships and Related Party Transactions—Intellectual Property Transfer and License Agreement."

While our patents and trade secrets constitute valuable assets, we do not view any one of them as being material to our operations as a whole. Instead, we believe it is the combination of our patents and trade secrets that creates advantages for our business.

In addition to our own patents and trade secrets, we have entered into licensing and other agreements authorizing us to use patents, trade secrets, confidential technical information, software and related technology owned by third parties and/or operate within the scope of patents owned by third parties. We are party to process technology partnerships, such as the Crolles strategic alliance and the associated LIPP initiative, through which we jointly develop complex semiconductor-related process technology. We also maintain research partnerships with universities across the world, particularly in Europe, China and India.

Under the terms of the agreements governing Crolles (including LIPP), we own patents and other intellectual property associated with inventions developed at Crolles only if we employ the person who created the invention. If we do not employ the inventor, we have the benefit of a perpetual, royalty-free license to use the intellectual property in any manner we choose. Our partners in the alliance gain the same license with respect to any intellectual property created by Philips employees at Crolles.

We own a number of trademarks, including the NXP®, Nexperia® and TriMedia® brands. Where we consider it desirable, we develop names for our new products and secure trademark protection for them.

Environmental Regulation

We are subject to many environmental, health and safety laws and regulations in each jurisdiction in which we operate, which govern, among other things, emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and ground water contamination and the health and safety of our employees. We are also required to obtain environmental permits from governmental authorities for certain of our operations.

For example, European Commission Directive 2002/95/EC, known as the Restriction on Hazardous Substances, or RoHS, bans the use of lead and certain other hazardous substances in electronic equipment starting in July 2006, except for a limited number of applications, such as in some telecommunications applications and in high-melting point solders, where the supply of a product containing lead may continue, and automotive systems, which are not covered by the directive. In anticipation of this directive, we replaced all of our tin-lead-plating packaging, except for automotive applications not subject to the directive, with pure matte tin in October 2005, and are requiring our suppliers to provide us with materials compliant with the directive. China has enacted similar legislation, commonly referred to as China RoHS. China RoHS includes labeling and information disclosure requirements that must be complied with starting March 1, 2007. The Chinese government has not yet announced when the other provisions of the legislation, including restrictions on the use of certain substances and pre-market testing and certification requirements for certain electronic products, will be implemented. The extent to which any exemptions would be available is unclear and it is possible that China RoHS could be more restrictive than the EU's requirements. As a result of these regulations, we may need to make certain limited changes in our manufacturing processes, product documentation and product packaging.

In addition, a new European Union regulatory framework for chemicals, called REACH, dealing with the registration, evaluation and authorization of chemicals, has been approved by European Union regulators subject to completion of the formal adoption process. If ultimately adopted by all relevant European Union authorities, the implementation of REACH could result in a reduction in the availability of chemical substances used in our business in the European Union.

Further, there is a growing focus on the emission of compounds which contribute to global warming, such as perfluorinated compounds, or PFCs, sulfur hexafluoride, or SF_6, and perfluorooctane sulfonate, or PFOS. While the use of these gases is widespread in the semiconductor industry, we have

signed voluntary agreements with respect to certain of our European and U.S. operations to reduce our use of them in non-critical applications. The European Union has recently enacted new regulations relating to PFCs, SF_6 and PFOS. The EU regulation relating to PFOS exempts certain critical applications in the semiconductor industry, but requires a regular review of these applications. Restrictions on the use of PFOS-containing chemicals are also being considered under the Stockholm convention and the United Nations long range trans-boundary air pollution convention. We expect that we and the rest of the semiconductor industry will continue to incur costs and operational changes to address regulatory issues and to search for alternatives to these gases, but at this time we cannot estimate what such costs will be. Similarly, a 2005 EU directive established a framework that will ultimately impose labeling and energy efficiency requirements, referred to in the directive as "ecodesign" requirements, on energy-using products. The EU has not yet issued product specific requirements. We believe that this directive could complicate our research and development activities and may require us to change certain of our design and manufacturing processes, to utilize more costly materials or to incur substantial additional expenses.

As with other companies engaged in similar activities or that own or operate real property we face inherent risks of environmental liability at our current and historical manufacturing facilities. Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances. Certain of these laws also assess liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. Soil and groundwater contamination has been identified at some of our current and former properties resulting from historical, ongoing or third-party activities. As a result, we are currently in the process of investigating and remediating contamination at some of our current and former facilities.

Real Property

We own approximately 10.0 million square feet of building space in 10 countries, and lease approximately 4.7 million square feet of building space in 27 countries. The following table sets out our principal real property holdings:

Location	Use	Owned/leased	Building space
			(square feet)
Eindhoven, The Netherlands	Headquarters	Leased	105,727
Bangalore, India	Office	Leased	274,000
Bangkok, Thailand	Manufacturing	Owned	604,231
Böblingen, Germany	Manufacturing	Owned	1,245,200
Cabuyao, Philippines	Manufacturing	Owned	523,981
Caen, France	Manufacturing	Leased	594,602
Calamba, Philippines	Manufacturing	Owned	790,206
Fishkill, USA	Manufacturing	Leased	227,343
Guangdong, China	Manufacturing	Leased	916,000
Hamburg, Germany	Manufacturing	Owned	1,021,644
Hazelgrove, UK	Manufacturing	Owned	221,787
Hong Kong, China	Manufacturing	Leased	240,000
Jilin, China	Manufacturing	Leased	138,783
Kaohsiung, Taiwan	Manufacturing	Owned	578,912
Nijmegen, The Netherlands	Manufacturing	Owned	2,199,623
San Jose CA, USA	Office, Development	Leased	220,824
Seremban, Malaysia	Manufacturing	Owned	291,037
Singapore	Manufacturing	Leased	237,516
Southampton, UK	Office, Development	Owned	343,000
Suzhou, China	Manufacturing	Leased	131,790
Zurich, Switzerland	Office, Development	Leased	136,029

In addition to the foregoing, we own or lease over 50 additional sites around the world for research and development, sales and administrative activities.

Employees

We have a diverse and highly skilled workforce with a high degree of commitment to our business and our strategic and operational goals. Approximately 11% of our work force are on temporary contracts, primarily in manufacturing roles.

The following tables summarize the composition of our work force at December 31, 2006:

By geographic region	
Europe, the Middle East and Africa	13,698
Americas	1,827
Asia Pacific	21,943
Total	37,468
By function	
Manufacturing	25,912
Research and development	7,161
Sales and marketing	1,950
General and administrative	2,445
Total	37,468

Philips transferred to us upon our separation as a stand-alone company approximately 900 employees who did not work in Philips' semiconductor division prior to our separation from Philips,

primarily in the areas of research and development, applied technologies, intellectual property management and other corporate functions. These additions were made to enable us to no longer rely on Philips to provide central corporate services to us, except for certain limited areas where we have entered into temporary transitional services agreements with Philips. See "Certain Relationships and Related Party Transactions—Our Separation from Philips—Umbrella Transitional Services Agreement" for more information on these agreements.

A significant part of our work force, especially in Europe, is covered by collective bargaining agreements, which determine such matters as compensation, working hours and other conditions of employment. These agreements generally run for a period of two years, and the agreement covering our employees in The Netherlands (where approximately 6,500 of our employees are located) will expire in October 2007. We are currently negotiating a new agreement. Similarly, a portion of our work force is represented by works councils. Works councils are employee-elected bodies having, under applicable legislation, certain notice rights and decision-making powers in some social, personnel and economic affairs. During the past three years, we have not experienced any material labor disputes resulting in work stoppages.

Legal Proceedings

As is the case with many companies in the semiconductor industry, we are and may from time to time become a party to claims and lawsuits incidental to the ordinary course of our business. We do not currently believe that any such claims or lawsuits that are currently pending or threatened would have a material adverse effect on our results or financial condition.

On May 9, 2005, one of our significant European customers filed a request for arbitration with the ICC International Court of Arbitration in relation to a product warranty claim that arose in March 2002 over the reliability of certain of our integrated circuit products that were delivered between 1999 and 2002 and were used by the customer in its products. The claims relate to a molding compound supplied to us by Sumitomo Bakelite Company of Japan ("Sumitomo") during that period. It is the customer's current view that over time all affected products supplied by us will fail and, as a result, the customer anticipates very large damages, which it claims from us in the arbitration. We believe that the defect rate will be substantially smaller than anticipated by the customer and dispute our liability on that basis, as well as on the basis of the limited warranty provision the customer has invoked. We also believe that, even if the customer were to be successful in the arbitration, we would not be liable to the extent of the damages claimed by the customer. We intend to defend the case vigorously. Moreover, on May 10, 2006, we filed a request for arbitration with the ICC International Court of Arbitration to recover from Sumitomo any amount that we become liable to pay to the customer. In addition, Philips has agreed to indemnify us with respect to any damages or losses we may sustain in relation to this arbitration and accordingly do not expect this case to have a material adverse effect on our results or financial condition.

Overview

As permitted by Dutch corporate law, we have a two-tier board structure, consisting of a board of management and a supervisory board. The two boards are entirely separate, and no individual may simultaneously serve as a member of both boards.

Our supervisory board has comprehensive oversight responsibilities. Its role is to supervise our board of management and our general affairs, as well as to assist our board of management by providing advice. To ensure that our supervisory board is in a position to carry out these functions properly, our board of management must, among other things, regularly submit reports to our supervisory board detailing the current state of our company's business and plans for the future. In addition, our supervisory board is entitled to request special reports at any time.

Our board of management, working closely with our executive management team, is responsible for carrying out the day-to-day operations of our business, including the development of business plans, budgets and operational forecasts. Major decisions of our board of management require the approval of our supervisory board, including decisions relating to our operational and financial objectives and the strategies we use to achieve those objectives.

Supervisory Board

General

Our supervisory board supervises and advises our board of management in performing its management tasks and setting the direction of our business. Similar to the board of management, it takes into account the relevant interests of the stakeholders involved in the company. It approves major management decisions, including our overall business strategy, and supervises the structure and management of our internal control systems and the financial reporting process. It also determines the remuneration of the individual members of our board of management within our established remuneration policy.

Our supervisory board consists of eight members, six of whom are nominated by the Consortium, one of whom is nominated by Philips and one of whom is an independent chairperson.

Name	Age	Nominating Party
Sir Peter Bonfield, Chairman	62	Independent Chairman
Adam H. Clammer	36	Consortium
Eric Coutinho	55	Philips
Egon Durban	33	Consortium
Johannes P. Huth	46	Consortium
Ian Loring	40	Consortium
Michel Plantevin	50	Consortium
Christian Reitberger	38	Consortium

The committee membership of our supervisory board members is set out following the description below of each committee's role.

Set forth below is a brief description of the business experience of the persons who serve as members of our supervisory board:

Sir Peter Bonfield is the chairman of our supervisory board. Sir Peter served as CEO and Chairman of the Executive Committee for BT plc from 1996 to 2002 and prior to that was Chairman and CEO of ICL plc (now Fujitsu Services). Sir Peter also worked in the semiconductor industry during his tenure as a divisional director at Texas Instruments, for whom he held a variety of senior management

positions around the world. Sir Peter currently holds non-executive directorships at AstraZeneca Plc, LM Ericsson, TSMC, Mentor Graphics and Sony. He was knighted in 1996 for his services to British industry and received a (CBE) Commander of British Empire in 1989.

Adam H. Clammer has been with KKR for ten years and during that time has been actively involved with several companies, including Aricent, Avago Technologies, Borden, Intermedia Communications, Jazz Pharmaceuticals, MedCath, NuVox, NXP, RELTEC, SunGard Data Systems and Zhone Technologies. Currently, he is on the board of directors of Aricent, Avago Technologies, Jazz Pharmaceuticals, MedCath, and NXP and is a member of the Operating Committee of SunGard Data Systems. He is also a member of the Technology industry team. Prior to joining KKR, Mr. Clammer was with Morgan Stanley & Co. in Hong Kong and New York in the Mergers and Acquisitions department. He received a B.S. from the University of California and an M.B.A., with High Distinction, Baker Scholar, from Harvard Business School.

Eric Coutinho is Chief Legal Officer, Secretary to the Board of Management and member of the Group Management Committee of Royal Philips Electronics. He has been with Philips for 27 years during which time he has worked in various legal positions, including the Dutch country organization and corporate headquarters. He also worked for Philips mergers and acquisitions department. Mr. Coutinho played a significant role in many merger and acquisition transactions that Philips has been involved in during the past 15 years. He is also Deputy Chairman of The Netherlands Philips Pension Funds, Chairman of the Philips Review Committee General Business Principles and a Member of the Philips Sustainability Board. Mr. Coutinho graduated from the University of Leiden (civil laws).

Egon Durban joined Silver Lake in January 1999 as a founding principal and is currently a Managing Director. Mr. Durban is head of Silver Lake's European operations. Prior to joining Silver Lake, Mr. Durban worked in Morgan Stanley's Investment Banking Division. Previously, Mr. Durban worked in Morgan Stanley's Corporate Finance Technology and Equity Capital Markets Group. Mr. Durban graduated from Georgetown University.

Johannes P. Huth has been with KKR for seven years during which he has played a significant role in the development of ATU, Demag, Duales System Deutschland (DSD), MTU Aero Engines, Selenia, NXP, Wincor Nixdorf and Zumtobel. Currently, he is on the board of directors of ATU, Demag, Duales System Deutschland (DSD), MTU Aero Engines, NXP, Selenia, SBS Broadcasting, Wincor Nixdorf and Zumtobel. Mr. Huth manages KKR's operations in Europe and is a member of the Investment and Operating Committees. He started his professional career with Salomon Brothers in the Mergers and Acquisitions department in New York and London where he was a Vice President. Following that, he worked with Investcorp in London, where he was a Member of their Management Committee and was jointly responsible for operations in Europe. While at Investcorp, Mr. Huth led a number of transactions in Europe. He holds a BSc. with highest honors from the London School of Economics and an M.B.A. from the University of Chicago.

Ian Loring is a Managing Director of Bain Capital Partners, LLC. Prior to joining Bain Capital in 1996, Mr. Loring was a Vice President at Berkshire Partners and previously, he worked in the Corporate Finance department at Drexel Burnham Lambert. Mr. Loring has focused primarily on investing in the technology, media, and telecommunications sectors. He serves as a director of Cumulus Media Partners, Eschelon Telecom and Warner Music Group. Mr. Loring received a B.A. from Trinity College and an M.B.A. from Harvard Business School.

Michel Plantevin joined Bain Capital in 2003 as a Managing Director. Prior to joining Bain Capital, Mr. Plantevin was a Managing Director of Goldman Sachs PIA in London, and prior to that he was a partner with Bain & Company in London and Paris. He also serves as a director of FCI. Mr. Plantevin received an M.B.A. from Harvard Business School and an undergraduate and master's degree in engineering from the Ecole Supérieure d'Electricité (Supélec) in France.

Christian Reitberger joined Apax Partners in 1999, and is responsible for components (semiconductors, photonics, mechatronics, clean technologies) and telecommunications infrastructure investments. Mr. Reitberger currently serves on the boards of Q-Cells, CSG Solar, Elliptec and Webraska. Prior to joining Apax Partners, Mr. Reitberger worked at McKinsey & Company, where he specialized in serving fast growing high technology clients. Mr. Reitberger holds a PhD in Physics.

Committees

Audit committee. Our audit committee assists our supervisory board in fulfilling its oversight responsibilities with respect to our financial statements, our financial reporting process, our system of internal business controls and risk management, our internal and external audit process, our internal and external auditor's qualifications, its independence and its performance, as well as our process for monitoring compliance with applicable laws and regulations. Our audit committee also reviews our annual and interim financial statements, including non-financial information, prior to publication. The members of our audit committee are Messrs. Reitberger (Chairman) and Durban. Our supervisory board considers the knowledge and experience available on the Audit Committee as well as the availability of advice from internal and external experts and advisors to be sufficient for the fulfillment by the Audit Committee of its tasks and responsibilities. Our Supervisory Board has not determined that any member of the Audit Committee is an "audit committee financial expert", as such term is defined under the rules of the SEC.

Nominating and compensation committee. Our nominating and compensation committee is responsible for recommending to our supervisory board, within the scope of established remuneration policies, the compensation package for each member of our board of management. It is tasked with reviewing all employment contracts with our board of management members, reviewing and making recommendations to our supervisory board with respect to major employment-related policies and plans and overseeing compliance with our employment and compensation-related disclosure obligations under applicable laws. The remuneration committee also determines selection criteria and appointment procedures for members of our supervisory board and board of management, periodically assesses the size and composition of our supervisory board and board of management and periodically assesses the performance of individual members of our supervisory board and board of management, as well as supervising the selection of our board of management. The members or our remuneration committee are Messrs. Huth and Plantevin.

Strategy & operating committee. Our strategy & operating committee is responsible for conducting regular business reviews, supervising our general affairs, and advising our board of management and executive management team. The members of our strategy & operations committee are Messrs. Huth (Chairman), Durban, Plantevin and Reitberger.

Board of Management and Executive Management Team

Under the chairmanship of our Chief Executive Officer (CEO), our board of management has overall operational responsibility for the management of our Company, the deployment of our strategy and policies, and the achievement of our objectives and results. Our board of management is accountable for its performance to our supervisory board and our shareholders meeting. The members of our board of management are also integral members of our executive management team.

The executive management team is responsible for ensuring business issues and practices are shared across our businesses and for implementing common practices. The executive management team consists of the members of our board of management, as well as eight senior executives of the Company.

Set forth below is a list of the members of our board of management and the other members of our executive management:

Name	Age	Position
Board of Management		
Frans van Houten	46	President and Chief Executive Officer
Peter van Bommel	50	Executive Vice President—Chief Financial Officer
Theo Claasen	62	Executive Vice President—Strategy and Business Development
Hein van der Zeeuw	52	Executive Vice President—Multimarket Semiconductors
Other Executive Management Team Members		
Marc de Jong	46	Executive Vice President—Automotive and Identification
Ajit Manocha	57	Executive Vice President and Chief Manufacturing Officer
Rene Penning de Vries	52	Senior Vice President—Innovation and Technology
Marc Cetto	43	Executive Vice President—Mobile & Personal
Peter Kleij	47	Senior Vice President—Human Resources
Pascal Langlois	47	Senior Vice President—Worldwide Sales
Guido Dierick	48	Senior Vice President and General Counsel

Set forth below is a brief description of the business experience of the persons who serve as members of our board of management and executive management team:

Frans van Houten is Chairman of the board of management, President and Chief Executive Officer. Mr. van Houten has previously served as Chief Executive Officer of Philips Airvision and as Vice-President International Sales & Operations of the Communication Network Systems division at PKI in Germany. Mr. van Houten served as Executive Vice-President of Philips Consumer Electronics for the regions of Asia Pacific and Middle East & Africa from 1999 until he was appointed as Chief Executive Officer of the Consumer Electronics division's business groups in 2002. Mr. van Houten has served as Chief Executive Officer of Philips Semiconductors since November 2004 and as a member of the Philips Board of Management since April 2006. Mr. van Houten was employed by Philips from 1986 to the closing of the Transactions.

Peter van Bommel is a member of the board of management, Executive Vice President and Chief Financial Officer. Mr. van Bommel has served as the CFO of Philips Semiconductors since September 2005. Prior to this role, Mr. van Bommel was the Deputy Chief Executive Officer and Chief Financial Officer of LG.Philips Displays, a joint venture of Philips and LGE in Hong Kong. Mr. van Bommel has worked in finance and control positions in several Philips businesses, such as in the components and semiconductors area. Mr. van Bommel was employed by Philips from 1979 to the closing of the Transactions.

Theo Claasen is a member of the board of management, Executive Vice President, Strategy & Business Development. Mr. Claasen previously served in this capacity for Philips Semiconductors. Prior to becoming Executive Vice President, Mr. Claasen served as Chief Technology Officer and was employed in various managerial positions at Philips Research Laboratories in Eindhoven, The Netherlands. Mr. Claasen was employed by Philips from 1971 to the closing of the Transactions.

Hein van der Zeeuw is a member of the board of management, Executive Vice President & General Manager of Multimarket Semiconductors. Mr. van der Zeeuw has served as the Director of the Consumer IC business line since 1995 and as Senior Vice-President within Philips Semiconductors Products Division since 1998. Mr. van der Zeeuw served as Chief Executive Officer of Philips Optical Storage from 1999 to 2002 and has previously served as Executive Vice President & General Manager of Multimarket Semiconductors. Mr. van der Zeeuw was employed by Philips from 1982 to the closing of the Transactions.

Marc de Jong is Executive Vice-President and General Manager of the Automotive & Identification business unit, and interim General Manager of our Home business unit. Mr. de Jong has previously served as the head of the European marketing and sales organization of Philips Lighting division and as the head of global marketing and sales and IKAM activities for Philips Automotive Lighting. Mr. de Jong also served as the head of the Special Lighting and UHP Business and as the Chief Executive Officer of the European Lamps Business. Mr. de Jong has served as General Manager of the Automotive and Identification business unit since November 2005. Mr. de Jong was employed by Philips from 1986 to the closing of the Transactions.

Ajit Manocha is Executive Vice President and Chief Manufacturing Officer. Mr. Manocha previously served in this capacity for Philips Semiconductors. Prior to this role, Mr. Manocha managed two of Philips Semiconductors' large wafer fabs, headed U.S. foundries operations, and led global sales operations and eBusiness. Prior to joining Philips, Mr. Manocha held several positions with AT&T Microelectronics, where he was granted over a dozen U.S. and international patents for several novel inventions in the field of technology for microelectronics.

Marc Cetto is Executive Vice President and General Manager of the Mobile & Personal business unit. Mr. Cetto joined NXP on April 18, 2007, following his tenure at Texas Instruments, where he was General Manager, Mobile Connectivity Solutions in the Wireless Terminals Business Unit. His primary focus in this capacity was on non-cellular wireless products. Mr. Cetto, who has over 15 years' experience in the semiconductor industry, holds an MS from École Nationale Superieure d'Arts et Metiers in Paris and an MBA from HEC in Paris.

Rene Penning De Vries is Senior Vice President and Chief Technology Officer. Mr. Penning De Vries previously served in this capacity for Philips Semiconductors. Mr. Penning De Vries was employed by Philips from 1984 and by Philips Semiconductors from 1987 to the closing of the Transactions. He was involved in the development of 1.0um CMOS logic and was the project leader for the development of 0.8um. In 1993, he was appointed integration specialist at Crolles and soon after became process integration manager at Nijmegen. In 1995, Mr. Penning De Vries became a member of the management team and in 1999 he was appointed Vice President of Technology of Systems on Silicon Manufacturing Company Pte Ltd (SSMC), a joint venture among Philips, TSMC, and EDBI in Singapore.

Peter Kleij is Senior Vice President, Human Resource Management. Mr. Kleij served in this capacity for Philips Semiconductors from September 2002 to the closing of the Transactions. Before that he worked as Management Development and Organization Development Manager of Philips Components. Prior to joining Philips in 1996, Mr. Kleij worked for various large companies, including AT&T. He has extensive international experience, including assignments in Asia Pacific and the United States.

Pascal Langlois is Senior Vice President, Worldwide Sales. Mr. Langlois previously served as Senior Vice President, Channel Management and Sales Multimarket Semiconductors, at Philips Semiconductors. Prior to this role, Mr. Langlois led Global Marketing & Sales Automotive. Before joining Philips Semiconductors in 1999, Mr. Langlois served as Vice President and General Manager Europe and Asia at VLSI Technology. Mr. Langlois started his career with Arrow-Jermyn and National Semiconductors. He has over 22 years of experience in the semiconductor industry.

Guido Dierick is Senior Vice President, Legal and IP and General Counsel. Mr. Dierick previously served as General Counsel for Philips Semiconductors. Mr. Dierick was employed by Philips from 1982 and by Philips Semiconductors from 2000 to the closing of the Transactions. Mr. Dierick worked in various legal positions at Philips. These include the Components and Semiconductors product divisions, The Netherlands country organization and corporate headquarters, based out of Eindhoven, Amsterdam and California. He also worked for Philips mergers and acquisitions department.

Indemnification

Unless prohibited by law in a particular circumstance, our Articles of Association require that we reimburse the members of our board of management and supervisory board for damages and various costs and expenses related to claims brought against them in connection with the exercise of their duties. However, no reimbursement is available if a member's act or failure to act is intentional (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*). We have purchased directors and officers' liability insurance for the members of our supervisory board and board of management, substantially in line with that purchased by similarly situated companies.

Compensation

Salaries and Bonuses

Supervisory Board. The remuneration of the members of our supervisory board, as well as the additional remuneration payable to its chairman and the members of its various committees, is determined by our shareholders. The remuneration of our supervisory board members is not dependent on our results. As of the date of this prospectus, no personal loans, guarantees or similar arrangements have been granted to our supervisory board members.

The members of our supervisory board, other than Sir Peter Bonfield, do not receive any cash compensation for their service on our Supervisory Board. Sir Peter receives an annual stipend of €250,000 for his service as the Chairman of our Supervisory Board.

Board of Management and Executive Management Team. The remuneration of the members of our board of management is determined by our supervisory board upon a recommendation of its nominating and compensation committee, and the remuneration of the other members of the executive management team is determined by our chief executive officer. As we have only recently been established as an independent entity, most members of our board of management were employees of Philips during the current and last fiscal years.

Our board of management and executive management team members have received an aggregate of approximately €8.0 million cash compensation for the twelve month period ended December 31, 2006. This amount includes all payments received in 2006 (excluding aggregate cash payments of approximately €1.4 million for 2005 performance paid in 2006 under our annual incentive plan) and to be received in 2007 for 2006 performance under our annual incentive plan. Pension costs in 2006 for our board of management and executive management team were, in aggregate, approximately €1.2 million.

Our remuneration structure is designed to promote our interests in the medium and long term. The level and structure of remuneration depends on our results and other developments relevant to our company.

Variable Incentives

In addition to the base salary, each year a variable cash incentive can be earned, based on the achievement of specific and challenging targets. The related targets, which are based on EBITDA, operational cash flow and net sales criteria, are determined annually by our supervisory board for the

members of our board of management, and by the CEO in consultation with the supervisory board for members of the executive management team.

The on-target variable incentive percentage is set at 100% of the gross annual base salary paid in the relevant annual incentive year; it may rise to 200% of the gross annual base salary if extended targets are realized.

Retirement Plans

The pensions of members of our board of management and of the executive management team, as Philips former employees, currently are funded by the applicable Philips Pension Fund. For Dutch members of management, the conditions contained in the by-laws and the regulations of the Dutch Philips Pension Fund apply. The current Dutch plan is based on a combination of defined-benefits (career average) and defined-contribution and replaces the final-pay plan which applied before January 2006. The target retirement age under the current plan is 62.5. The plan does not require employee contributions. This plan will be continued until October 2007 after which the Company expects to set up its own pension plan, separate from Philips.

Management Equity Plan—Stichting Management Co-Investment NXP

Stichting Management Co-Investment NXP (the "Foundation"), a foundation established to implement our management equity program, holds shares of KASLION for the benefit of designated participants in the program. Pursuant to this program, selected members of our management have purchased depositary receipts issued by the Foundation, each representing economic interests in an ordinary share of KASLION. These interests include any dividends and other proceeds or liquidation entitlements, but do not include any voting rights, which are retained by the Foundation in its capacity as shareholder. Participants in our management equity program are selected by our supervisory board, with respect to participants who are on our board of management, and by our CEO, with respect to other participants.

The Foundation initially issued all depositary receipts to Consortium Holding, which holds all depositary receipts prior to their acquisition by the participants in the program. In order to participate, participants must purchase their depositary receipts from Consortium Holding at a purchase price of: (A) prior to January 1, 2007, the nominal value per ordinary share underlying the depositary receipt and (B) on and after January 1, 2007, a fair market value determined by reference to certain measures of our enterprise value and financial performance. Following any public listing of our equity securities, fair market value will be determined by reference to the trading price of such securities.

If Consortium Holding sells all or any portion of its holdings in KASLION to a third party, participants in the management equity program are entitled to sell a pro-rata share of their depositary receipts in such sale at the same price per ordinary share received by KASLION. Consortium Holding also has the right, upon any sale of its holdings in KASLION, to require that participants sell a pro-rata share of their depositary receipts on similar terms.

If a participant's employment with us is terminated due to a change in control, or upon regular retirement, death or permanent disability, the price payable to that participant for his or her depositary receipts can be the higher of (1) their initial cost and (2) the present fair market value, as determined by the formula referenced above. A participant that is terminated for urgent cause, or who engages in employment with one of our competitors within two years following voluntary resignation, can be required to sell back his depositary receipts at the lower of values (1) and (2), above. A participant who ceases to be employed by us for any reason not described above can be required to sell back a portion of his depositary receipts at their fair market value and the remainder at the lower of values (1) and (2), above. The size of the portion to be sold back at fair market value is determined by several factors, including the length of time such participant has been employed by us.

The Foundation is a party to the Shareholders Agreement. See "Recent Significant Transactions" for more information on the Shareholders Agreement.

PRINCIPAL SHAREHOLDERS

All of our issued and outstanding capital stock is held by KASLION. KASLION's address is High Tech Campus 60, 5656 AG, Eindhoven, The Netherlands. On September 29, 2006 all of our issued and outstanding shares were acquired by KASLION from Philips.

The following table sets forth information regarding beneficial ownership of the equity securities of KASLION as of March 31, 2007 by each person who is known by us to beneficially own more than 5% of the equity securities of KASLION.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned. KASLION has two classes of shares of its capital stock outstanding, preferred and ordinary. Only holders of ordinary shares are entitled to vote. Percentage ownership is based on 100,000,000 ordinary shares of KASLION outstanding and 4,205,030 preferred shares of KASLION outstanding, in each case as of March 31, 2007.

	Preference Shares of KASLION Beneficially Owned(1)		Ordinary Shares of KASLION Beneficially Owned(1)	
Name and Address of Beneficial Owner	**Number**	**Percent**	**Number**	**Percent**
KASLION Holding B.V.(2) High Tech Campus 60 5656 AG Eindhoven The Netherlands	3,368,229	80.1%	70,488,000	70.49%
Koninklijke Philips Electronics, N.V. Breitner Center Amstelplein 2 1096 BC Amsterdam, The Netherlands	836,801	19.9%	17,512,000	17.51%
Stichting Management Co-Investment NXP High Tech Campus 60 5656 AG Eindhoven The Netherlands	—	—	12,000,000	12.00%

(1) Includes shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.

(2) KASLION S.à r.L., a company incorporated under the laws of Luxembourg, having its seat in Grand Duchy de Luxembourg and having its registered office at 61, Rue de Rollingergrund, L-2440 Luxembourg, Grand Duchy de Luxembourg, holds 100% of the issued and outstanding capital stock of KASLION Holding B.V. KASLION S.à r.L. is controlled by a consortium of investment funds affiliated with Kohlberg Kravis Roberts & Co. Ltd. (27.99%), Bain Capital Ltd. (22.39%), Apax Partners Europe Managers Ltd. (12.59%), Silver Lake Management Company L.L.C. (11.20%), AlpInvest Partners N.V. (5.60%) and a large number of smaller co-investors (20.24%).

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our Separation from Philips

Overview

We have entered into a number of separation-related agreements with Philips. These separation agreements provided for the formal separation of Philips' semiconductors businesses and their transfer to us as a stand-alone entity on September 28, 2006 and also govern certain aspects of our continuing relationship with Philips. Most of these agreements are governed by and construed in accordance with the laws of The Netherlands. A number of these agreements contain change of control provisions allowing Philips to terminate them in case of a change of control, as defined in the relevant agreements. A listing of our company will not constitute a change of control, except if any other shareholder gains effective control of our company. We refer to the transactions contemplated by these agreements as the "Separation".

Local Business Transfer Agreements

The Local Business Transfer Agreements (the "LBTAs") govern Philips' sale and transfer of the semiconductor activities of certain of its subsidiaries (i.e., those subsidiaries involved not only in the semiconductors businesses but also in other Philips business lines). Philips has separated its semiconductors businesses from these entities by transferring their assets and liabilities, to the extent that they relate to semiconductor activities, to newly incorporated dedicated entities, which in turn were transferred to us on September 28, 2006.

The assets transferred under the LBTAs generally included all assets and liabilities of the relevant Philips subsidiaries to the extent that such assets or liabilities relate to the business of developing, designing, manufacturing, selling and distributing semiconductors. The transfer of certain intellectual property assets, including licenses and sub-licenses, is governed by the Intellectual Property Transfer and License Agreement and not the Local Business Transfer Agreements. The liabilities transferred include all liabilities attributable to events or occurrences arising prior to the effective date of the relevant agreements to the extent they relate to the semiconductors businesses of Philips.

Employees who were employed exclusively in or in respect of Philips's semiconductors businesses were transferred to us pursuant to law or were offered employment with us.

In addition, the LBTAs contain a "wrong-pocket" clause that provides for the later completion of the transfer of assets and liabilities to the extent they were not transferred in connection with the Separation.

Local Share Transfer Agreements

The Local Share Transfer Agreements govern the transfer of the share capital of Philips' dedicated semiconductors subsidiaries. These subsidiaries generally were first transferred to Koninklijke Philips Electronics N.V. and subsequently to us. Pursuant to each such agreement, Philips (or a subsidiary of Philips that directly holds the relevant dedicated semiconductor subsidiary) transferred the entire share capital of the relevant subsidiary or subsidiaries to us. We agreed to accept the shares unconditionally and without any representations or warranties from Philips other than with respect to title to shares.

Following our acquisition of each dedicated semiconductor subsidiary, we agreed to settle in cash any outstanding trade balance between that subsidiary and Philips. If Philips receives any money in respect of any receivable of the subsidiary in question, Philips is required to transmit that money (less reasonable administrative expenses) to us.

Intellectual Property Transfer and License Agreement

The Intellectual Property Transfer and License Agreement, which we refer to as the "IP Agreement", governs the transfer, assignment, and licensing of certain intellectual property from Philips to us and from us to Philips. Under the terms of this agreement, Philips has assigned to us approximately 5,300 patent families. A patent family consists of related patents and patent applications that protect the same invention but cover different geographical regions, and also include certain planned patent applications which we may file in the future. The assigned patent families cover a significant number but not all of the semiconductor-specific intellectual property previously owned by Philips, and represent approximately 25% of all patent families previously held by Philips. The patents that were assigned to us are subject to (1) any prior commitments to and undertakings with third parties entered into prior to the Separation, (2) any arrangement entered into between us and the members of the Philips group prior to the Separation and (3) any licenses retained by Philips. The IP Agreement also provides for certain design and processing requirements with respect to a very limited number of patents, the so-called phase change memory patents, which provide that if we fail to exploit these patents within five years, we must reassign them to Philips. If we are required to re-assign patents, we will receive a non-transferable, royalty-free irrevocable license to use such patents following the re-assignment.

In addition to assigning patents to us, Philips has granted us a non-exclusive, royalty-free and irrevocable license (A) to all patents that Philips holds but did not assign to us, to the extent that such patents are entitled to the benefit of a filing date prior to the Separation and for which Philips is free to grant licenses without the consent of or accounting to any third party and (B) to certain know-how that is available to us, where such patents or know-how relate: (1) to our current products and technologies as well as successor products and technologies, (2) to technology that was developed for us prior to the Separation, and (3) to technology developed pursuant to contract research work co-funded by us. Philips has also granted us a non-exclusive, royalty-free and irrevocable license (1) under certain patents for use in giant magneto-resistive devices outside the field of healthcare and biological applications, and (2) under certain patents relevant to polymer electronics resulting from contract research work co-funded by us in the field of RFID tags. This license is subject to exclusions. The license does not cover (1) patents which are necessary for the implementation of an adopted standard, (2) patents which are currently used or will be used by Philips in industry-wide licensing programs of which Philips has informed us in writing, (3) patents and know-how relating to 3D applications, or (4) unless originating from work cofunded by us or generated by our employees, patents for solid state light applications. The license is non-transferable (although divested companies will have an option, under certain circumstances, to enter into a new license agreement with Philips) but include certain rights to grant sublicenses and to have products made by third party manufacturers ("have-made rights"). The license is subject to certain prior commitments and prior undertakings. In return, we granted Philips a non-exclusive, royalty-free, irrevocable license under all patents and know-how that Philips has assigned and transferred to us under the IP Agreement. This license is non-transferable and includes specified sub-license and have-made rights. In particular Philips has been granted the right to have products made by third party manufacturers, solely for the account of, and use or resale by, Philips. Philips also has the right to grant sub-licenses (a) for integrated circuits and discretes, miniature loudspeakers, kits or RF front-end solutions and other products, (b) for features that are designed by or exclusively for Philips, (c) to third party manufacturers that have obtained a right to make products for Philips, for the duration of such manufacturer delivering such products to Philips (which might enable such manufacturer, after expiration of the leadtimes they have agreed to with Philips, to supply such products to third parties for the same application as used by Philips). Philips is furthermore entitled to grant sub-licenses (1) to third parties insofar as necessary to enable technology co-operations and to license software to third parties other than customers, (2) to third parties, with whom Philips or any of its associated companies has entered or will enter into cross license agreements

and to which we or any of our associated companies become a party and (3) insofar as necessary for the sale or licensing, directly or indirectly, of services, software and/or IP blocks by Philips.

Philips has also assigned to us all software that is primarily used or intended to be used within our company, excluding any software covered by the IT Agreement entered into by Philips and us concurrently with the IP Agreement. See "—Information Technology Transitional Services Agreement" below. In addition, Philips has granted us a non-transferable, non-exclusive, royalty-free, irrevocable license to use any software retained by it within the scope of our business to the extent such software was available to us at the time of the Separation and to the extent necessary for the sale of existing products currently supplied by us. This license includes the right to modify and create derivative works and the right to grant sublicenses in the context of, and to the extent necessary for, the marketing or supplying certain products supplied by us at the time of the Separation. In return, we have granted Philips a cross-license with respect to all software rights that Philips has assigned or transferred to us.

Under the IP Agreement, Philips has also assigned to us certain copyrights, know-how, trademarks and domain names as well as certain patent license and patent ownership agreements. The copyrights assigned include all copyrights relating to integrated circuits and discrete semiconductors, miniature loudspeakers, kits and radio frequency front-end solutions that historically have been marketed by or developed by or exclusively for, our business and any drawings and documentation relating to such products. The business know-how assigned includes know-how that originated within Philips but is used or intended to be used primarily within our business. The trademarks and domain names assigned include Nexperia® and TriMedia®.

In accordance with the IP Agreement, we are required to cease using the term "Philips" as a brand name or trade name without Philips' consent. This requirement includes the use of the Philips trademark and logo, and any derivative or combination mark. We are, however, permitted under certain circumstances to use the tag "founded by Philips" in accordance with Philips' guidelines for a period of five years after the Separation. We are also permitted to use the word mark PHILIPS and the Philips shield emblem, under certain conditions, in a number of other ways, such as on physical stock of promotional documentation and packing materials produced before October 1, 2006 and for purposes of rerouting e-mails sent to existing Philips e-mail addresses and websites.

Additionally, Philips has agreed not to compete with us in our core business by making, selling or disposing of integrated circuits and discrete semiconductors, miniature loudspeakers, kits or radio frequency front-end solutions that compete with our products, for a period of three years following the Separation, subject to certain exceptions. Pursuant to these exceptions, Philips may, for example (1) continue to research, develop and prototype products which compete with ours, (2) make, have made and sell end user product directed to the consumer market, the professional and consumer medical market or the professional, consumer and special lighting markets, (3) make or have made any type of semiconductor products for incorporation into any Philips products, systems, applications or services, (4) develop, create or dispose of a competing business provided its annual revenue is less than EUR 50 million, and (5) acquire a controlling interest in a competing business, provided that the commercial activities of such business did not generate more than EUR 100 million of revenue in the fiscal year preceding the year of the acquisition. If, however, Philips is acquired by a third party while this agreement is in effect, Philips' promise not to compete with our core business will not apply to any acquirer of Philips or its associated companies.

Framework R&D Agreement

The Framework R&D Agreement governs the cooperation efforts between Philips and us with respect to joint research and development projects following the Separation.

Ownership rights to intellectual property developed through ongoing and future joint research and development projects covered under this agreement depend on the type of project and the relative

participation of each party. In general, where the employees of one party develop intellectual property pursuant to a joint research and development project, that party will have sole ownership of such intellectual property but will be required to grant the other party a non-exclusive, non-transferable, royalty-free license, including the right to have products made by a third party and the right to grant sub-licenses within the scope of such party's business. Where intellectual property is developed jointly and by employees of both parties that intellectual property will be jointly owned by both parties. However, where the relative contributions of the parties to a joint research and development project are unequal, as measured by the number and expertise of the employees involved, any intellectual property generated solely by employees of a party will be owned by that party. The party making the smaller contribution will grant a royalty-free license to the party making the larger contribution, and will pay an amount to be agreed upon or take a royalty-bearing license from the party making the larger contribution.

Information Technology Transitional Services Agreement

The Information Technology Transitional Services Agreement, which we refer to as the "IT Agreement" sets out the terms pursuant to which Philips will, for a limited time after the Separation, provide certain information technology services to us. Under the terms of the agreement, Philips and we have entered into a series of service level agreements, which detail the terms, conditions and prices of each of the services to be provided.

In addition, Philips has granted us a non-exclusive, irrevocable, royalty-free license to software owned by Philips or its affiliates for use in our business for the term of the agreement.

Projects Transfer Agreement

The Projects Transfer Agreement sets out a series of agreed principles pursuant to which Philips' rights and obligations under certain ongoing research and development projects with third parties may be transferred or shared between Philips and us.

General Purchasing Agreement

The General Purchasing Agreement sets out the terms and conditions pursuant to which we will sell semiconductor products to Philips and certain of its subcontractors. The agreement, to the extent practical, provides for rolling nine-month product requirement forecasts to be provided by Philips, which can become binding volume commitments in case certain fixed quantities are not met. Furthermore, the agreement stipulates an "agreed price" principle, with the periods during which such price remains valid to be agreed separately.

Umbrella PGP Services Agreement

The Umbrella Transitional Philips General Purchasing ("PGP") Services Agreement, in conjunction with country-specific service level agreements, governs the provision of certain sourcing, transaction, forwarding and distribution, and industrial standardization services by Philips to us until such time as we have established and implemented our own general purchasing arrangements, but in any case no later than June 30, 2007. We expect all relevant purchasing agreements to have been renewed or replaced on or prior to that date.

Umbrella Transitional Services Agreement

The Transitional Services Agreement, in conjunction with country-specific service level agreements, governs the provision of certain services (other than those covered by the IT Agreement and the Umbrella Transitional PGP Services Agreement described above) by Philips to us for a limited period of time. Philips has agreed to provide these services to us for one year following the closing of the

Separation. The services relate to the areas of human resources, extended participation in pension funds and facilities management.

The Acquisition of Our Company By KASLION

On September 29, 2006, KASLION purchased our company from Philips for a purchase price of €8,071 million subject to certain post-closing adjustments. We refer to this transaction as the "Acquisition". For an overview of the key agreements entered into in connection with this transaction, see "Recent Significant Transactions".

DESCRIPTION OF OTHER INDEBTEDNESS

The following contains a summary of the material provisions of the senior secured revolving credit facility and the collateral agency agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents, which have been filed as exhibits to the registration statement of which this prospectus is a part.

Terms not otherwise defined in this section shall, unless the context otherwise requires, have the same meanings set out in the senior secured revolving credit facility agreement or the collateral agency agreement, as the case may be, in each case as defined below.

Senior Secured Revolving Credit Facility

Pursuant to the secured revolving credit agreement, which has been entered into by, among others, the co-issuers, KASLION, Morgan Stanley Senior Funding, Inc. as administrative and collateral agent, Deutsche Bank AG, London Branch as syndication agent, Merrill Lynch Capital Corporation as documentation agent, and Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint-lead arrangers and joint bookrunners, up to €500 million is available to us under a senior secured revolving credit facility.

Availability

Through the senior secured revolving credit facility, an aggregate principal amount of up to €500 million is available to us to finance the working capital requirements and the general corporate purposes of our group. Up to €20 million of the senior secured revolving credit facility is available to KASLION for general corporate purposes.

Repayment

The senior secured revolving credit facility will terminate on September 29, 2012, and any amount still outstanding will be due in full immediately on that date. The senior secured revolving credit facility may be prepaid at any time in whole or in part without premium or penalty, except that any prepayment of EURIBOR or LIBOR advances other than at the end of the applicable interest periods shall be made with reimbursement for any funding losses and redeployment costs of the senior lenders resulting therefrom. Any amount repaid or prepaid (whether voluntarily or otherwise) may be re-borrowed, subject to certain conditions precedent to borrowing as specified in the senior secured revolving credit facility agreement. The unutilized portion of any commitment under the senior secured revolving credit facility may be reduced or terminated by the co-issuers at any time without penalty.

Interest rates

Loans under the senior secured revolving credit facility denominated in euro bear interest at a rate per annum (calculated on a 360-day basis) equal to EURIBOR plus the applicable margin (as defined below). Loans under the senior secured revolving credit facility denominated in U.S. dollars bear interest at a rate per annum (calculated on a 360-day basis) equal to, at our option, either (i) LIBOR plus the applicable margin or (ii) the alternate base rate (defined as the higher of (x) the prime rate quoted by Deutsche Bank AG, New York Branch and (y) the federal funds rate plus 0.50%) plus the applicable margin.

The applicable margin means (i) until the date which is six months after the closing date, 2.75% per annum for EURIBOR and LIBOR advances, and 1.75% per annum for alternate base rate advances, and (ii) thereafter, a percentage per annum to be determined in accordance with the

following net leverage-based pricing grid (defined as the ratio of total indebtedness less unrestricted cash to EBITDA).

Net Leverage Ratio	EURIBOR or LIBOR Applicable Margin	Alternate Base Rate Applicable Margin
>3.25	2.75%	1.75%
2.75–3.25	2.50%	1.50%
2.25–2.74	2.25%	1.25%
<2.25	2.00%	1.00%

The co-issuers may select interest periods of one, two, three or six months for EURIBOR or LIBOR advances. Interest is payable at the end of the selected interest period, but no less frequently than quarterly. The applicable margin on all overdue amounts owing under the loan documentation will increase by 1% per annum.

Guarantees

All of the guarantors of the notes are also guarantors of our obligations under the senior secured revolving credit facility. In addition, KASLION and NXP Semiconductors France SAS are guarantors under the senior secured revolving credit facility.

Security for the Senior Secured Revolving Credit Facility

The co-issuers, KASLION and each of the guarantors (except in the case of the guarantor organized in The Philippines) have granted to the collateral agent, for the benefit of the senior lenders and letter of credit issuers, subject to agreed security principles, valid and perfected first priority liens and security interests in (i) all present and future shares of capital stock of (or other ownership or profit interests in) each of their present and future subsidiaries, other than SMST Unterstützungskasse GmbH, and material joint venture entities, including all of the equity interests in the co-issuers; (ii) all present and future intercompany debt; (iii) all of their present and future property and assets, real and personal, including, but not limited to, machinery and equipment, inventory and other goods, accounts receivable, owned real estate, leaseholds, fixtures, general intangibles, license rights, patents, trademarks, trade names, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights and tax refunds, but excluding cash and bank accounts; and (iv) all proceeds and products of the property and assets described in clauses (i), (ii) and (iii) above (collectively, the "collateral"). The Philippines subsidiary has provided a conditional assignment of all of the above assets.

Such collateral ratably secures the relevant party's obligations in respect of the senior secured revolving credit facility, any interest rate swap or similar agreements with a senior lender under the senior secured revolving credit facility (or any of its affiliates) and the secured notes. The collateral agency agreement, as described below, provides that the senior lenders under the senior secured revolving credit facility receive priority in right of payment in the event of a foreclosure on any of the collateral or in insolvency proceeding to satisfy any obligations under the senior secured revolving credit facility or the secured notes.

The agreed security principles limit the obligation to provide security and guarantees based on certain legal, commercial and practical difficulties in obtaining effective security or guarantees from relevant companies in jurisdictions in which the company operates, and include, among others:

- obstacles such as general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters;

- the lack of legal capacity of the relevant company, a conflict with the fiduciary duties of such company's directors, the contravention of any legal prohibition or regulatory condition, or the material risk of personal or criminal liability for officers or directors;
- applicable costs of obtaining the security disproportionate to the benefit to the lenders;
- the impossibility or impracticability to create a security over certain categories of assets;
- the prohibition to charge certain assets because they are subject to contracts, leases, licenses or other arrangements with a third party that effectively prevent those assets from being charged;
- a material adverse effect on the ability of the relevant obligor to conduct its operations and business in the ordinary course as otherwise permitted;
- in the case of accounts receivable, a material adverse effect on either co-issuer's or a guarantor's relationship with or sales to the customer generating such receivables or material legal or commercial difficulties; and
- a limit on the aggregate amount of notarial costs and all registration and like taxes relating to the provision of security.

The above security principles are, where relevant, subject to customary exceptions and obligations of the co-issuers or relevant guarantor to use reasonable efforts to overcome such obstacles. A complete copy of the agreed security principles has been filed as an exhibit to the registration statement of which this prospectus is a part.

Covenants

The senior secured revolving credit facility agreement contains negative covenants similar to those in the indentures, with appropriate variations to reflect instruments in loan rather than note form.

The senior secured revolving credit facility agreement also requires us to deliver our financial statements to the administrative agent for distribution to each lender, and to observe (and to cause each of its restricted subsidiaries to observe), certain affirmative undertakings subject to materiality and other customary and agreed exceptions. These affirmative undertakings include, but are not limited to, undertakings related to (i) payment of obligations, (ii) preservation of corporate existence and maintenance of assets (including intellectual property rights) and properties, (iii) maintenance of insurance, (iv) compliance with laws, (v) inspection rights, and (vi) use of proceeds.

The senior secured revolving credit facility agreement does not contain any financial maintenance covenants.

Events of Default

The senior secured revolving credit facility agreement sets out certain customary events of default similar to those contained in the indentures governing the notes (except that the senior secured revolving credit facility agreement contains a cross-default rather than a cross-acceleration event of default), the occurrence of which would allow the lenders to accelerate all outstanding loans and terminate their commitments. A change of control (defined in a manner similar to the corresponding definition in the indentures governing the notes) also constitutes an event of default.

Collateral Agency Agreement

The various security documents entered into and to be entered into, and the collateral granted and to be granted in respect of, the senior secured revolving credit facility agreement, the indentures, and the guarantees supporting the obligations thereunder (the "secured agreements"), will be administered by Morgan Stanley Senior Funding, Inc. as the global collateral agent, Mizuho Corporate Bank, Ltd. as

the Taiwan collateral agent, and certain sub-collateral agents that are authorized to administer collateral in specific jurisdictions (collectively, "collateral agent") for the benefit of all holders of secured obligations under such agreements. To establish the rights and responsibilities of the collateral agent, and to determine the order of priority for proceeds realized by the collateral agent from the collateral and upon insolvency, the co-issuers, KASLION and each of the guarantors have entered into a collateral agency agreement (the "collateral agency agreement") with the collateral agent and revolving credit facility agent. Any subsidiaries of the issuer that will become a guarantor under any secured agreement are expected to accede to the collateral agency agreement.

The obligations of KASLION, the co-issuers and the guarantors in their capacity as lien grantors with respect to the provision of liens in favor of the collateral agent (the "lien grantors") and the nature of any assets or property underlying such liens are subject to the agreed security principles described above. See "Description of Other Indebtedness—Senior Secured Revolving Credit Facility—Security for the Senior Secured Revolving Credit Facility".

"Secured parties" under the collateral agency agreement are (i) the revolving credit facility agent, as agent for and on behalf of the lenders and letter of credit issuers under the senior secured revolving credit facility, (ii) an agent or trustee on behalf of the holders of the secured notes that becomes a party to the collateral agency agreement and (iii) the collateral agent. In certain circumstances holders of additional secured indebtedness of the issuer may accede to the collateral agency agreement as secured parties.

Enforcement of Liens

Following the occurrence of an enforcement event under a secured agreement, the relevant secured party may deliver to the collateral agent an enforcement notice, instructing the collateral agent to take enforcement action under the collateral agency agreement and the various security documents to be entered into (and as specified in the collateral agency agreement). In such case, the collateral agent shall foreclose upon the collateral, exercising any and all remedies available to it under the security documents, the collateral agency agreement and at law.

Proceeds realized by the collateral agent from the collateral (and in insolvency proceedings) will be applied:

- *first*, to amounts owing to the collateral agent in its capacity as such and amounts owing to each facility agent in its capacity as such and the trustee in its capacity as such in accordance with the terms of the applicable indenture and amounts owing as fees payable to letters of credit issuers under the senior secured revolving credit facility;

- second, to amounts owing to the holders of obligations under the senior secured revolving credit facility secured by the collateral (including hedging agreements with lenders thereunder or their affiliates) in accordance with the terms of the senior secured revolving credit facility or such hedging agreements;

- third, ratably to amounts owing to the holders of the secured exchange notes and secured outstanding notes in accordance with the terms of the indenture for the secured notes; and

- fourth, to the company and/or other persons entitled thereto.

In addition, additional indebtedness may be incurred by the company and its restricted subsidiaries and secured by liens on the collateral, in which case the holders of such indebtedness shall receive proceeds ratably with the lenders under the senior secured revolving credit facility (if permitted to have super-priority) or with the holders (in each other case). Amounts owing to the trustees or representatives of the lenders or holders of such indebtedness shall, to the extent agreed by the company, be satisfied ratably with amounts owing to the collateral agent.

Release of Liens and Collateral

All liens granted by the lien grantors under the security documents will terminate upon receipt by the collateral agent of a written confirmation from the required secured parties (as defined below) that the applicable secured obligations have been paid and performed in full and all commitments under the applicable secured agreements have been terminated.

At any time before the liens granted by the lien grantors terminate as described above, the liens granted by a lien grantor under the security documents to which such lien grantor is a party will terminate upon receipt by the collateral agent of a written confirmation that all conditions to the release of such lien grantor or such assets or property, as applicable, as set forth in the relevant secured agreements have been satisfied or waived. Receipt of such written confirmation will also release any assets or properties of a lien grantor that are subject to a lien under the security documents to which such lien grantor is a party. The collateral agent is further authorized and instructed by the secured parties to release the liens created under the pledge of the shares of NXP Semiconductors (Thailand) Co. Ltd. on the closing date (and upon the accession of additional secured parties to the Collateral Agency Agreement) in accordance with and subject to the conditions set forth in the relevant pledge agreement and to enter into a replacement pledge.

"Required secured parties" under the collateral agency agreement are (i) with respect to any collateral of the French guarantor, NXP Semiconductors France SAS, and any collateral of KASLION and any proceeds arising from the disposition or realization upon such collateral (the "restricted collateral"), any security document which creates a lien on any restricted collateral or the segregated account established and maintained by the collateral agent as a "restricted proceeds collateral account", the agent appointed under the senior secured revolving credit facility agreement and any additional secured party holding security over any restricted collateral, or (ii) with respect to any collateral that is not restricted collateral, any security document which creates a lien on any such collateral or the segregated account established and maintained by the collateral agent as an "unrestricted proceeds collateral account", all of the secured parties.

THE EXCHANGE OFFERS

The following contains a summary of material provisions of the Registration Rights Agreement. Because it is a summary, it may not contain all of the information that is important to you. The Registration Rights Agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. We urge you to read carefully the Registration Rights Agreement in its entirety.

Purpose of the Exchange Offers

On October 12, 2006, NXP B.V. and NXP Funding LLC issued €1,000,000,000 aggregate principal amount of floating rate senior secured notes due 2013, $1,535,000,000 aggregate principal amount of floating rate senior secured notes due 2013, $1,026,000,000 aggregate principal amount of $7^{7}/_{8}$% senior secured notes due 2014, €525,000,000 aggregate principal amount of $8^{5}/_{8}$% senior notes due 2015 and $1,250,000,000 aggregate principal amount of $9^{1}/_{2}$% senior notes due 2015 in a private offering.

As a condition to the initial sale of the notes, we entered into the Registration Rights Agreement with the initial purchasers of the notes under which we agreed that we would, at our own expense and for the benefit of the holders of the outstanding notes, use commercially reasonable efforts to:

(a) file and cause to become effective a registration statement with respect to a registered offer to exchange the outstanding notes of each series for exchange notes with terms substantially identical to the outstanding notes of such series; and

(b) keep the exchange offer open for not less than 20 business days after the date on which notice of the exchange offers is sent to the holders of the outstanding notes.

We agreed to issue and exchange notes for all notes validly tendered in accordance with the terms of the exchange offers and not validly withdrawn before the exchange offers expire.

Under the Registration Rights Agreement it was furthermore agreed that if applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer, or under certain other circumstances, we will, at our cost:

(1) promptly file a shelf registration statement covering resales of the outstanding notes; and

(2) use commercially reasonable efforts to cause such shelf registration statement to become effective and to keep the shelf registration statement effective until the earliest of two years after the issue date of the outstanding notes, the expiration of the time period referred to in Rule 144(k) under the Securities Act after the issue date of the outstanding notes, or the date when all outstanding notes covered by the shelf registration statement have been sold pursuant to the shelf registration statement (the "shelf registration period"). We agreed, in the event of a shelf registration, to make available copies of the prospectus to each holder of outstanding notes, notify each holder of outstanding notes when the shelf registration statement for the outstanding notes has become effective and take certain other actions as are required to permit resales of the outstanding notes. A holder of outstanding notes that sells its outstanding notes pursuant to the shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the Registration Rights Agreement that are applicable to a selling holder, including certain indemnification obligations.

If (A) we have not exchanged exchange notes for all outstanding notes validly tendered in accordance with the terms of the exchange offer on or prior to January 5, 2008 or (B) if applicable, a shelf registration statement covering resales of the outstanding notes has been declared effective and such shelf registration statement ceases to be effective at any time during the shelf registration period

(subject to certain exceptions), then additional interest ("Additional Interest") shall accrue on the principal amount of the outstanding notes (subject to certain exceptions) at a rate of 0.25% per annum (which rate will be increased by an additional 0.25% per annum for each subsequent 90-day period that such Additional Interest continues to accrue, *provided* that the rate at which such additional interest accrues may in no event exceed 0.50% per annum) commencing on (x) January 6, 2008, in the case of (A) above, or (y) the day such shelf registration statement ceases to be effective, in the case of (B) above; *provided*, *however*, that upon the exchange of exchange notes for all outstanding notes tendered (in the clause (A) above), or upon the effectiveness of a shelf registration statement that had ceased to remain effective (in the case of clause (B) above), Additional Interest on the outstanding notes as a result of such clause, as the case may be, shall cease to accrue.

If we effect the exchange offers, we will be entitled to close the exchange offers 20 business days after the commencement thereof if we have accepted all outstanding notes validly surrendered in accordance with the terms of the exchange offers. Outstanding notes not tendered in the exchange offers will bear interest at the rate set forth on the cover page of this prospectus with respect to the applicable series and be subject to all of the terms and conditions specified in the applicable indenture and to the transfer restrictions described in "Description of the Exchange Notes—Transfer and Exchange."

The interest rate on the outstanding notes will not increase by more than 0.50% per annum notwithstanding any failure to meet more than one of these requirements.

Resale of Exchange Notes

We believe that you will be allowed to resell the exchange notes to the public without registration under the Securities Act and without delivering a prospectus that satisfies the requirements of the Securities Act, if you can make the representations described in this prospectus under "—Representations on Tendering Notes". If you intend to participate in a distribution of the exchange notes, however, you must comply with the registration requirements of the Securities Act and deliver a prospectus, unless an exemption from registration is otherwise available. In addition, you cannot be an "affiliate" of NXP B.V., NXP Funding LLC or any guarantor, as defined in Rule 405 under the Securities Act. In order to participate in the exchange offers, you must represent to us that you meet these conditions.

If you are a broker-dealer that acquired notes as a result of market-making or other trading activities, you must deliver a prospectus in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for 180 days after the last exchange date for an offer to resell, a resale or other retransfer of the exchange notes issued to it in the exchange offers. We agreed in the Registration Rights Agreement to make this prospectus, and any amendment or supplement to this prospectus, available to any broker-dealer that requests copies until 180 days after the closing of the exchange offers. See "Plan of Distribution" below for more information regarding broker-dealers.

We base our belief on interpretations by the SEC staff in no-action letters issued to other issuers in exchange offers like ours. We cannot guarantee that the SEC would make a similar decision about our exchange offers. If our belief is wrong, you could incur liability under the Securities Act. We will not protect you against any loss incurred as a result of this liability under the Securities Act.

Terms of the Exchange Offers

Timing of the Exchange Offers. We are offering the exchange notes in exchange for your outstanding notes. We will keep the exchange offers open for at least 20 business days, or longer if required by applicable law, after the date on which notice of the exchange offers is sent to the holders of the outstanding notes.

Expiration Date. **THE EXCHANGE OFFERS WILL EXPIRE at 5:00 p.m., New York City time, on May , 2007, for the exchange offers for dollar-denominated outstanding notes, and at 5:00 p.m., London time, on May , 2007, for the exchange offers for euro-denominated outstanding notes, unless we extend any exchange offer in our sole discretion (we refer to the expiration date with respect to any exchange offer as the "expiration date").**

Form and Terms of the Exchange Notes. The form and terms of the exchange notes will be the same as the form and terms of the outstanding notes except that:

- the exchange notes will have a different CUSIP number, common code or international securities identification number from the outstanding notes for which they were exchanged;
- the exchange notes will be registered under the Securities Act and will not have legends restricting their transfer;
- the exchange notes will not contain terms providing for payment of liquidated damages in the form of a higher annual interest under circumstances relating to the timing of the exchange offers;
- holders of exchange notes will not be entitled to any registration rights under the Registration Rights Agreement because of these rights will terminate when the exchange offers are completed.

The exchange notes will evidence the same debt as the outstanding notes and will be issued under, and be entitled to the benefits of, the same indentures governing the outstanding notes. We will treat each series of notes as a single class of debt securities under the indentures.

Acceptance of Tendered Outstanding Notes. We will be deemed to have accepted validly tendered outstanding notes when, as and if we have given oral or written notice of acceptance to the applicable exchange agent for the exchange offers. The exchange agents will act as agents for the tendering holder for the purpose of receiving the exchange notes from us.

Amendment or Extension of the Exchange Offers. We can extend the exchange offers. To do so we must:

- notify the exchange agents of any extension either orally or in writing; and
- make an announcement of the extension before 9:00 a.m., New York City time, on the next business day after the previous date the exchange offer was scheduled to expire.

We also reserve the right to:

- delay accepting outstanding notes; or
- terminate any of the exchange offers and refuse to accept any outstanding notes not previously accepted if any of the conditions described below under "—Conditions" shall have occurred or exists and has not been satisfied or waived prior to the expiration of the relevant exchange offer.

If we delay, extend or terminate the exchange offers, we must give oral or written notice to the exchange agents.

We may also amend the terms of the exchange offers in any way we determine is advantageous to the holder of the outstanding notes. If this change is material, we will promptly disclose that amendment in a manner reasonably calculated to inform the holder of the outstanding notes.

We do not have to publish, advertise or otherwise communicate any public announcement of any delay, extension, amendment or termination that we may choose to make.

Interest on the Exchange Notes and the Outstanding Notes. Interest is payable on the outstanding notes, and will be payable on the exchange notes (i) quarterly on January 15, April 15, July 15 and October 15 of each year, commencing July 15, 2007, on the floating rate senior secured exchange notes and (ii) semi-annually on April 15 and October 15 of each year, commencing October 15, 2007, on the senior secured exchange notes and the senior exchange notes. The exchange notes will bear interest from the last maturity date of any interest installment on which interest was paid on the outstanding notes (or the issue date of the outstanding notes if no interest has been paid). If you hold outstanding notes and they are accepted for exchange you will waive your right to receive any interest on your outstanding notes accrued from the last maturity date of any interest installment on which interest was paid to the date the exchange notes are issued. Thus, if you exchange your outstanding notes for exchange notes you will receive the same interest payment on July 15, 2007 (for floating rate senior secured exchange notes) or October 15, 2007 (for senior secured exchange notes and senior exchange notes), which is the next interest payment date with respect to the outstanding notes and the first interest payment date with respect to the exchange notes, that you would have received had you not accepted the exchange offer.

Shelf Registration Statement

We agreed to file a shelf registration statement with the SEC if:

(1) applicable law or interpretations of the staff of the SEC do not permit us to effect the exchange offers,

(2) we have not exchanged exchange notes for all outstanding notes validly tendered in accordance with the terms of the exchange offer on or prior to January 5, 2008; or

(3) in the case of any holder that participates in any exchange offer, such holder does not receive exchange notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such holder as an affiliate of NXP, NXP Funding LLC or any guarantor subsidiary within the meaning of the Securities Act) and so notifies us within 30 days after such holder first becomes aware of such restrictions.

We agreed to use commercially reasonable efforts to file as soon as practicable such shelf registration statement and to keep the shelf registration statement effective during the shelf registration period.

Procedures for Tendering Dollar-Denominated Outstanding Notes

How to Tender Notes Held Through DTC

If you are a DTC participant that has dollar-denominated notes which are credited to your DTC account by book-entry and which are held of record by DTC, Euroclear or Clearstream's nominee, as applicable, you may tender your dollar-denominated notes by book-entry transfer as if you were the record holder. Because of this, references herein to registered or record holders include DTC, Euroclear and Clearstream participants with dollar-denominated notes credited to their accounts. If you are not a DTC, Euroclear or Clearstream participant, you may tender your dollar-denominated notes by book-entry transfer by contacting your broker, dealer or other nominee or by opening an account with a DTC, Euroclear or Clearstream participant, as the case may be.

To tender dollar-denominated notes in the exchange offer:

- You must comply with DTC's Automated Tender Offer Program ("ATOP") procedures described below;

- the dollar exchange agent must receive a timely confirmation of a book-entry transfer of the dollar-denominated notes into its account at DTC through ATOP pursuant to the procedure for book-entry transfer described below, along with a properly transmitted agent's message, before the expiration date.

Participants in DTC's ATOP program must electronically transmit their acceptance of the exchange by causing DTC to transfer the dollar-denominated notes to the dollar exchange agent in accordance with DTC's ATOP procedures for transfer. DTC will then send an agent's message to the dollar exchange agent.

With respect to the exchange of the dollar-denominated notes, the term "agent's message" means a message transmitted by DTC, received by the dollar exchange agent and forming part of the book-entry confirmation, which states that:

- DTC has received an express acknowledgment from a participant in its ATOP that is tendering dollar-denominated notes that are the subject of the book-entry confirmation;
- the participant has received and agrees to be bound by the terms and subject to the conditions set forth in this prospectus; and
- the Company may enforce the agreement against such participant.

Delivery of an agent's message will also constitute an acknowledgment from the tendering DTC participant that the representations under "—Representations on Tendering Notes" described below in this prospectus are true and correct.

Procedures for Tendering Euro-Denominated Outstanding Notes

How to Tender Notes Held Through Euroclear or Clearstream

To tender in the exchange offer for the euro-denominated outstanding notes, you must comply with the procedures described below of Euroclear Bank, S.A./N.V., ("Euroclear") or Clearstream société anonyme ("Clearstream").

The registered holder of euro-denominated outstanding notes in whose name such euro-denominated outstanding notes are registered on the records of Euroclear or Clearstream must submit an electronic acceptance instruction to Euroclear or Clearstream to authorize the tender of the euro-denominated outstanding notes and the blocking of the account in Euroclear or Clearstream to which such euro-denominated outstanding notes are credited. If you are a beneficial owner of euro-denominated outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender, you should contact such registered holder promptly and instruct such registered holder to tender on your behalf in accordance with these procedures.

Each holder submitting an electronic acceptance instruction must ensure that Euroclear or Clearstream, as the case may be, is authorized to block the account(s) in which the tendered euro-denominated outstanding notes are held so that no transfers may be effected in relation to such notes at any time from and including the date on which the holder submits its electronic acceptance instruction.

By blocking such euro-denominated outstanding notes in the relevant book-entry transfer facility each holder of euro-denominated outstanding notes will be deemed to consent to have the relevant book-entry transfer facility provide details concerning such holder's identity to the euro exchange agent.

The exchange of euro-denominated outstanding notes will only be made after receipt of an agent's message and any other required documents by the exchange agent for the euro-denominated outstanding notes prior to 5:00 p.m., London time, on the applicable expiration date or in accordance

with the deadlines specified by Euroclear or Clearstream. In connection with tenders of the euro-denominated outstanding notes, the term "electronic acceptance instruction" means an instruction transmitted by Euroclear or Clearstream, as applicable, received by the exchange agent for the euro-denominated outstanding notes and forming a part of the book-entry confirmation, that states that:

- Euroclear or Clearstream, as applicable, has received an express acknowledgment from a participant in Euroclear or Clearstream, as the case may be, that such participant is tendering euro-denominated outstanding notes that are the subject of the book-entry confirmation;
- the participant has received and agrees to be bound by the terms and subject to the conditions set forth in this prospectus; and
- we may enforce that agreement against such participant.

We refer to DTC, Euroclear and Clearstream collectively as "book-entry transfer facilities" and, individually, as a "book-entry transfer facility."

Representations, Warranties and Undertakings

By tendering your euro-denominated outstanding notes through the submission of an electronic acceptance instruction in accordance with the requirements of Euroclear or Clearstream, you shall be deemed to represent, warrant and undertake the following:

(1) Your bond instructions must be delivered and received by Euroclear or Clearstream in accordance with deadlines and procedures established by them and in any event prior to 5:00 P.M., London time, on the applicable expiration date. You are responsible for meeting these deadlines and for arranging the timely delivery of bond instructions to Euroclear or Clearstream.

(2) Upon the terms and subject to the conditions of the exchange offer for the euro-denominated outstanding notes, you accept such offer in respect of the principal amount of euro-denominated outstanding notes in your account blocked in the relevant clearing system.

(3) Subject to and effective upon the acceptance for exchange of the euro-denominated outstanding notes tendered, you sell, assign and transfer to NXP all right, title and interest in and to such euro-denominated outstanding notes as are being tendered and any and all notes or other securities issued, paid or distributed or issuable, payable or distributable in respect of such notes on or after , 2007.

(4) You irrevocably constitute and appoint Deutsche Bank AG as your true and lawful agent, attorney-in-fact and proxy with respect to euro-denominated outstanding notes tendered, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), among other things, to cause the euro-denominated outstanding notes to be assigned, transferred and exchanged.

(5) You will, upon request, execute and deliver any additional documents deemed by NXP to be necessary or desirable to complete the sale, assignment and transfer of the euro-denominated outstanding notes tendered.

(6) All authority conferred or agreed to be conferred hereby and every obligation hereunder shall be binding upon your successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, your death or incapacity.

(7) You understand that the tender of euro-denominated outstanding notes pursuant to any of the procedures described above under the caption "— How to Tender Notes Held Through

Euroclear or Clearstream" will constitute a binding agreement between you and NXP upon the terms and subject to the conditions set forth herein, including your representation that you own the euro-denominated outstanding notes being tendered.

(8) You recognize that, under certain circumstances set forth below under the caption "—Conditions," NXP may not be required to accept for exchange any of the euro-denominated outstanding notes tendered hereby.

(9) You represent, warrant and agree that

(a) you have full power and authority to tender, sell, assign and transfer the euro-denominated outstanding notes,

(b) when such euro-denominated outstanding notes are accepted for exchange, NXP will acquire good and unencumbered title to such notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim and such outstanding notes will not have been transferred to NXP in violation of any contractual or other restriction on the transfer thereof,

(c) any euro-denominated exchange notes acquired in exchange for euro-denominated outstanding notes tendered hereby will have been acquired in the ordinary course of business of the person receiving such euro-denominated exchange notes, whether or not you are such person,

(d) neither you nor the person receiving euro-denominated exchange notes, whether or not you are such person, is participating in, intends to participate in, or has an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of euro-denominated outstanding notes or euro-denominated exchange notes,

(e) neither you nor the person receiving euro-denominated exchange notes, whether or not you are such person, is an "affiliate," as defined in Rule 405 under the Securities Act, of NXP B.V., NXP Funding LLC or any guarantor subsidiary (collectively, the "NXP Group"),

(f) if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of euro-denominated exchange notes,

(g) if you are a broker-dealer,

1. you have not entered into any arrangement or understanding with NXP, NXP Funding LLC or any guarantor subsidiary or an affiliate of the NXP Group to distribute euro-denominated exchange notes in connection with any resale of such notes,

2. you acquired the euro-denominated outstanding notes to be exchanged for the euro-denominated exchange notes as a result of market-making activities or other trading activities, and

3. you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of euro-denominated exchange notes, however, by so representing and agreeing and by delivering such a prospectus, you will not be deemed to admit that you are an "underwriter" within the meaning of the Securities Act,

(h) if you or the person receiving euro-denominated exchange notes are located in or subject to the regulations of a Member State of the European Economic Area which has

implemented the Prospectus Directive, each, a "Relevant Member State," you or such person are:

1. a legal entity which is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

2. a legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

3. a qualified investor as defined in the Prospectus Directive.

For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State;

(i) neither you nor the person receiving euro-denominated exchange notes is an Italian resident or located in the Republic of Italy;

(j) you and the person receiving euro-denominated exchange notes are outside the United Kingdom or, if in the United Kingdom, are a person or persons to whom the exchange offer in respect of the euro-denominated outstanding notes may lawfully be made in accordance with the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and you have complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by you in relations to the new notes in, from or otherwise involving the United Kingdom;

(k) you and the person receiving euro-denominated exchange notes are outside the Republic of France or, if in the Republic of France, are a person or persons licensed to provide the service of portfolio management for the account of third parties or qualified investors (*investisseurs qualifiés*) acting for your own account as defined in Articles L.411-2 and D.411-1 to D.411-2 of the French *Code monétaire et financier*;

(l) you and the person receiving euro-denominated exchange notes are located outside the Kingdom of Belgium, or, if in the Kingdom of Belgium, are professional or institutional investors referred to in article 3, 2 of the Belgian Royal Decree of 7 July 1999 on the public character of financial operations, each acting on your own account;

(m) you and the person receiving euro-denominated exchange notes are located outside of Spain or, if in Spain, are qualified investors pursuant to Law 24/1988, as amended, and any regulation issued thereunder;

(n) you and the person receiving euro-denominated exchange notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from you in each respect in connection with any offer or acceptance in any jurisdiction, and that you and such person or persons have not taken or omitted to take any action in breach of the terms of the exchange offer in respect of the euro-denominated outstanding notes or which will or may result in NXP or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the exchange offer in respect of the euro-denominated outstanding notes or the tender of euro-denominated outstanding notes in connection therewith.

(o) neither you nor the person receiving euro-denominated exchange notes is acting on behalf of any person who could not truthfully make the representations and warranties set forth herein.

(10) You hereby acknowledge that the exchange offer for the euro-denominated outstanding notes is being made in reliance on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties and the euro-denominated exchange notes issued pursuant to the exchange offer in exchange for euro-denominated outstanding notes may be offered for resale, resold and otherwise transferred by holders thereof (other than any such holder that is a broker-dealer or an "affiliate" of any member of the NXP Group within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery requirements of the Securities Act, *provided, however,* that

(a) such euro-denominated exchange notes are acquired in the ordinary course of such holder's business,

(b) at the time of commencement of the exchange offer for the euro-denominated outstanding notes such holder has no arrangement or understanding with any person to participate in a distribution of such euro-denominated exchange notes, and

(c) such holder is not engaged in, and does not intend to engage in, a distribution of such euro-denominated exchange notes.

(11) If you are a broker-dealer, by tendering in the exchange offer for the euro-denominated outstanding notes, you acknowledge and agree to notify NXP prior to using this prospectus in connection with the sale or transfer of euro-denominated exchange notes and agree that, upon receipt of notice from NXP of the occurrence of any event that makes any statement in this prospectus untrue in any material respect or which requires changes to this prospectus in order to make the statements herein (in light of the circumstances under which they were made) not misleading, you will suspend use of this prospectus until

(a) NXP has amended or supplemented this prospectus to correct such misstatement or omission, and

(b) either NXP has furnished copies of the amended or supplemented prospectus to such broker-dealer or, if NXP has not otherwise agreed to furnish such copies and declines to do so after such broker-dealer so requests, such broker-dealer has obtained a copy of such amended or supplemented prospectus as filed with the SEC.

Except as described above, this prospectus may not be used for or in connection with an offer to resell, a resale or any other retransfer of euro-denominated exchange notes.

Beneficial Owners

If you hold outstanding notes and your outstanding notes are registered in the name of a broker-dealer, commercial bank, trust company or other nominee and you wish to tender your outstanding notes, you should contact the registered holder promptly and instruct it to tender on your behalf.

Book-Entry Transfer

Promptly after the date of this prospectus, the exchange agent will make a request to establish an account with respect to the dollar-denominated outstanding notes at DTC as book-entry transfer facility for tenders of the dollar-denominated outstanding notes and the exchange agent will make a request to establish an account with respect to the euro-denominated outstanding notes at Euroclear and Clearstream as book-entry transfer facilities for tenders of the euro—denominated outstanding notes. Any financial institution that is a participant in the applicable book-entry transfer facility's systems may

make book-entry delivery of outstanding notes by causing the book-entry transfer facility to transfer such outstanding notes into the exchange agent's account for such notes at the book-entry transfer facility in accordance with such book-entry transfer facility's procedures for transfer. In addition, an agent's message must in any case be transmitted to and received by the exchange agent at its address set forth below under "—Exchange Agent" prior to the applicable expiration time.

Acceptance of Tendered Notes

We will determine, in our sole discretion, all questions as to the validity, form, acceptance, withdrawal and eligibility, including time of receipt, of tendered outstanding notes. We reserve the absolute right:

- to reject any and all outstanding notes not properly tendered,
- to reject any outstanding notes if our acceptance would, in the opinion of our counsel, be unlawful and
- to waive any irregularities or conditions of tender as to particular outstanding notes.

Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties.

Unless waived, you must cure any defects or irregularities in connection with tenders of outstanding notes within a period of time that we will determine. Neither we, nor the exchange agent, nor any other person will be liable for failure to give notice of any defect or irregularity with respect to any tender of outstanding notes. We will not deem a tender of any outstanding notes to have been made until the defects or irregularities mentioned above have been cured or waived.

The exchange agent will return to the tendering holders any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived as soon as practicable after the exchange offer expires.

Representations on Tendering Notes

In addition to any representations made by tendering euro-denominated outstanding notes through Euroclear or Clearstream, by tendering outstanding notes in the exchange offers, you will be telling us that, among other things:

- you are acquiring the exchange notes issued in the exchange offers in the ordinary course of your business,
- you are not an "affiliate", as defined in Rule 405 under the Securities Act, of any of the co-issuers or guarantors of the exchange notes,
- neither you, nor to your knowledge any other person receiving exchange notes from you, has an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes in violation of the Securities Act;
- you have full power and authority to tender, sell, assign and transfer the outstanding notes tendered,
- we will acquire good, marketable and unencumbered title to the outstanding notes being tendered, free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sale agreements or other obligations relating to their sale or transfer, and not subject to any adverse claim when the outstanding notes are accepted by us and
- you acknowledge and agree that if you are a broker-dealer registered under the Exchange Act or you are participating in the exchange offer for the purposes of distributing the exchange notes,

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale of the exchange notes, and you cannot rely on the position of the SEC's staff in their no-action letters.

If you are a broker-dealer and you will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities or other trading activities, by tendering outstanding notes in the exchange offers you acknowledge that you will deliver a prospectus in connection with any resale of the exchange notes.

Conditions

Despite any other term of the exchange offers, we will not be required to accept for exchange, or exchange notes for, any outstanding notes and we may terminate or amend any of the exchange offers as provided in this document before the outstanding notes are accepted, if:

- the exchange offers violate applicable law or interpretations of the staff of the SEC;
- any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offers which might materially impair our ability to proceed with the exchange offers or any material adverse development occurs in any existing action or proceeding with respect to us; or
- we do not obtain all governmental approvals for the exchange offers that we deem necessary for the consummation of the exchange offers.

The conditions listed above are for our sole benefit and we may assert these rights regardless of the circumstances giving rise to any of these conditions. We may waive these conditions in our reasonable discretion in whole or in part at any time and from time to time. If we fail at any time to exercise any of the above rights, the failure will not be deemed a waiver of those rights, and those rights will be deemed ongoing rights which may be asserted at any time and from time to time.

If we determine in our reasonable discretion that we may terminate any of the exchange offers, we may:

- refuse to accept any outstanding notes and return all tendered outstanding notes to the tendering holders;
- extend the exchange offers and retain all outstanding notes tendered before the exchange offers expire, subject, however, to the rights of holders to withdraw these outstanding notes; or
- waive unsatisfied conditions with respect to the exchange offers and accept all properly tendered outstanding notes that have not been withdrawn. If this waiver constitutes a material change to the exchange offers, we will disclose this change by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes. If any of the exchange offers would otherwise expire, we will extend the relevant exchange offers for five to ten business days, depending on how significant the waiver is and the manner of disclosure to registered holders.

Fees and Expenses

We will pay the expenses of this exchange offers. We have not retained any dealer-manager in connection with the exchange offers and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offers. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with providing its services.

We will pay any transfer taxes applicable to the exchange of outstanding notes. If, however, a transfer tax is imposed for any reason other than the exchange, then the person surrendering the outstanding notes must pay the amount of any transfer taxes.

Accounting Treatment

We will record the exchange notes at the same carrying value as the outstanding notes as reflected in our accounting records on the date of exchange. Therefore, we will not recognize a gain or loss for accounting purposes. We will amortize the expenses of the exchange offers and the unamortized expenses related to the issuance of the outstanding notes over the term of the outstanding notes.

Voluntary Participation

You do not have to participate in the exchange offers. You should carefully consider whether to accept the terms and conditions of this offer. We urge you to consult your financial and tax advisors in deciding what action to take with respect to the exchange offer. See "Risk Factors—Risks Related to the Exchange Offers" for more information about the risks of not participating in the exchange offer.

Withdrawal Rights

Except as otherwise provided in this document, you may withdraw your tender of outstanding notes at any time before 5:00 p.m., New York City time, for dollar-denominated outstanding notes, or 5:00 p.m., London time, for euro-denominated outstanding notes, in each case on the expiration date.

For a withdrawal to be effective, the holder must cause to be transmitted to the appropriate Exchange Agent an agent's message, which agent's message must be received by the relevant Exchange Agent prior to 5:00 p.m., New York City time (for dollar-denominated outstanding notes) or 5:00 p.m., London time (for euro-denominated outstanding notes), on the expiration date. In addition, the relevant Exchange Agent must receive a timely confirmation of book-entry transfer of the outstanding notes out of such Exchange Agent's account at DTC, Euroclear or Clearstream, as the case may be, under the applicable procedure for book-entry transfers described herein, along with a properly transmitted agent's message, on or before the expiration date.

We will determine in our sole discretion all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal. Our determination will be final and binding on all parties. Any outstanding notes withdrawn in this manner will be deemed not to have been validly tendered for purposes of the exchange offer. We will not issue exchange notes for such withdrawn outstanding notes unless the outstanding notes are validly retendered. We will return to you any outstanding notes that you have tendered but that we have not accepted for exchange without cost as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn outstanding notes by following one of the procedures described above at any time before the expiration date.

Exchange Agent

We have appointed Deutsche Bank Trust Company Americas as dollar exchange agent for the exchange offer of dollar notes and Deutsche Bank AG, London Branch as euro exchange agent for the exchange offer of euro notes.

You should direct questions and requests for assistance to the appropriate exchange agent addressed as follows:

Dollar Exchange Agent for the Dollar-Denominated Notes:

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
NYC 60-2710
New York, New York 10005
Tel: (800) 735-7777 (option 1)
e-mail: xchange.offer@db.com

Euro Exchange Agent for the Euro-Denominated Notes:
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London
EC2N 2DB
Attn: Trust & Securities Services (TSS)
Tel: +44 207 547 5000
Fax: +44 207 547 5001
e-mail: xchange.offer@db.com

All requests for additional copies of this prospectus should be directed to the Euro Exchange Agent.

Consequences of Failure to Exchange

If you are eligible to participate in the exchange offers but do not tender your outstanding notes, you will not have any further registration rights and your outstanding notes will continue to be subject to transfer restrictions. Accordingly, you may resell your outstanding notes that are not exchanged only:

- to us, on redemption of notes or otherwise,
- so long as the outstanding notes are eligible for resale under Rule 144A under the Securities Act, to a person whom you reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A,
- in accordance with Rule 144 under the Securities Act or another exemption from the registration requirements of the Securities Act,
- outside the U.S. to a foreign person in accordance with the requirements of Regulation S under the Securities Act, or
- under an effective registration statement under the Securities Act, in each case in accordance with all other applicable securities laws.

DESCRIPTION OF THE EXCHANGE NOTES

This description describes the U.S. dollar denominated $7^{7}/_{8}$% senior secured notes due 2014 (the "Dollar Fixed Rate Senior Secured Notes"), U.S. dollar denominated floating rate senior secured notes due 2013 (the "Dollar Floating Rate Senior Secured Notes"), euro denominated floating rate senior secured notes due 2013 (the "Euro Floating Rate Senior Secured Notes" and, together with the Dollar Fixed Rate Senior Secured Notes and the Dollar Floating Rate Senior Secured Notes, the "Secured Notes"), the $9^{1}/_{2}$% U.S. dollar denominated senior unsecured notes due 2015 (the "Dollar Fixed Rate Senior Unsecured Notes") and the $8^{5}/_{8}$% euro denominated senior unsecured notes due 2015 (the "Euro Fixed Rate Senior Unsecured Notes" and, together with the Dollar Fixed Rate Senior Unsecured Notes, the "Senior Notes" and, together with the Secured Notes, the "Notes"). The terms of each series of exchange notes are substantially identical to the corresponding series of outstanding notes, however the defined terms above refer only to the exchange notes offered in exchange for the outstanding notes of each series, unless the context requires otherwise. The outstanding notes have been, and the exchange notes will be, jointly and severally issued by NXP B.V. (the "Company") and NXP Funding LLC (the "Co-Issuer" and, together with the Company, the "Issuers").

In this description of notes, the Company refers only to NXP B.V., and any successor obligor to NXP B.V. on the Notes, and not to any of its subsidiaries, including the Co-Issuer. The Co-Issuer is a wholly owned subsidiary of the Company that has been organized as a limited liability company in Delaware as a special purpose finance subsidiary to facilitate the offering of debt securities of the Company. We believe that some prospective purchasers of the Notes may be restricted in their ability to purchase debt securities of non-U.S. entities such as the Company unless the securities are jointly issued by an entity organized in the United States. The Co-Issuer will not have any assets or revenues. Accordingly, you should not expect the Co-Issuer to participate in servicing the principal and interest obligations on the Notes.

The Issuers issued the outstanding Secured Notes, and will issue the exchange Secured Notes, under the same indenture. The Issuers issued the outstanding Senior Notes, and will issue the exchange Senior Notes, under a second indenture. The indenture governing the Secured Notes is dated as of October 12, 2006, among the Issuers, the Guarantors and Deutsche Bank Trust Company Americas, as Trustee. The indenture governing the Senior Notes is dated as of October 12, 2006, among the Issuers, the Guarantors, Deutsche Bank Trust Company Americas, as Trustee, and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent. Each of the Dollar Fixed Rate Senior Secured Notes, the Dollar Floating Rate Senior Secured Notes, the Euro Floating Rate Senior Secured Notes, the Dollar Fixed Rate Senior Unsecured Notes and the Euro Fixed Rate Senior Unsecured Notes constitute a separate series of Notes but each of the Secured Notes and the Senior Notes will be treated as a single class of securities for all purposes under the applicable indenture, including for purposes of voting and taking other actions by holders of such Notes, except as otherwise specified herein. The outstanding Notes were issued in private transactions not subject to the registration requirements of the Securities Act. The exchange Notes have been registered under the Securities Act. The terms of the Notes include those stated in the applicable indenture and those made part of such indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Each series of Notes are subject to all such terms pursuant to the provisions of the applicable indenture, and holders of such Notes are referred to each of the indentures and the Trust Indenture Act for a statement thereof.

The following is a summary of the material provisions of the indentures. Because this is a summary, it may not contain all the information that is important to you. Each indenture and the Registration Rights Agreement have been filed as exhibits to the registration statement of which this prospectus is a part, and you should read each in its entirety. You can find the definitions of certain terms used in this description under "—Certain Definitions."

Brief Description of the Notes and the Note Guarantees

The Notes

The Secured Notes:

- are senior obligations of the Issuers, secured by the Collateral described below on a first priority basis along with obligations under the Senior Facilities Agreement (although the noteholders will receive proceeds of the Collateral after the Senior Facilities Agreement lenders and any Hedging Agreements provided by such lenders or their Affiliates in the event of foreclosure or in any bankruptcy, insolvency or other similar event);
- are senior in right of payment to any future Subordinated Indebtedness of the Issuers;
- are senior in right of payment to any future Subordinated Shareholder Funding;
- are effectively senior in right of payment to any existing or future unsecured obligations of the Issuers, including the Senior Notes, to the extent of the value of the Collateral that is available to satisfy the obligations under the Secured Notes; and
- are unconditionally guaranteed on a senior secured basis by the Guarantors.

The Senior Notes:

- are general unsecured unsubordinated obligations of the Issuers, ranking equally in right of payment with all existing and future unsubordinated obligations of the Issuers;
- are senior in right of payment to any future Subordinated Indebtedness of the Issuers;
- are senior in right of payment to any future Subordinated Shareholder Funding;
- are effectively junior to all Secured Indebtedness of the Issuers and the Guarantors, including the Secured Notes, to the extent of the value of the assets securing such Secured Indebtedness; and
- are unconditionally guaranteed on a senior unsecured basis by the Guarantors.

Principal, Maturity and Interest

The Notes denominated in euros will be issued in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof. The Notes denominated in dollars will be issued in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof. The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and Clearstream or DTC, as applicable. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Secured Notes

Dollar Fixed Rate Senior Secured Notes:

The Dollar Fixed Rate Senior Secured Notes will be issued upon the closing of the applicable exchange offer in an aggregate principal amount of up to $1,026 million, with the total amount issued dependent on the aggregate principal amount of outstanding Notes that are tendered to the applicable exchange offer. The Dollar Fixed Rate Senior Secured Notes will mature on October 15, 2014. Interest on the Dollar Fixed Rate Senior Secured Notes will accrue at the rate per annum set forth on the

cover of this prospectus and will be payable, in cash, semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2007, to holders of record on the immediately preceding April 1 and October 1. Interest on the Dollar Fixed Rate Senior Secured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Dollar Floating Rate Senior Secured Notes:

The Dollar Floating Rate Senior Secured Notes will be issued upon the closing of the applicable exchange offer an aggregate principal amount of up to $1,535 million, with the total amount issued dependent on the aggregate principal amount of outstanding Notes that are tendered to the applicable exchange offer. The Dollar Floating Rate Senior Secured Notes will mature on October 15, 2013. Interest on the Dollar Floating Rate Senior Secured Notes will accrue at a rate equal to the LIBO Rate (which will be reset quarterly) plus 2.75%, except that the interest rate on the Dollar Floating Rate Senior Secured Notes for the period beginning on the date of issue and ending July 14, 2007 will be 8.10567%. Interest on the Dollar Floating Rate Senior Secured Notes will be payable, in cash, quarterly in arrears on every January 15, April 15, July 15 and October 15, beginning July 15, 2007 to the holders of record on the January 1, April 1, July 1 or October 1 immediately preceding the next interest payment date.

The amount of interest for each day that any Dollar Floating Rate Senior Secured Note is outstanding (the "Daily Interest Amount") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of such Dollar Floating Rate Senior Secured Notes. The amount of interest to be paid on the Dollar Floating Rate Senior Secured Notes for each interest period will be calculated by adding the Daily Interest Amounts for each day in the interest period. Each interest period shall end on (but not include) the relevant interest payment date.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)) and all dollar amounts used in resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

The interest rate on the Dollar Floating Rate Senior Secured Notes will in no event be higher than the maximum rate permitted by law.

Interest on the Dollar Floating Rate Senior Secured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance.

"LIBO Rate" means, for each quarterly period during which any Dollar Floating Rate Senior Secured Note is outstanding subsequent to the initial period beginning on the Issue Date and ending July 14, 2007, the rate determined by the Issuers (written notice of such rate to be sent to the Trustee by the Issuers on the date of determination thereof) equal to the applicable British Bankers' Association LIBO rate for deposits in U.S. dollars for a period of three months as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two business days prior to the first day of such quarterly period; *provided* that, if no such British Bankers' Association LIBO rate is available to the Issuer, the LIBO Rate for the relevant quarterly period shall instead be the rate at which a first-class bank in the London interbank market selected in good faith by the Company offers to place deposits in U.S. dollars with first-class banks in the London interbank market for a period of three months at approximately 11:00 a.m. (London time) two business days prior to the first day of such quarterly period, in amounts equal to $1.0 million. If such a rate cannot be obtained, the LIBO Rate shall be equal to that applicable to the prior interest period.

Euro Floating Rate Senior Secured Notes:

The Euro Floating Rate Senior Secured Notes will be issued upon the closing of the applicable exchange offer in an aggregate principal amount of up to €1,000 million, with the total amount issued dependent on the aggregate principal amount of outstanding Notes that are tendered to the applicable exchange offer. The Euro Floating Rate Senior Secured Notes will mature on October 15, 2013. Interest on the Euro Floating Rate Senior Secured Notes will accrue at a rate equal to the EURIBO Rate (which will be reset quarterly) plus 2.75%, except that the interest rate on the Euro Floating Rate Senior Secured Notes for the period beginning on the date of issue and ending July 14, 2007 will be 6.7180%. Interest on the Euro Floating Rate Senior Secured Notes will be payable, in cash, quarterly in arrears on every January 15, April 15, July 15 and October 15, beginning July 15, 2007 to the holders of record on the January 1, April 1, July 1 or October 1 immediately preceding the next interest payment date.

The amount of interest for each day that any Euro Floating Rate Senior Secured Note is outstanding (the "Daily Interest Amount") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of such Euro Floating Rate Senior Secured Notes. The amount of interest to be paid on the Euro Floating Rate Senior Secured Notes for each interest period will be calculated by adding the Daily Interest Amounts for each day in the interest period. Each interest period shall end on (but not include) the relevant interest payment date.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)) and all euro amounts used in resulting from such calculations will be rounded to the nearest hundredth of a euro (with one-half cent being rounded upwards).

The interest rate on the Euro Floating Rate Senior Secured Notes will in no event be higher than the maximum rate permitted by law.

Interest on the Euro Floating Rate Senior Secured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance.

"EURIBO Rate" means, for each quarterly period during which any Euro Floating Rate Senior Secured Note is outstanding subsequent to the initial period beginning on the Issue Date and ending April 14, 2007, the rate determined by the Issuers (written notice of such rate to be sent to the Trustee by the Issuers on the date of determination thereof) equal to the applicable British Bankers' Association EURIBO Rate for deposits in euro for a period of three months as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two business days prior to the first day of such quarterly period; *provided* that, if no such British Bankers' Association EURIBO Rate is available to the Issuer, the EURIBO Rate for the relevant quarterly period shall instead be the rate at which a first-class bank in the London interbank market selected in good faith by the Company offers to place deposits in euro with first-class banks in the London interbank market for a period of three months at approximately 11:00 a.m. (London time) two business days prior to the first day of such quarterly period, in amounts equal to €1.0 million. If such a rate cannot be obtained, the EURIBO Rate shall be equal to that applicable to the prior interest period.

Senior Notes

Dollar Fixed Rate Senior Unsecured Notes:

The Dollar Fixed Rate Senior Unsecured Notes will be issued upon the closing of the applicable exchange offer in an aggregate principal amount of up to $1,250 million, with the total amount issued dependent on the aggregate principal amount of outstanding Notes that are tendered to the applicable exchange offer. The Dollar Fixed Rate Senior Unsecured Notes will mature on October 15, 2015.

Interest on the Dollar Fixed Rate Senior Unsecured Notes will accrue at the rate per annum set forth on the cover of this prospectus and will be payable, in cash, semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2007, to holders of record on the immediately preceding April 1 and October 1. Interest on the Dollar Fixed Rate Senior Unsecured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Euro Fixed Rate Senior Unsecured Notes:

The Euro Fixed Rate Senior Unsecured Notes will be issued upon the closing of the applicable exchange offer in an aggregate principal amount of up to €525 million, with the total amount issued dependent on the aggregate principal amount of outstanding Notes that are tendered to the applicable exchange offer. The Euro Fixed Rate Senior Unsecured Notes will mature on October 15, 2015. Interest on the Euro Fixed Rate Senior Unsecured Notes will accrue at the rate per annum set forth on the cover of this prospectus and will be payable, in cash, semi-annually in arrears on April 15 and October 15 of each year, commencing on October 15, 2007, to holders of record on the immediately preceding April 1 and October 1. Interest on the Euro Fixed Rate Senior Unsecured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Additional Notes

Each indenture provides for the issuance of additional notes of a series under such indenture having identical terms and conditions to the Notes of such series offered hereby, subject to compliance with the covenants contained in the applicable indenture ("Additional Notes"). Any Additional Notes of a series will be part of the same issue as the Notes of such series offered hereby under that indenture for all purposes.

Methods of Receiving Payments on the Notes

Principal, premium, if any, interest and Additional Interest, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more Global Note registered in the name of or held by a nominee of Euroclear, Clearstream or DTC, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, interest and Additional Interest, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of one or more Paying Agents in the City of London, the Borough of Manhattan, City of New York, and Ireland, in each case, maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "—Paying Agent and Registrar for the Notes."

Paying Agent and Registrar for the Notes

The Issuers will maintain a Paying Agent for the Notes in (i) the City of London, (ii) the Borough of Manhattan, City of New York, and (iii) Ireland, for so long as the Notes are listed on the Irish Stock Exchange and its rules so require. The Issuers will also undertake, to the extent possible, to use reasonable efforts to maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC regarding the

taxation of savings income (the "Directive"). The Paying Agent for the notes denominated in euros will be Deutsche Bank AG, London Branch, the Paying Agent for the notes denominated in dollars will be Deutsche Bank Trust Company Americas, and the initial Paying Agent in Ireland will be Deutsche International Corporate Services (Ireland) Limited.

The Issuers will also maintain one or more registrars (each, a "Registrar") with offices in Luxembourg and a transfer agent in each of (i) the City of London, (ii) for so long as the Notes are listed on the Irish Stock Exchange and its rules so require, Ireland, and (iii) from and after the issuance of any Definitive Registered Notes, in the Borough of Manhattan, City of New York. The initial Registrar and transfer agent will be Deutsche Bank Luxembourg S.A. The Registrar and the transfer agent in Ireland and the transfer agent in London and New York will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuers. Each transfer agent shall perform the functions of a transfer agent.

The Issuers may change any Paying Agent, Registrar or transfer agent for any series of the Notes without prior notice to the Holders of such Notes. However, for so long as Notes are listed on the Irish Stock Exchange and its rules so require, the Issuers will deliver notice to the Companies Announcement Office in Dublin. The Issuers or any of its Subsidiaries may act as Paying Agent or Registrar in respect of any series of Notes.

Transfer and Exchange

The Exchange Notes will initially be issued in the form of several registered notes in global form without interest coupons, as follows:

- Each series of Exchange Notes will initially be represented by global notes in registered form without interest coupons attached (the "Global Exchange Notes").

  - The Global Exchange Notes representing the Dollar Fixed Rate Senior Secured Notes, the Dollar Floating Rate Senior Secured Notes and the Dollar Fixed Rate Senior Unsecured Notes (the "Dollar Global Exchange Notes") will be deposited upon issuance with a custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC.

  - The Global Exchange Notes representing the Euro Floating Rate Senior Secured Notes and the Euro Fixed Rate Senior Unsecured Notes (the "Euro Global Exchange Notes") will, upon issuance, be deposited with and registered in the name of the common depositary for the accounts of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream").

Ownership of interests in the Global Exchange Notes ("Book-Entry Interests") will be limited to persons that have accounts with Euroclear and Clearstream or DTC, as applicable, or persons that may hold interests through such participants. In addition, transfers of Book-Entry Interests between participants in Euroclear, participants in Clearstream or participants in DTC will be effected by Euroclear, Clearstream or DTC, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear, Clearstream or DTC, as applicable, and their respective participants.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €50,000 or $75,000 principal amount, as the case may be, and integral multiples of €1,000 in excess thereof or $1,000 in excess thereof, as the case may be, upon receipt by the applicable Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the applicable indenture. It is expected that such instructions will be based upon directions received by

Euroclear, Clearstream or DTC, as applicable, from the participant which owns the relevant Book-Entry Interests.

Subject to any restrictions on transfer imposed by applicable law, the Euro Floating Rate Senior Secured Notes and the Euro Fixed Rate Senior Unsecured Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €50,000 in principal amount and integral multiples of €1,000 in excess thereof and the Dollar Fixed Rate Senior Secured Notes, the Dollar Floating Rate Senior Secured Notes and the Dollar Fixed Rate Senior Unsecured Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of $75,000 in principal amount and integral multiples of $1,000 in excess thereof. In connection with any such transfer or exchange, each indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear, Clearstream or DTC, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuers are not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuers and the Trustee will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

All of the Company's Subsidiaries are Restricted Subsidiaries other than SSMC and its Subsidiaries and Jilin. As of and for the year ended December 31, 2006, SSMC and Jilin together had aggregate revenues, operating income, assets and long-term debt of $201 million (€160 million), $93 million (€74 million), $967 million (€768 million) and $0 million (€0 million), respectively, using the December 31, 2006 exchange rate of €1.00 = $1.2602. In addition, in the circumstances described below under "—Certain Definitions—Unrestricted Subsidiary," the Issuers will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the applicable indenture.

Pursuant to the terms of the Acquisition Agreement, the interests in ASMC presently held by Philips have not yet been transferred to the Company and therefore will not constitute part of the assets of the Company until the dates of their transfer. See "Business—Strategic Alliances and Investments—Advanced Semiconductor Manufacturing Company".

Guarantees

The obligations of the Issuers pursuant to the Notes of each series, including any payment obligation resulting from a Change of Control, will be unconditionally guaranteed, jointly and severally, by each existing material Wholly Owned Restricted Subsidiary of the Company, subject to certain

exceptions. Each Restricted Subsidiary that provides a guarantee of any series of the Notes (a "Note Guarantee") is referred to herein as a "Guarantor."

The initial Guarantors and their respective jurisdictions of incorporation are:

Netherlands	NXP Semiconductors Netherlands B.V.
Germany	NXP Semiconductors Germany GmbH
Taiwan	NXP Semiconductors Taiwan Ltd.
Philippines	NXP Semiconductors Philippines Inc.
USA	NXP Semiconductors USA Inc.
Hong Kong	NXP Semiconductors Hong Kong Limited
Thailand	NXP Manufacturing (Thailand) Co. Ltd.
UK	NXP Semiconductors UK Limited
Singapore	NXP Semiconductors Singapore Pte. Ltd.

The Guarantors include each entity that has guaranteed the Senior Facilities Agreement at the Original Issue Date except for KASLION, the Co-Issuer and NXP Semiconductors France SAS, and, together with NXP B.V. accounted on an aggregate basis for:

- 76% of our total sales on a combined predecessor and successor basis for the year ended December 31, 2006; and
- 87% of the assets of the Company (after giving effect to the future transfer of ASMC) as of December 31, 2006.

Each of the initial Guarantors listed above will guarantee the notes as of the Issue Date.

In addition, subject to the Agreed Security Principles, if the Company or any of its Restricted Subsidiaries acquires or creates a Wholly-Owned Restricted Subsidiary (other than an Immaterial Subsidiary) after the Issue Date, the Company will cause such new Subsidiary to provide a Note Guarantee. The new Guarantor will also, subject to the Agreed Security Principles, be required to pledge assets in favor of the Note Guarantee as described under "—Security."

The Agreed Security Principles are described in more detail under "Description of Other Indebtedness—Senior Secured Revolving Credit Facility—Security for the Senior Secured Revolving Credit Facility" and apply to the granting of guarantees and security in favor of obligations under the Senior Facilities Agreement, the Secured Notes and the Senior Notes (in relation to guarantees only). The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters.

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See "Risk Factors—Risks Related to the Exchange Notes and Our Capital Structure—Insolvency laws and other limitations on the guarantees and the security may adversely affect their validity and enforceability."

The Note Guarantee of a Guarantor will terminate upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary) otherwise permitted by the applicable indenture,

(2) the designation in accordance with the applicable indenture of the Guarantor as an Unrestricted Subsidiary,

(3) defeasance or discharge of the Notes, as provided in "—Defeasance" and "—Satisfaction and Discharge,"

(4) to the extent that such Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (1) of the definition of "Immaterial Subsidiary," upon the release of the guarantee referred to in such clause, or

(5) upon the achievement of Investment Grade Status by the relevant series of Notes so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in the termination of such Note Guarantee; *provided* that such Note Guarantee shall, subject to the Agreed Security Principles, be reinstated upon the Reversion Date.

Substantially all the operations of the Company are conducted through its subsidiaries and joint ventures. Certain subsidiaries and all joint ventures have not guaranteed the Notes. Claims of creditors of non-guarantor subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those subsidiaries, and claims of preferred and minority stockholders (if any) of those subsidiaries and claims against joint ventures generally will have priority with respect to the assets and earnings of those subsidiaries and joint ventures over the claims of creditors of the Company, including holders of the Notes. The Notes and each Note Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of subsidiaries of the Company (other than the Guarantors) and joint ventures. As of December 31, 2006, the total liabilities of the Company's non-guarantor subsidiaries were approximately €387 million, including trade payables but excluding intercompany obligations. Although the indentures limit the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the indentures do not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the applicable indenture. See "—Certain Covenants—Limitation on Indebtedness."

Security

The Collateral

Pursuant to various Security Documents, each Issuer and each Guarantor (other than the subsidiary guarantor organised in The Philippines) has granted to Morgan Stanley Senior Funding, Inc., as Collateral Agent, first priority liens and security interests in all of the following (collectively, the "Collateral"), subject to the grant of further Permitted Collateral Liens:

(a) all present and future shares of capital stock of (or other ownership or profit interests in) each of its present and future direct subsidiaries, other than SMST Unterstützungskasse GmbH, and material joint venture entities, including, without limitation, all of the equity interests in the Co-Issuer;

(b) all present and future intercompany debt of each Issuer and each Guarantor;

(c) all of the present and future property and assets, real and personal, of each Issuer, and each Guarantor, including, but not limited to, machinery and equipment, inventory and other goods, accounts receivable, owned real estate, leaseholds, fixtures, general intangibles, license rights, patents, trademarks, trade names, copyrights, chattel paper, insurance proceeds,

contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds, but excluding cash and bank accounts;

(d) all proceeds and products of the property and assets described in clauses (a), (b) and (c) above; and

(e) in relation to the subsidiary guarantor organized in The Philippines, a conditional assignment of the above assets, and a conditional assignment of its shares. See "Risk Factors—Risks Related to our Separation from Philips—Security over certain assets will not be taken and certain guarantees and security will not be in place on the closing date of the Exchange Offers or will not be perfected on the closing date".

In the event that assets of the Guarantor organized in The Philippines or the shares in such Guarantor are provided as security (other than through sharing the benefit of the conditional assignment) for Indebtedness in respect of borrowed money in excess of an aggregate of €25 million, then the Company shall, or shall cause the relevant Restricted Subsidiary to, provide that the Secured Notes are secured equally and ratably with all the obligations that cause that threshold to be exceeded, for so long as such obligations are so secured.

In addition, we have established three secured accounts with the collateral agent that are denominated in U.S. dollars, euro and pounds sterling (the "Initial Secured Accounts"), and have deposited nominal amounts in each account. We are not required to separately lodge or create security in any other cash or bank accounts prior to an enforcement event or to make payments to the Initial Secured Accounts. If an enforcement event occurs, we will (i) pay the proceeds of sale or collection of collateral to an account or accounts that do not contain cash that is not the proceeds of collateral, (ii) not commingle the proceeds of collateral with our other cash and (iii) cause U.S. dollar, euro and pound sterling proceeds of collateral that are paid to or received by us to be paid promptly to the Initial Secured Accounts, and to the extent practicable, direct counterparties to pay the proceeds of collateral directly to the Initial Secured Accounts. Following an enforcement event, we will also grant, subject to the agreed security principles, a perfected security interest in all other accounts maintained by us to which proceeds of collateral are paid to the extent of the proceeds of such collateral (the "Additional Secured Accounts", and together with the Initial Secured Accounts, the "Secured Accounts"). To the extent any of the Secured Accounts are or become part of the accounts used in our cash management system, we are entitled to grant an equal and ratable security interest in such accounts to the cash management bank securing our cash management obligations to such bank.

Certain security interests and perfection arrangements with respect to NXP Manufacturing (Thailand) Co. Ltd.'s machinery and equipment are not in place as of the date of this prospectus. Subject to the Agreed Security Principles, we will be obligated to provide security on such machinery and equipment by May 12, 2007. See "Risk Factors—Risks Related to the Exchange Notes and Our Capital Structure—Security over certain assets will not be taken and certain guarantees and security will not be in place on the closing date of the Exchange Offers or will not be perfected on the closing date."

Notwithstanding the foregoing, certain assets may not be pledged (or the Liens not perfected) in accordance with the Agreed Security Principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the holders;
- if providing such security requires consent of a third party and such consent cannot be obtained after the use of commercially reasonable efforts; and
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or

conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after using commercially reasonable efforts to overcome such obstacles;

- if providing such security would have a material adverse effect (as reasonably determined in good faith by such Subsidiary) on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the indenture; and

- if providing such security or perfecting liens thereon would require giving notice (i) in the case of receivables security, to customers or (ii) in the case of bank accounts, to the banks with whom the accounts are maintained. Such notice will only be provided after the Secured Notes are accelerated.

Subject to the Agreed Security Principles, if material property is acquired by an Issuer or a Guarantor that is not automatically subject to a perfected security interest under the Security Documents, then the relevant Issuer or Guarantor will within 60 days provide security over this property in favor of the Collateral Agent and deliver certain certificates and opinions in respect thereof as specified in the indenture.

Administration of Security and Enforcement of Liens

The Security Documents and the Collateral is administered by a Global Collateral Agent (or in certain circumstances a sub-agent), and, in the case of collateral located in Taiwan, a Taiwanese collateral agent, in each case pursuant to a Collateral Agency Agreement for the benefit of all holders of secured obligations. For a description of the Collateral Agency Agreement, see "Description of Other Indebtedness—Collateral Agency Agreement."

The ability of holders of the Secured Notes to realize upon the Collateral will be subject to various bankruptcy law limitations in the event of the Company's bankruptcy. See "Risk Factors—Risks Related to the Exchange Notes and Our Capital Structure—Enforcing your rights as a holder of the exchange notes or under the guarantees or the security across multiple jurisdictions may be difficult," and "Risk Factors—Risks Related to the Exchange Notes and Our Capital Structure—Corporate benefit and financial assistance laws and other limitations on the guarantees and security may adversely affect the validity and enforceability of the guarantees of the exchange notes and security granted by the guarantors."

Subject to the terms of the Security Documents, the Co-Issuers and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Secured Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Company in connection with the issuance of the Secured Notes. There can be no assurance that the proceeds from the sale of the Collateral remaining after the payment of Obligations under the Senior Facilities Agreement would be sufficient to satisfy the Obligations owed to the holders of the Secured Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all.

The creditors under the Senior Facilities Agreement and the Trustee for the Secured Notes have, and by accepting a Secured Note, each Holder will be deemed to have:

- irrevocably appointed Morgan Stanley Senior Funding, Inc. as Global Collateral Agent, and, in the case of collateral located in Taiwan, Mizuho Corporate Bank Ltd. as Taiwan collateral agent, in each case to act as its agent and under the Collateral Agency Agreement and the other

relevant documents to which it is a party (including, without limitation, the Security Documents); and

- irrevocably authorized the Collateral Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Collateral Agency Agreement or other documents to which it is a party, together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Collateral Agent on its behalf.

Release of Liens

The Liens on the Collateral securing the Secured Notes will be released:

(1) upon payment in full of principal, interest and all other Obligations on the Secured Notes (including any remaining outstanding Secured Notes and the exchange Secured Notes) issued under the indenture or discharge or defeasance thereof;

(2) upon release of a Note Guarantee (with respect to the Liens securing such Note Guarantee granted by such Guarantor);

(3) in connection with any disposition of Collateral to (a) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to "—Certain Covenants—Merger and Consolidation—The Company") that is permitted by the indenture (with respect to the Lien on such Collateral) or (b) any Restricted Subsidiary that is not a Guarantor; *provided* that the net aggregate amount of Collateral that may be released pursuant to this clause (b) from and after the Original Issue Date shall not exceed the greater of €200 million and 2% of Total Assets (measured at the time of a proposed transfer);

(4) upon the achievement of Investment Grade Status by the Secured Notes so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in such release; *provided* that that such Liens shall, subject to the Agreed Security Principles, be reinstated upon the Revision Date; and

(5) automatically without any action by the Trustee, if the Lien granted in favor of the Senior Facilities Agreement is released (other than pursuant to the repayment and discharge thereof); *provided* that such release would otherwise be permitted by another clause above.

Each of these releases shall be effected by the Collateral Agent without the consent of the Holders or any action on the part of the Trustee.

To the extent applicable, the Company will comply with Section 313(b) of the TIA, relating to reports, and Section 314(d) of the TIA, relating to the release of property and to the substitution therefor of any property to be pledged as collateral for the Secured Notes. Any certificate or opinion required by Section 314(d) of the TIA may be made by an Officer of the Company except in cases where Section 314(d) requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Company and its Subsidiaries will not be required to comply with all or any portion of Section 314(d) of the TIA if they determine, in good faith based on advice of outside counsel, that under the terms of that section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or any portion of Section 314(d) of the TIA is inapplicable to the released Collateral. Without limiting the generality of the foregoing, certain no-action letters issued by the SEC have permitted an indenture qualified under the TIA to contain provisions permitting the release of collateral from Liens under such indenture in the ordinary course of the issuer's business without requiring the issuer to provide certificates and other

documents under Section 314(d) of the TIA. The Issuers and the Guarantors may, among other things, without any release or consent by the Trustee, conduct ordinary course activities with respect to Collateral, including, without limitation, (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the Security Documents which has become worn out, defective or obsolete or not used or useful in the business; and (ii) selling, transferring or otherwise disposing of current assets in the ordinary course of business. In addition, under interpretations provided by the SEC, to the extent that a release of a Lien is made without the need for consent by the Holders or the Trustee, the provisions of Section 314(d) may be inapplicable to the release.

Amendments to the Collateral Agency Agreement and Additional Collateral Agency Agreements

The indenture related to the Secured Notes provides that, at the request of the Issuers, in connection with the Incurrence or refinancing by the Company or its Restricted Subsidiaries of any Indebtedness secured or permitted to be secured on the Collateral, the Issuers, the relevant Restricted Subsidiaries and the Trustee shall enter into a collateral agency or similar agreement (an "Additional Agency Agreement") with the holders of such Indebtedness (or their duly authorized representatives) on substantially the same terms as the Collateral Agency Agreement (or on terms not materially less favorable to the Holders), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement; *provided that* such Additional Agency Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the indenture relating to the Secured Notes or the Collateral Agency Agreement. As used herein, the term "Collateral Agency Agreement" shall include references to any Additional Agency Agreement that supplements or replaces the Collateral Agency Agreement entered into prior to the Issue Date.

The indenture relating to the Secured Notes provides that, at the written direction of the Issuers and without the consent of Holders, the Trustee shall from time to time enter into one or more amendments to any Collateral Agency Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuers that is subject to any such agreement (*provided* that such Indebtedness is Incurred in compliance with the indenture relating to the Secured Notes), (3) add Restricted Subsidiaries to the Collateral Agency Agreement, (4) further secure the Secured Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Secured Notes in any material respect. The Issuers shall not otherwise direct the Trustee to enter into any amendment to any Collateral Agency Agreement without the consent of the Holders of a majority in aggregate principal amount of the Secured Notes then outstanding, except as otherwise permitted below under "—Amendments and Waivers" or as permitted by the terms of such Collateral Agency Agreement, and the Issuers may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the indenture relating to the Secured Notes or any Collateral Agency Agreement.

The indenture for the Secured Notes also provides that each Holder, by accepting a Secured Note, shall be deemed to have agreed to and accepted the terms and conditions of any Collateral Agency Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

Optional Redemption

Dollar Fixed Rate Senior Secured Notes:

Except as set forth in the next three paragraphs and under "—Redemption for Taxation Reasons," the Dollar Fixed Rate Senior Secured Notes are not redeemable at the option of the Issuers.

At any time prior to October 15, 2010, the Issuers may redeem the Dollar Fixed Rate Senior Secured Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

At any time and from time to time on or after October 15, 2010, the Issuers may redeem the Dollar Fixed Rate Senior Secured Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2010	103.938%
2011	101.969%
2012 and thereafter	100.000%

At any time and from time to time prior to October 15, 2009, the Issuers may redeem Dollar Fixed Rate Senior Secured Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 107.875% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Dollar Fixed Rate Senior Secured Notes (including both exchange Notes and any remaining outstanding Notes of the series) initially issued remains outstanding immediately thereafter.

Dollar Floating Rate Senior Secured Notes:

Except as set forth in the next two paragraphs and under "—Redemption for Taxation Reasons," the Dollar Floating Rate Senior Secured Notes are not redeemable at the option of the Issuers.

At any time prior to October 15, 2008, the Issuers may redeem the Dollar Floating Rate Senior Secured Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

At any time and from time to time on or after October 15, 2008, the Issuers may redeem the Dollar Floating Rate Senior Secured Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2008	102%
2009	101%
2010 and thereafter	100%

Euro Floating Rate Senior Secured Notes:

Except as set forth in the next three paragraphs and under "—Redemption for Taxation Reasons," the Euro Floating Rate Senior Secured Notes are not redeemable at the option of the Issuers.

At any time prior to October 15, 2007, the Issuers may redeem the Euro Floating Rate Senior Secured Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

At any time and from time to time on or after October 15, 2007, the Issuers may redeem the Euro Floating Rate Senior Secured Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2007	102%
2008	101%
2009 and thereafter	100%

Dollar Fixed Rate Senior Unsecured Notes:

Except as set forth in the next three paragraphs and under "—Redemption for Taxation Reasons," the Dollar Fixed Rate Senior Unsecured Notes are not redeemable at the option of the Issuers.

At any time prior to October 15, 2011, the Issuers may redeem the Dollar Fixed Rate Senior Unsecured Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

At any time and from time to time on or after October 15, 2011, the Issuers may redeem the Dollar Fixed Rate Senior Unsecured Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2011	104.750%
2012	103.167%
2013	101.583%
2014 and thereafter	100.000%

At any time and from time to time prior to October 15, 2009, the Issuers may redeem Dollar Fixed Rate Senior Unsecured Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 109.5% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Dollar Fixed Rate Senior Unsecured Notes initially issued including both exchange Notes and any remaining outstanding Notes of the series remains outstanding immediately thereafter.

Euro Fixed Rate Senior Unsecured Notes:

Except as set forth in the next three paragraphs and under "—Redemption for Taxation Reasons," the Euro Fixed Rate Senior Unsecured Notes are not redeemable at the option of the Issuers.

At any time prior to October 15, 2011, the Issuers may redeem the Euro Fixed Rate Senior Unsecured Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

At any time and from time to time on or after October 15, 2011, the Issuers may redeem the Euro Fixed Rate Senior Unsecured Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2011	104.313%
2012	103.875%
2013	101.438%
2014 and thereafter	100.000%

At any time and from time to time prior to October 15, 2009, the Issuers may redeem Euro Fixed Rate Senior Unsecured Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 108.625% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that:

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Euro Fixed Rate Senior Unsecured Notes initially issued (including both exchange Notes and any remaining outstanding Notes of the series) remains outstanding immediately thereafter.

General

Notice of redemption will be provided as set forth under "—Selection and Notice" below.

Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the Issuers effect an optional redemption of Notes of a series, they will, for so long as the Notes are listed on the Irish Stock Exchange, give notice of such optional redemption to the Companies Announcement Office in Dublin and confirm the aggregate principal amount of the Notes of that series that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuers.

Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and Notice

If less than all of any series of the Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, as certified to the Trustee by the Issuers, and in compliance with the requirements of DTC, Euroclear or Clearstream, as applicable, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear, Clearstream or DTC, as applicable, or Euroclear, Clearstream or DTC, as applicable, prescribes no method of selection, on a pro rata basis; *provided*, *however*, that no Note of €50,000 (in the case of Notes denominated in euros) or $75,000 (in the case of Notes denominated in dollars) in aggregate principal amount or less shall be redeemed in part.

For so long as the Notes are listed on the Irish Stock Exchange and its rules so require, the Issuer shall give notice of redemption to the Companies Announcement Office in Dublin and in addition give notice in accordance with the provisions discussed herein under "—Notices."

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Redemption for Taxation Reasons

The Issuers or Successor Company, as defined below, may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "—Withholding Taxes"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determine in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "Change in Tax Law"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after that date. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of this

prospectus, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and Notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by either Issuer, a Successor Company or Guarantor (a "Payor") on the Notes or the Note Guarantees, as defined below, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) The Netherlands or any political subdivision or governmental authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuers, Successor Company, Guarantor or their agents, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, interest or Additional Interest, if any, the Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such tax, assessment or other governmental charge;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, interest, if any, or Additional Interest, if any, on the Notes;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual and that are required to be made pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Irish Paying Agent if the Notes are then listed on the Irish Stock Exchange. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Notes denominated in euros or per $1,000 principal amount of the Notes denominated in dollars, as the case may be.

If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional

Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date).

Wherever in either indenture, the Note Guarantees or this Description of the Notes there are mentioned, in any context:

(1) the payment of principal,

(2) purchase prices in connection with a purchase of Notes,

(3) interest or Additional Interest, if any, or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuers will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, the indentures, the Security Documents or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Issuers agree to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of the applicable indenture and will apply, *mutatis mutandis*, to any jurisdiction in which any successor to either Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuers to repurchase all of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that the Issuers shall not be obliged to repurchase Notes of any series as described under this heading, "Change of Control," in the event and to the extent that they have unconditionally exercised their right to redeem all of the Notes of such series as described under "—Optional Redemption" or all conditions to such redemption have been satisfied or waived.

Unless the Issuers have unconditionally exercised their right to redeem all the Notes of a series as described under "—Optional Redemption" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuers will mail a notice (the "Change of Control Offer") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuers to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuers, consistent with the applicable indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the Notes or portions thereof being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuers.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €50,000 or $75,000, as the case may be, and integral multiples of €1,000 in excess thereof or $1,000 in excess thereof, as the case may be.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Company will give notice of the Change of Control Offer to the Companies Announcement Office in Dublin.

The Change of Control provisions described above will be applicable whether or not any other provisions of the applicable indenture are applicable. Except as described above with respect to a Change of Control, the indentures do not contain provisions that permit the Holders to require that the Issuers repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuers to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the applicable indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the applicable indenture, the Issuers will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of the applicable indenture by virtue of the conflict.

The existing Senior Facilities Agreement provides that the occurrence of a Change of Control would constitute a default thereunder and require the repayment of such debt. Future debt of the Issuers may prohibit the Issuers from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or requires repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuers to purchase the Notes could cause a default under other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuers.

Finally, the Issuers' ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Related to the Exchange Notes and Our Capital Structure—We may not be able to fulfill our repurchase obligations in the event of a change of control."

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Company to make an offer to repurchase the Notes as described above.

The provisions of the applicable indenture relating to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of holders of a majority in outstanding principal amount of the Notes under the applicable indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Company and any of the Guarantors may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including *pro forma* application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) €750 million, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) (i) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Guarantor and (ii) co-issuance by the Co-Issuer of any Indebtedness of the Company in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the applicable indenture; or

(b) without limiting the covenant described under "—Certain Covenants—Limitation on Liens," Indebtedness arising by reason of any Lien granted by or applicable to such

Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the applicable indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided*, *however*, that:

(a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(b) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (including both the exchange Notes and any remaining outstanding Notes other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in clauses (1) and (3)) outstanding on the Original Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clauses (5), (7), or (11) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) Management Advances;

(5) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition); *provided*, *however*, with respect to this clause (5), that at the time of such acquisition or other transaction (x) the Company would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) €100.0 million and (B) 1% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or

relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(B) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(C) Debt owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(D) Debt incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed €450 million;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Original Issue Date; *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "—Certain Covenants—Limitation on Restricted Payments" to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to

this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under "—Certain Covenants—Limitation on Restricted Payments" in reliance thereon;

(13) Indebtedness of Restricted Subsidiaries incurred as a result of (i) any governmental or regulatory restrictions, limitations or penalties in the nature of capital controls, exchange controls or similar restrictions affecting the incurrence or repayment of intercompany Indebtedness by any Restricted Subsidiary or (ii) any ordinary course country risk management policies of the Company restricting or limiting transfers or distributions from the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary, provided that the principal amount of such Indebtedness so incurred when aggregated with other Indebtedness previously incurred in reliance on this clause (13) and still outstanding shall not in the aggregate exceed €350.0 million; and

(14) the guarantee by the Company or a Restricted Subsidiary of Debt of any Person in which the Company or a Restricted Subsidiary has beneficial ownership of 15% or more of the Voting Stock in respect of performance, bid or surety bonds issued by or on behalf of any such Person in the ordinary course of business in an aggregate amount, together with all other guarantees of the Company outstanding pursuant to this clause (14) on the date of such incurrence, not to exceed €15.0 million.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Original Issue Date under the Senior Facilities Agreement shall be deemed initially Incurred on the Original Issue Date under clause (1) of the second paragraph of the description of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of the description of this covenant, and may not be reclassified pursuant to clause (1) of this paragraph;

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (12) or (13) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "—Certain Covenants—Limitation on Indebtedness." The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "—Certain Covenants—Limitation on Indebtedness," the Company shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided that* (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euros, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

If the Company adopts the U.S. dollar as its reporting currency, it may elect irrevocably to convert all euro-denominated restrictions into dollar-denominated restrictions at the applicable spot rate of exchange prevailing on the date of such election, and all references in the indentures to determining Euro Equivalents and euro amounts shall apply, *mutatis mutandis*, as though referring to U.S. dollars.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

(a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

(b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness") or any Subordinated Shareholder Funding; or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Company is not able to Incur an additional €1.00 of Indebtedness pursuant to the first paragraph under the "—Certain Covenants—Limitation on Indebtedness" covenant after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Original Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (6), (10), (11) and (12) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Original Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment

for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Original Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Original Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries (other than SSMC) as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c); *provided, however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company (other than SSMC); and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate (other than SSMC) to the Company or a Restricted Subsidiary;

provided, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); *provided further*, however, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "—Certain Covenants—Limitation on Indebtedness" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Certain Covenants—Limitation on Indebtedness" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" below, but only if the Company shall

have first complied with the terms described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall have first complied with the terms described under "—Change of Control" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) €40 million plus (2) €20 million multiplied by the number of calendar years that have commenced since the Original Issue Date plus (3) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Original Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (3), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "—Certain Covenants—Limitation on Indebtedness" above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments (i) in connection with, and of fees and expenses Incurred in connection with, the Transactions or (ii) to the extent specified in clauses (2), (3), (5), (7) and (12) of the second paragraph under "—Certain Covenants —Limitation on Affiliate Transactions;"

(10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.00;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed €200.0 million;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Original Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Original Issue Date; *provided*, *however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference

Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of the Company, from the issuance or sale of such Designated Preference Shares; and

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries other than SSMC (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents or to the extent the assets owned by such Unrestricted Subsidiary were contributed in contemplation of such dividend or distribution).

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

In addition to the foregoing, it will be a breach of this covenant if any of the Initial Investors receives directly or indirectly from SSMC payments that would, if made by the Company, constitute Restricted Payments of the types described in clauses (1) to (3) of the first paragraph of this covenant, other than through distributions and dividends (x) to the Company and the making of such payments by the Company in a manner permitted by the covenant set forth above or (y) on a pro rata basis (proportionate to its ownership of SSMC) to another portfolio company of any Initial Investor, or, in the case of Philips, another operating subsidiary, engaged in an active business that owns Capital Stock of SSMC at such time.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens or, in the case of assets constituting Collateral, Permitted Collateral Liens) upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Original Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien secures any Indebtedness (such Lien, the "Initial Lien"). In the case of the Unsecured Notes, such Liens (other than Permitted Liens) may be granted if, contemporaneously with the Incurrence of such Initial Lien effective provision is made to secure the Indebtedness due under the indenture and such Unsecured Notes, equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured. Any such Lien thereby created in favor of the Unsecured Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, (ii) any sale, exchange or transfer to any Person other than the Company or any Subsidiary of the Company of the property or assets secured by such Initial Lien or (iii) upon the defeasance or discharge of the Notes in accordance with the indenture.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;

(B) make any loans or advances to the Company or any Restricted Subsidiary; or

(C) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Finance Documents) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Original Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under the applicable indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the applicable indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the applicable indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Original Issue Date pursuant to the provisions of the covenant described under "—Certain Covenants—Limitation on Indebtedness" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement, together with the security documents associated therewith as in effect on the Original Issue Date or (ii) in comparable financings (as determined in good faith by the Company) and where, in the case of clause (ii), the Company determines at the time of issuance of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuers' ability to make principal or interest payments on the Notes; or

(12) any encumbrance or restriction existing by reason of any lien permitted under "—Certain Covenants—Limitation on Liens."

Limitation on Sales of Assets and Subsidiary Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness)

received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

(a) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under the Senior Facilities Agreement (or any Refinancing Indebtedness in respect thereof) and, in the case of the Unsecured Notes, any Secured Debt, within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided*, *however*, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of the Senior Facilities Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

(b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided*, *however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day; provided that the secured indenture will require that, to the extent that any disposition in such Asset Disposition was of Collateral, the assets (including Voting Stock) acquired with the Net Cash Proceeds thereof are pledged as Collateral, subject to the Agreed Security Principles, under the Security Documents substantially simultaneously with such acquisition, in accordance with the requirements set forth in such indenture;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the applicable indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in the preceding paragraph will be deemed to constitute "Excess Proceeds" under the applicable indenture. On the 366th day after an Asset Disposition, if the aggregate

amount of Excess Proceeds under the applicable indenture exceeds €50 million, the Issuers will be required to make an offer ("Asset Disposition Offer") to all holders of Notes issued under such indenture and, to the extent the Issuers elect, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the applicable indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and in case of the Notes denominated in euros in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof and in the case of Notes denominated in dollars in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuers may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the applicable indenture. If the aggregate principal amount of the Notes issued under an indenture surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

Any Net Available Cash payable in respect of the Notes issued under an indenture pursuant to this covenant will be apportioned between the Notes denominated in euros and the Notes denominated in dollars in proportion to the respective aggregate principal amounts of Notes denominated in euros and Notes denominated in dollars validly tendered and not withdrawn, based upon the Euro Equivalent of such principal amount of Notes denominated in dollars determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuers upon converting such portion into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Issuers will purchase the principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuers will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes issued under an indenture and Pari Passu Indebtedness or portions of Notes and Pari Passu

Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of Notes denominated in euros, minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof or, in the case of Notes denominated in dollars, in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the applicable Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €50,000 in the case of Notes denominated in euros and $75,000 in the case of Notes denominated in dollars. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Original Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of €100.0 million and 1% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to the applicable indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations

(or exchange rules) and will not be deemed to have breached its obligations under the applicable indenture by virtue of any conflict.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "Affiliate Transaction") involving aggregate value in excess of €20 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €50 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this covenant if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the fourth paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (l)(b), (2), (11) and (15) of the definition thereof);

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Original Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided*that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the applicable indenture;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses customary for portfolio companies of the Initial Investors described in clause (1) of the definition thereof and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection

with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors in good faith; and

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) unless the Company has filed with the SEC its Annual Report on Form 20-F within 120 days after the end of its fiscal year, in which case the Company shall have satisfied its reporting obligation pursuant to this paragraph, within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Original Issue Date, annual reports containing, to the extent applicable, and in a level of detail that is comparable in all material respects to that included in this prospectus, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2006, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods (provided that information for prior year interim periods ending prior to the Issue Date may be based on management reports), together with condensed footnote disclosure; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and pro forma financial information shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. The financial statements included in the quarterly report for the quarter ended September 30, 2006 are not required to be fully GAAP compliant, and in particular need show only such pro forma adjustments thereto as management believes appropriate in relation to the allocation of costs and expenses, and need only include a statement of cash flows that is prepared on a consistent basis with the income statement and balance sheet. In addition to the foregoing, the Company shall file all information required of it with the SEC within the time periods specified.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by the first two clauses of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in (1), (2) and (3) above, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

In addition, so long as any Outstanding Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Outstanding Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Limitation on Business Activities of the Co-Issuer

The Co-Issuer may not hold any material assets, become liable for any material obligations or engage in any business activities; *provided* that it may be a co-obligor or Guarantor with respect to the Notes or any other Indebtedness issued by the Company or a Guarantor, and may engage in any activities directly related thereto or necessary in connection therewith. The Co-Issuer shall be a Wholly Owned Subsidiary of the Company at all times.

Merger and Consolidation

The Company

The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union on January 1, 2004, or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and the applicable indenture and (b) all obligations of the Company under the Security Documents (in the case of Secured Notes) and the registration rights agreement;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the applicable indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis,

shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the applicable indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under such indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding the preceding clauses (2) and (3) (which does not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) shall not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

The Co-Issuer

The Co-Issuer may not consolidate with, merge with or into any person or permit any person to merge with or into the Co-Issuer unless:

(1) concurrently therewith, a Subsidiary of the Company that is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia (which may be the Co-Issuer or the continuing person as a result of such transaction) expressly assumes all of the obligations of the Co-Issuer under the Notes, the indentures, the registration rights agreement and, in the case of the Secured Notes, the Security Documents; or

(2) after giving effect to the transaction, at least one obligor on the Notes is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia.

Upon the consummation of any transaction effected in accordance with these provisions, the resulting, surviving or transferee Co-Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Co-Issuer under each indenture and the Notes with the same effect as if such successor Person had been named as the Co-Issuer in each indenture. Upon such substitution, the Co-Issuer will be released from its obligations under each indenture and the Notes.

Guarantors

No Guarantor may

- consolidate with or merge with or into any Person, or
- sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

- permit any Person to merge with or into the Guarantor unless:

(A) the other Person is the Company or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction); or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee, the registration rights agreement and, in the case of the Secured Notes, the Security Documents; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the indentures.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Original Issue Date, the Notes of any series have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until the Reversion Date applicable to such series of the Notes, the provisions of the applicable indenture summarized under the following captions will not apply to such Notes: "—Certain Covenants—Limitation on Restricted Payments," "—Certain Covenants—Limitation on Indebtedness," "—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries," "—Certain Covenants—Limitation on Affiliate Transactions," and "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock," "—Certain Covenants—Impairment of Security Interest," and the provisions of clause (3) of the first paragraph of the covenant described under "—Certain Covenants—Merger and Consolidation", and, in each case, any related default provision of such indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the "—Certain Covenants—Limitation on Restricted Payments" covenant will be interpreted as if it has been in effect since the date of such indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the covenant described under "—Certain Covenants—Limitation on Indebtedness," such Indebtedness will be deemed to have been outstanding on the Original Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness".

In addition, so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in such release, all Liens securing

such Secured Notes will be released upon achievement of an Investment Grade rating, as shall any future obligation to grant further security or Note Guarantees. All such Liens, and such further obligation to grant Guarantees and security, shall be reinstated upon the Reversion Date.

Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Collateral Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral, except that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the applicable indenture or the applicable Security Documents.

Events of Default

Each of the following is an Event of Default under the applicable indenture:

(1) default in any payment of interest or Additional Interest, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under such indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of the Issuers obligations under the covenants described under "—Change of Control" above or under the covenants described under "—Certain Covenants" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);

(4) failure to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with the Issuers other agreements contained in such indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) certain events of bankruptcy, insolvency or court protection of either Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited

consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "judgment default provision");

(8) with respect to the Secured Notes only, any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document and the indenture) for any reason other than the satisfaction in full of all obligations under the indenture or the release or amendment of any such security interest in accordance with the terms of such indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or either Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "security default provisions"); and

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the applicable indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the applicable indenture.

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the Notes then outstanding under the applicable indenture notify either Issuer of the default and, with respect to clauses (3), (4), (5) and (7) the Issuers does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the Notes then outstanding under the applicable indenture by written notice to either Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes under applicable indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "Events of Default" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Interest, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in principal amount of the Notes then outstanding under the applicable indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium or interest, or Additional Interest, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the applicable indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under such indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the applicable indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in principal amount of the Notes then outstanding under the applicable indenture have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the Notes then outstanding under the applicable indenture have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the Notes then outstanding are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. Each indenture provides that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the applicable indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the applicable indenture, the Trustee will be entitled to indemnification reasonably satisfactory to it against all losses and expenses caused by taking or not taking such action.

Each indenture provides that if a Default occurs and is continuing and the Trustee is informed of such occurrence by either Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by either Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Issuers are required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuers are required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the

Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in principal amount of the Notes issued under an indenture then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in principal amount of the Notes issued under such indenture then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); *provided* that, if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 100% (or, in the case of clauses (7), (8), and (10), 90%) of the then outstanding principal amount of Notes issued under an indenture, an amendment or waiver may not, with respect to any such Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—Optional Redemption";

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to receive payment of principal of and interest, including Additional Interest, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in the provision of the applicable indenture described under "—Withholding Taxes" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release the security interest granted for the benefit of the Holders in the Collateral other than pursuant to the terms of the Security Document or as otherwise permitted by the applicable indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuers, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents:

(1) to cure any ambiguity, omission, defect, error or inconsistency, conform any provision to this "Description of the Exchange Notes", or reduce the minimum denomination of any Note;

(2) to provide for the assumption by a successor Person of the obligations of the Issuers under any Note Document;

(3) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) to add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(5) to make any change that does not adversely affect the rights of any Holder in any material respect;

(6) to, at the Issuer's election, comply with any requirement of the SEC in connection with the qualification of the applicable indenture under the Trust Indenture Act, if such qualification is required;

(7) to make such provisions as necessary (as determined in good faith by the Issuers) for the issuance of Additional Notes;

(8) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the Covenant described under "—Certain Covenants—Limitation on Indebtedness," to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Document) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the applicable indenture or the Security Documents;

(9) to evidence and provide for the acceptance and appointment under the applicable indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Collateral Agent for the benefit of parties to the Senior Facilities Agreement, in any property which is required by the Senior Facilities Agreement (as in effect on the Original Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Collateral Agent, or to the extent necessary to grant a security interest for the benefit of any Person; provided that the granting of such security interest is not prohibited by the applicable indenture and the covenant described under "—Certain Covenants—Impairment of Security Interest" is complied with.

The Issuers will, for so long as the Notes are listed on the Irish Stock Exchange, to the extent required by its rules, inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and provide, if necessary, a supplement to this prospectus setting forth reasonable details in connection with any such amendments, supplements or waivers.

The consent of the Holders is not necessary under the applicable indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the applicable indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuers will deliver notice of any amendment, supplement and waiver in Ireland to the Companies Announcement Office in Dublin.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuers will be disregarded and deemed not to be outstanding.

Defeasance

Either Issuer at any time may terminate all obligations of the Issuers under any series of the Notes and the applicable indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuers in connection therewith and obligations concerning issuing temporary Notes, registration of Notes mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if either Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuers at any time may terminate their obligations under the covenants described under "—Certain Covenants" (other than clauses (1) and (2) of "—Certain Covenants—Merger and Consolidation") and "—Change of Control" and the default provisions relating to such covenants described under "—Events of Default" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuers and Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "—Events of Default" above ("covenant defeasance").

The Issuers at their option at any time may exercise their legal defeasance option notwithstanding their prior exercise of their covenant defeasance option. If the Issuers exercise their legal defeasance option, payment of the relevant series of Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuers exercise their covenant defeasance option with respect to any series of the Notes, payment of such Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "—Certain Covenants—Merger and Consolidation"), (4), (5), (6) (with respect only to the Issuers and Significant Subsidiaries), (7), (8) or (9) under "—Events of Default" above.

In order to exercise either defeasance option, the Issuers must irrevocably deposit in trust (the "defeasance trust") with the Trustee cash in euros or euro-denominated European Government Obligations or a combination thereof (in the case of a series of Notes denominated in euros) or in dollars or U.S. Government Obligations or a combination thereof (in case of a series of Notes denominated in dollars) for the payment of principal, premium, if any, and interest on a series of Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, liquidation, reorganization, administration,

moratorium, receivership or similar laws affecting creditors' rights generally under any applicable U.S. federal or state law and that the Trustee has a perfected security interest in such trust funds for the ratable benefit of the Holders;

(3) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuers;

(4) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(5) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(6) the Issuers deliver to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

Each indenture, and the rights of the Trustee and the Holders under the Security Document will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the affected series of the Notes, as expressly provided for in the applicable indenture) as to all Notes then outstanding of any series when (1) either (a) all the Notes of such series previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuers) have been delivered to the Trustee for cancellation; or (b) all Notes of such series not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers; (2) the Issuer has deposited or caused to be deposited with the Trustee, money or euro-denominated European Government Obligations (in the case of Notes denominated in euros), U.S. Government Obligations (in the case of Notes denominated in dollars), or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire indebtedness on the Notes of such series not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuers have paid or caused to be paid all other sums payable under the applicable indenture; and (4) the Issuers have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "Satisfaction and Discharge" section of the applicable indenture relating to the satisfaction and discharge of such indenture have been complied with, provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of either Issuer or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of either Issuer under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

Deutsche Bank Trust Company Americas has been appointed as Trustee under each indenture. Each indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in such indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under such indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in such indenture will not be construed as an obligation or duty.

Each indenture imposes certain limitations on the rights of the Trustee, should it become a creditor of either Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with either Issuer and its Affiliates and Subsidiaries.

Each indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the Notes then outstanding, or may resign at any time by giving written notice to the Issuers and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

Each indenture contains provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of such indenture.

Notices

All notices to Holders of each series of Notes will be validly given if mailed to them at their respective addresses in the register of the Holders of such Notes, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Irish Stock Exchange and its rules so require, notices with respect to the Notes listed on the Irish Stock Exchange will be given to the Companies Announcement Office in Dublin. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered to Euroclear, Clearstream and DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph, each of which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; provided that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to him if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against either Issuer for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

In the case of the Notes denominated in euros, the euro, and in the case of the Notes denominated in dollars, the dollar, is respectively the sole currency of account and payment for all sums payable by the Issuers under or in connection with the Notes denominated in euros and the Notes denominated in dollars, as the case may be, including damages. Any amount received or recovered in a currency other than euro (in the case of Notes denominated in euros) or the dollar (in the case of Notes denominated in dollars), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuers or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuers will only constitute a discharge to the Issuers to the extent of the euro amount or the dollar amount, as the case may be, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note denominated in euros, or if that dollar amount is less than the dollar amount expressed to be due to the recipient or the Trustee under any Note denominated in dollars, the Issuers will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuers will indemnify the recipient or the Trustee against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner satisfactory to the Issuers (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuers' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Enforceability of Judgments

Since substantially all the assets of the Issuers are held by Subsidiaries located outside the United States, any judgment obtained in the United States against either Issuer, including judgments with respect to the payment of principal, premium, if any, interest, Additional Interest, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the indentures and the Notes, the Issuers will in the applicable indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The indentures and the Notes, including any Note Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition Agreement*" means the Stock Purchase Agreement entered into prior to the Original Issue Date among Philips, the Company and Holdings (including all exhibits and schedules thereto) as amended from time to time.

"*Agreed Security Principles*" means the Agreed Security Principles as set out in an annex to the Senior Facilities Agreement as in effect on the Original Issue Date, as applied reasonably and in good faith by the Company.

"*ASMC*" means Advanced Semiconductor Manufacturing Corporation of Shanghai and any successor business thereto and their respective subsidiaries, assets and businesses.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, neither Philips nor any of its subsidiaries, joint ventures or operations shall be deemed to be an "Affiliate" of the Company or any Restricted Subsidiary due solely to its ownership of Voting Stock of the Company or the presence of its or their nominee on the Board of Directors of the Company, in each case at the percentage level disclosed in this prospectus.

"*Applicable Premium*" means the greater of (A) 1% of the principal amount of the applicable Note and (B):

(1) with respect to any Euro Fixed Rate Senior Unsecured Note on any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) the redemption price of such Euro Fixed Rate Senior Unsecured Note at October 15, 2011 (such redemption price (expressed in percentage of principal amount) being set forth in the table under "—Optional Redemption—Euro Fixed Rate Senior Unsecured Notes" (excluding accrued and unpaid interest)), plus (ii) all required interest payments due on such Euro Fixed Rate Senior Unsecured Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Euro Fixed Rate Senior Unsecured Note and

(2) with respect to any Dollar Fixed Rate Senior Secured Note or Dollar Fixed Rate Senior Unsecured Note, as the case may be, on any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) the redemption price of such Dollar Fixed Rate Senior Secured Note at October 15, 2010 or Dollar Fixed Rate Senior Unsecured Note at October 15, 2011 as the case may be (such redemption price (expressed in percentage of principal amount) being set forth in the applicable table under "—Optional Redemption—Dollar Fixed Rate Senior Secured Notes" or "—Optional Redemption—Dollar Fixed Rate Senior Unsecured Notes" (excluding accrued but unpaid interest)), plus (ii) all required interest payments due on such Dollar Fixed Rate Senior Secured Note or Dollar Fixed Rate Senior Unsecured Note, as the case may be, to and including such date set forth in clause (i) (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Dollar Fixed Rate Senior Secured Note or Dollar Fixed Rate Senior Unsecured Note, as the case may be.

in each case, as calculated by the Issuers or on behalf of the Issuers by such Person as the Issuers shall designate.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under "—Certain Covenants—Merger and Consolidation—The Company" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than €30 million;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments" and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock", asset sales (other than sales of securities or indebtedness of SSMC so long as it is not a Restricted Subsidiary), the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary (with the exception of (x) SSMC and (y) Investments in Unrestricted Subsidiaries acquired pursuant to clause (15) of the definition of Permitted Investments);

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided*, *however*, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided*,

further, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed €50 million; and

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the applicable indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock, (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company and (iii) until and unless designated otherwise by the Company in a notice to the Trustee, Crolles.

"*Board of Directors*" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company shall mean the Company's supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Bund Rate*" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuers in good faith)) most nearly equal to the period from the redemption date to October 15, 2007 in the case of the Euro Floating Rate Senior Secured Notes, or October 15, 2011 in the case of the Euro Fixed Rate Senior Unsecured Notes; *provided*, *however*, that if the period from the redemption date to the applicable date set forth above is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the applicable date set forth above is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, or New York, New York, United States are authorized or required by law to close; *provided*, *however*, that for any payments to be made under the applicable indenture, such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer ("TARGET") payment system is open for the settlement of payments.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated

Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any Lender or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition", the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, *provided* that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"*Clearstream*" means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Commodity Hedging Agreements*" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges and items (w), (x) and (y) in clause (1) of the definition of Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the applicable indenture (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "—Certain Covenants—Limitation on Affiliate Transactions"; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (t) accretion or accrual of discounted liabilities other than Indebtedness, (u) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (v) any additional interest pursuant to a registration rights agreement with respect to Notes or any securities, (w) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (x) any expensing of bridge, commitment and other financing fees, and (y) interest with respect to Indebtedness of any direct or indirect

parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP; plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in clause (c) of the penultimate paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness").

"*Consolidated Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available; *provided*, *however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "*Purchase*"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; *provided*, *however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or (except in the case of SSMC so long as it is not a Restricted Subsidiary, but only for the purpose of determining the amount available for Restricted Payments (other than Restricted Investments) under clause (c)(1) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments") could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the applicable indenture, and (c) restrictions specified in clause (11) (i) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries," except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge or any charges or reserves in respect of any restructuring, redundancy or severance or any expenses, charges, reserves or other costs related to the Transactions (including (i) in relation to expenses

relating to consulting or operational improvement initiatives, (ii) expenses associated with the closing out of existing management equity programs and (iii) start-up and transaction costs);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) the purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of the Transactions or the disentanglement, any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off;

(13) solely for the purpose of determining the amount available for Restricted Investments (but not other Restricted Payments) under clause (c)(i) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," (i) only to the extent not otherwise added back to Consolidated Net Income, depreciation and amortization expense to the extent in excess of capital expenditures on property, plant and equipment and (ii) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Secured Leverage Ratio*" means the Consolidated Leverage Ratio, but (x) calculated by excluding all Indebtedness other than Secured Indebtedness (except Secured Indebtedness Incurred pursuant to clause (13) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" and secured only by assets in the applicable jurisdiction but, for the avoidance of doubt, including Indebtedness secured by Liens permitted under clause (21) of the definition of "Permitted Liens") and (y) calculating Consolidated EBITDA for the purposes of such definition as though (i) consolidated depreciation expense included such expense of the Company and its consolidated subsidiaries attributable to SSMC and Jilin and (ii) consolidated amortization expense

included such expense of the Company and its consolidated Subsidiaries attributable to SSMC and Jilin.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Senior Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Crolles*" means the alliance operated by or to be operated by the Company and its Restricted Subsidiaries (and assets owned by the Company and its Restricted Subsidiaries that are deployed in such alliance, and activities undertaken by any of them as part of such alliance, shall be deemed to be a part of Crolles) and any successor thereto.

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Deemed Interest Payments*" means, (i) with respect to any Dollar Floating Rate Senior Secured Note, the amount of interest payments, as determined by the Issuers (in consultation with the Paying Agent) as of the relevant date, using an interest rate equal to 2.75% plus the six-month forward LIBOR for dollars as reported by Bloomberg and (ii) with respect to any Euro Floating Rate Senior

Secured Note, the amount of interest payments, as determined by the Issuers (in consultation with the Paying Agent) as of the relevant date, using an interest rate equal to 2.75% plus the six-month forward EURIBOR Rate for euros as reported by Bloomberg.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."

"*Designated Preference Shares*" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c) (ii) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, *however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale

(howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"*DTC*" means The Depository Trust Company or any successor securities clearing agency.

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System as currently in effect or any successor securities clearing agency.

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination.

"*European Government Obligations*" means any security that is (1) a direct obligation of Ireland, Belgium, The Netherlands, France, Germany or any country that is a member of the European Monetary Union on the date of the applicable indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the Company thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*fair market value*" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to the Fixed Charges of such Person for four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries, including the Transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including cost savings and synergies). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Operation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense of such Person for such Period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

"*Floating Rate Applicable Premium*" means the greater of (A) 1% of the principal amount of the applicable Note and (B):

(1) with respect to any Dollar Floating Rate Senior Secured Note on any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) 102% of the principal amount of the Dollar Floating Rate Senior Secured Note, plus (ii) the relevant Deemed Interest Payments due on the Dollar Floating Rate Senior Secured Note from the commencement of the current Interest Period to and including October 15, 2008 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Dollar Floating Rate Senior Secured Note, and

(2) with respect to any Euro Floating Rate Senior Secured Note on any redemption date, the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) 102% of the principal amount of the Euro Floating Rate Senior Secured Note, plus (ii) the relevant Deemed Interest Payments due on the Euro Floating Rate Senior Secured Note from the commencement of the current Interest Period to and including October 15, 2007 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of such Euro Floating Rate Senior Secured Note,

in each case, as calculated by the Issuers or on behalf of the Issuers by such Person as the Issuers shall designate.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in the applicable indenture, all ratios and calculations based on GAAP contained in the applicable indenture shall be computed in accordance with GAAP. At any time after the Issue Date, the Company may elect to establish that GAAP shall mean the GAAP as in effect on or prior to the date of such election, *provided* that any such election, once made, shall be irrevocable. The Company shall give notice of either such election to the Trustee and the Holders.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantor*" means any Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*").

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of DTC, Euroclear or Clearstream, as applicable.

"*Holdings*" means KASLION Acquisition B.V. and its successors and assigns.

"*Immaterial Subsidiary*" means any Restricted Subsidiary that (i) has not guaranteed any other Indebtedness of either Issuer and (ii) has Total Assets (as determined in accordance with GAAP) and Consolidated EBITDA of less than 2.5% (in the case of any Subsidiary organized in France existing on the Original Issue Date, 3.5%) of the Company's Total Assets and Consolidated EBITDA (measured, in the case of Total Assets, at the end of the most recent fiscal period for which internal financial statements are available and, in the case of Consolidated EBITDA, for the four quarters ended most recently for which internal financial statements are available, in each case measured on a pro forma basis giving effect to any acquisitions or depositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such subsidiary.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Original Issue Date, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Original Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the applicable indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Company.

"*Initial Investors*" means:

(1) KKR European Fund II, Limited Partnership, Bain Capital Fund IX, L.P., Bain Capital Fund VIII-E, L.P., Silver Lake Partners II Cayman, L.P., Apax Europe V-A, L.P., Apax Europe VI-A, L.P., AlpInvest Partners CS Investments 2006 C.V. and funds or partnerships related, managed or advised by any of them or any Affiliate of them; and

(2) Koninklijke Philips Electronics N.V. and its Subsidiaries.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Interest Rate Agreement*" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade*" means (i) BBB- or higher by S&P; (ii) Baa3 or higher by Moody's, or (iii) the equivalent of such ratings by S&P or Moody's, or of another Nationally Recognized Statistical Ratings Organization.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A-" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur in respect of a series of Notes when such series of the Notes receives both of the following:

(1) a rating of "BBB-" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means, with respect to each exchange offer, the date of closing of such exchange offer.

"*Jilin*" means Jilin NXP Semiconductors Limited or any successor entity or business thereto.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding €5.0 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of

or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes), the indentures and the Security Documents.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director, or the Secretary (a) of such Person or (b) if such Person is owned or managed by a

single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the applicable indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Original Issue Date*" means October 12, 2006.

"*Parent*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the applicable indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed €5 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Pari Passu Indebtedness*" means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Senior Facilities Agreement) or any Guarantor if such Guarantee ranks equally in right of payment to the Guarantees of the Notes which, in each case, in relation to the Secured Notes, is secured by Liens on assets of the Company.

"*Paying Agent*" means any Person authorized by the Issuers to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuers.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."

"*Permitted Collateral Liens*" means (x) Liens on the Collateral (i) arising by operation of law that are described in one or more of clauses (3), (4) and (9) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Collateral Agent to enforce the Security Interest in the Collateral or (ii) that are Liens in Secured Accounts equally and ratably granted to cash management banks securing cash management obligations, (y) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a) (with regard to the Secured Notes only) and (c) (if the original Indebtedness was so secured), (6), (11) or (13) (secured only by assets in the applicable jurisdiction) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" and any Refinancing Indebtedness in respect of such Indebtedness; *provided*, *however*, that such Lien ranks (a) equal to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under clause (1) of the second paragraph of "—Certain Covenants—Limitation on Indebtedness" and obligations under Hedging Agreements provided by the lenders under the Senior Facilities Agreement or their affiliates may have super priority not materially less favourable to the Holders than that accorded to the Senior Facilities Agreement on the Issue Date and (z) Liens on the Collateral securing Indebtedness incurred under the first paragraph and clause (12) of the second paragraph of "—Certain Covenants—Limitation on Indebtedness"; *provided* that, in the case of this clause (z), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 3.25:1.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the applicable indenture, (2) Senior Management and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock;"

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date and including the committed investment in PSSL (not exceeding €5 million);

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "—Certain Covenants—Limitation on Indebtedness;"

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed €300 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—Certain Covenants—Limitation on Liens;"

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Affiliate Transactions" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the applicable indenture;

(16) Guarantees not prohibited by the covenant described under "—Certain Covenants—Limitation on Indebtedness" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(17) Investments (a) in SSMC to increase the Company's percentage ownership thereof; provided that, after giving effect to such Investment, the Company is able to incur €1.00 of Indebtedness under the first paragraph of "—Certain Covenants—Limitation on

Indebtedness" or (b) in SSMC or any other Person partially financed by a Singapore government agency (or another project finance with a local or multilateral governmental authority) in an aggregate amount under this clause (b) not to exceed €300.0 million;

(18) Loans to Jilin on terms consistent with past practices between Jilin and Philips, not to exceed €25 million at any one time outstanding; and

(19) Investments in Crolles (or, in the event that Crolles is not continued, a similar research and development program) to fund research and development activities and maintenance capital expenditures in an aggregate amount not to exceed €190.0 million in the first two years after the Original Issue Date and €50 million per annum thereafter (with a carry over of unused amounts).

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the applicable indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the applicable indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Original Issue Date, excluding Liens securing the Senior Facilities Agreement and the Secured Notes;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided*, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided* further that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the applicable indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness incurred under clause (11) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" with local financial institutions;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred in the ordinary course of business with respect to obligations (other than Indebtedness for borrowed money) which do not exceed €50 million at any one time outstanding;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(28) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Philips*" means Koninklijke Philips Electronics N.V.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*PSSL*" means Philips Semiconductors (Suzhou) Co. Ltd.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in the applicable indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the applicable indenture or Incurred in compliance with the applicable indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith);

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided, *however*, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Related Person*" with respect to any Permitted Holder means:

(1) any controlling equityholder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse,

family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means

(1) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

(e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "—Certain Covenants—Limitation on Restricted Payments;" or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary, and for the avoidance of doubt does not include the Crolles assets as in existence on the Issue Date unless and until designated otherwise by the Company in a notice to the Trustee.

"*Reversion Date*" means, after a series of Notes has achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Security Documents*" means the Collateral Agency Agreement and each collateral pledge agreement, security assignment agreement or other document under which collateral is pledged to secure the Notes.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Senior Facilities Agreement*" means the €500,000,000 senior secured revolving credit facility agreement dated on or about the Original Issue Date between the Company, certain of the Company's Subsidiaries as borrowers and guarantors, the senior lenders (as named therein), and Morgan Stanley Senior Funding Inc., as facility agent and collateral agent, as amended, supplemented or otherwise modified from time to time.

"*Senior Finance Documents*" means the Senior Facilities Agreement and such other documents identified as "Senior Finance Documents" pursuant to the Senior Facilities Agreement.

"*Senior Management*" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of €250,000.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*SSMC*" means Systems on Silicon Manufacturing Company Pte. or any successor entity or business thereto. For purposes of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and the definition of "Asset Disposition", references to SSMC shall also refer to any Unrestricted Subsidiary (x) any Capital Stock or debt of which is owned directly or indirectly by SSMC or (y) which has received a cash distribution or dividend from SSMC.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by Holdings, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation

under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the applicable Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the applicable Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, beneficially owned (as defined below) by one or more Persons that beneficially owned more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the applicable indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Senior Facilities Agreement;

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof;

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by

Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*TIA*" means the Trust Indenture Act of 1939, as amended.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person; *provided* that pending the acquisitions of ASMC and Jilin, such balance sheet shall give *pro forma* effect to such acquisitions.

"*Transaction Documents*" means the Senior Finance Documents, the Note Documents and the Investor Documents.

"*Transactions*" means the acquisition by Holdings of the Company and its Subsidiaries and the related transactions (including disentanglement) pursuant to the Acquisition Agreement and the financing thereof and the issuance of the Notes.

"*Treasury Rate*" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to October 15, 2010, in the case of the Dollar Fixed Rate Senior Secured Notes, October 15, 2008, in the case of the Dollar Floating Rate Senior Secured Notes, and October 15, 2011, in the case of the Dollar Fixed Rate Senior Unsecured Notes; *provided*, *however*, that if the period from the redemption date to the applicable date set forth above is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to such applicable date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"*Unrestricted Subsidiary*" means SSMC and Jilin and:

(1) any Subsidiary of the Company (other than the Co-Issuer) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with "—Certain Covenants—Limitation on Restricted Payments."

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least €1.00 of additional Indebtedness under paragraph (a) of the "—Certain Covenants—Limitation on Indebtedness" covenant or (y) the Fixed Charge Coverage Ratio would not be worse than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*U.S. Government Obligations*" means securities that are (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly-Owned Subsidiary) is owned by the Company or another Wholly-Owned Subsidiary.

SUMMARY OF MATERIAL DUTCH TAX CONSIDERATIONS RELATING TO THE EXCHANGE NOTES

THE FOLLOWING SUMMARY IS BASED ON DUTCH TAX LAW AS APPLIED AND INTERPRETED BY DUTCH TAX COURTS AND AS PUBLISHED AND IN EFFECT ON THE DATE HEREOF, WITHOUT PREJUDICE TO ANY AMENDMENTS INTRODUCED AT A LATER DATE AND IMPLEMENTED WITH OR WITHOUT RETROACTIVE EFFECT. PROSPECTIVE HOLDERS OF AN OUTSTANDING NOTE (HEREINAFTER REFERRED TO AS "OUTSTANDING NOTEHOLDERS") AND PROSPECTIVE HOLDERS OF AN EXCHANGE NOTE (HEREINAFTER REFERRED TO AS "EXCHANGE NOTEHOLDERS" AND THE OUTSTANDING NOTEHOLDERS AND THE EXCHANGE NOTEHOLDERS COLLECTIVELY REFERRED TO AS "NOTEHOLDERS") SHOULD THEREFORE CONSULT THEIR TAX ADVISER REGARDING THE TAX CONSEQUENCES OF ANY EXCHANGE OF OUTSTANDING NOTES FOR EXCHANGE NOTES (HEREINAFTER REFERRED TO AS THE "EXCHANGE") AND ANY PURCHASE, OWNERSHIP OR DISPOSAL OF EXCHANGE NOTES.

FOR THE PURPOSE OF THIS PARAGRAPH, "DUTCH TAXES" SHALL MEAN TAXES OF WHATSOEVER NATURE IMPOSED, LEVIED, WITHHELD OR ASSESSED BY THE NETHERLANDS OR ANY POLITICAL SUBDIVISION OR TAXING AUTHORITY THEREOF OR THEREIN.

Withholding Tax

The Exchange will not be subject to withholding or deduction for, or on account of, any Dutch Taxes. Any payments made under the Exchange Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder who has a (fictitious) substantial interest (*aanmerkelijk belang*) in NXP B.V.

Generally, a Noteholder has a substantial interest in NXP B.V. if such Noteholder, alone or together with his partner, has, or if certain relatives of the Noteholder or his partner have, directly or indirectly:

(i) the ownership of, or certain rights over, shares representing five percent or more of the total issued and outstanding capital of NXP B.V., or of the issued and outstanding capital of any class of shares of NXP B.V.; or

(ii) the rights to acquire shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital of NXP B.V., or of the issued and outstanding capital of any class of shares of NXP B.V.; or

(iii) certain profit participating certificates that relate to five percent or more of the annual profit of NXP B.V. or to five percent or more of the liquidation proceeds of NXP B.V.

Generally, a Noteholder has a fictitious substantial interest (*fictief aanmerkelijk belang*) if (a) he has disposed of, or is deemed to have disposed of, all or part of a substantial interest or (b) he is an individual and has transferred a business enterprise in exchange for shares, on a non-recognition basis.

(a) Residents of The Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

(i) individuals who are resident or deemed to be resident in The Netherlands;

(ii) individuals who opt to be treated as a resident in The Netherlands for purposes of Dutch taxation ((i) and (ii) jointly "Dutch Individuals"); and

(iii) entities that are subject to the 1969 Dutch Corporate Income Tax Act ("CITA") and are resident or deemed to be resident of The Netherlands for the purposes of the CITA, excluding:

- pension funds (*pensioenfondsen*) and other entities, that are exempt from Dutch corporate income tax; and
- investment institutions (*beleggingsinstellingen*); ("Dutch Corporate Entities").

(i) Dutch Individuals not engaged or deemed to be engaged in an enterprise or receiving benefits from miscellaneous activities

Generally, a Dutch Individual who holds Notes that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, or to miscellaneous activities (*overige werkzaamheden*), will not be subject to Dutch income tax with respect to any benefits derived or deemed to be derived from the Exchange. Instead, such Noteholder will be subject annually to an income tax imposed on a fictitious yield on the Notes. The Notes held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4 percent of the average net fair market value of these assets and liabilities measured, in general, at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30 percent.

(ii) Dutch Individuals engaged or deemed to be engaged in an enterprise or earning benefits from miscellaneous activities

Any benefits derived or deemed to be derived from the Exchange or the Exchange Notes (including any capital gains realized on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities are generally subject to income tax in the Dutch Individual's hands at progressive rates with a maximum of 52 percent. Such Dutch Individual who holds Exchange Notes may, under certain circumstances, be entitled to a roll-over with respect to the benefits derived or deemed derived from the Exchange.

(iii) Dutch Corporate Entities

Any benefits derived or deemed to be derived from the Exchange or the Exchange Notes (including any capital gains realized on the disposal thereof) that are held by a Dutch Corporate Entity are generally subject to corporate income tax, currently 29.6 percent (and 25.5 percent for the first EUR 22,689 of taxable income). As per January 1, 2007, the corporate income tax rate will be reduced to 25.5 percent (and 20% for the first EUR 25,000 of taxable income and 23.5 percent for the following EUR 35,000 of taxable income). A Dutch Corporate Entity that holds Exchange Notes may, under certain circumstances, be entitled to a roll-over with respect to the benefits derived or deemed derived from the Exchange.

(b) Non-residents of The Netherlands

A Noteholder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the Exchange or the ownership and/or disposal of the Exchange Notes, except if:

- the Noteholder derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands, to which the Exchange Notes are attributable; or

- the Noteholder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) performed in The Netherlands in respect of the Exchange Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or

- the Noteholder is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Exchange Notes are attributable.

Such Noteholder that holds Exchange Notes may, under certain circumstances, be entitled to a roll-over with respect to the benefits derived or deemed derived from the Exchange.

Gift tax or inheritance tax

No Dutch Taxes are due in respect of any gift of the Exchange Notes by, or inheritance of the Exchange Notes on the death of, a Noteholder, except if:

(a) the Noteholder is a resident, or is deemed to be a resident, of The Netherlands; or

(b) the Noteholder, at the time of the gift or death, has an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in The Netherlands to which the Exchange Notes are attributable; or

(c) the Noteholder passes away within 180 days after the date of the gift of the Exchange Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident of The Netherlands.

(d) the Noteholder is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Exchange Notes are attributable.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will be deemed to be a resident of The Netherlands if he has been a resident of The Netherlands at any time during the 12 months preceding the date of the gift. Furthermore, under circumstances, a Noteholder will be deemed to be a resident of The Netherlands for purposes of Dutch gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

Other taxes

No other Dutch Taxes, such as turnover tax, or other similar tax or duty (including stamp duty and court fees), are due by the Issuers or the Noteholder by reason only of the acceptance or exercise of the Exchange or the issue, acquisition or transfer of the Exchange Notes.

Residency

Subject to the exceptions above, a Noteholder will not become a resident, or a deemed resident, of The Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of (i) the Noteholder's acceptance or exercise of the Exchange, (iii) the Issuers' performance, or (iii) the Exchange Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Exchange Notes.

EU Savings Directive

Under the EU Directive 2003/48/EC, The Netherlands is required to provide to other EU Member States details of payments of interest and similar income paid from The Netherlands to individuals who are resident in other EU Member States.

SUMMARY OF MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

United States Taxation

The following discussion summarizes the material U.S. federal income tax consequences of the exchange offers. It applies to you only if you tender your outstanding notes for exchange notes in this offering and you hold your notes as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including: a dealer in securities, a trader in securities that elects to use a mark-to-market method of accounting for securities holdings, a tax-exempt organization, an insurance company, a person liable for alternative minimum tax, a person that holds the notes as part of a straddle or a hedging or conversion transaction, or a U.S. holder (as defined below) whose functional currency is not the U.S. dollar. If a partnership holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of its investment in the notes.

This section is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations, and published rulings and court decisions, all as currently in effect and subject to change, possibly with retroactive effect.

You are a "U.S. holder" if you are a beneficial owner of notes and you are a citizen or resident of the United States, a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a U.S. holder, this discussion does not apply to you, and you should consult your own advisor.

YOU SHOULD CONSULT WITH YOUR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFERS

Taxation of U.S. Holders

For United States federal income tax purposes, you should not be treated as having disposed of outstanding notes in an a taxable exchange solely because you exchanged outstanding notes for exchange notes, and you therefore should not recognize gain or loss as a result of this exchange. Accordingly, for United States federal income tax purposes, your tax basis in the exchange notes should equal your basis in your outstanding notes, your holding periods of the exchange notes should include the holding period in your exchanged outstanding notes, and payments of interest, premium and principal on the exchange notes should be treated in the same manner as such payments were treated with respect to the outstanding notes.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF GUARANTEES AND SECURITY

Set out below is a summary of certain limitations on the enforceability of the guarantees and the security documents in each of the jurisdictions in which the guarantors (as of the date hereof) are organized. It is a summary only and bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the notes, the guarantees and any security.

The United States

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, the issuance of the guarantees and the grant of security by NXP Semiconductors USA Inc. (the "U.S. Guarantor") could be voided, or claims in respect of such liens or obligations could be subordinated to all of its other debts and other liabilities, if, among other things, at the time the U.S. Guarantor issued the related guarantee or entered into the security documents, the U.S. Guarantor intended to hinder, delay or defraud any present or future creditor; or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and either:

- was insolvent or rendered insolvent by reason of such incurrence or grant;
- was engaged in a business or transaction for which the U.S. Guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

By its terms, the guarantee and security of the U.S. Guarantor will limit the liability of the U.S. Guarantor to the maximum amount it can pay without the guarantee being deemed a fraudulent transfer.

The right of the collateral agent to repossess and dispose of the collateral of the U.S. Guarantor upon the occurrence of an event of default under the indenture governing the secured notes is likely to be significantly impaired by applicable U.S. bankruptcy law if a bankruptcy case were to be commenced by or against us before the collateral agent repossessed and disposed of such collateral. Upon the commencement of a case under the bankruptcy code, a secured creditor such as the collateral agent is prohibited from repossessing its security from a debtor in a U.S. bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval, which may not be given. Moreover, the bankruptcy code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral as of the commencement of the bankruptcy case and may include cash payments or the granting of additional security if and at such times as the bankruptcy court in its discretion determines that the value of the secured creditor's interest in the collateral is declining during the pendency of the bankruptcy case. A U.S. bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its collateral if the value of the collateral exceeds the debit it secures.

In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary power of a U.S. bankruptcy court, it is impossible to predict:

- how long payments under the secured notes could be delayed following commencement of a bankruptcy case;

- whether or when the collateral agent could repossess or dispose of the collateral;
- the value of the collateral at the time of the bankruptcy petition; or
- whether or to what extent holders of the secured notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

Any future pledge of collateral in favor of the collateral agent for the secured exchange notes, including pursuant to security document delivered after the date of the indenture governing the secured exchange notes, might be avoidable by the pledgor (as debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist to occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the secured notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period. In addition, a substantial component of the collateral for the secured exchange notes is the security interest in the accounts receivable to be generated in the future from to time by the company and the guarantors, including the U.S. Guarantor. Under Section 552 of the U.S. federal bankruptcy laws, assets that are acquired by debtor in a U.S. bankruptcy proceeding after the commencement of such bankruptcy proceeding are not subject to a security interest created by such debtor before such commencement unless such assets constitute "proceeds, product, offspring, or profits of such property," in which case such assets would be subject to the security interest except to the extent that the bankruptcy court, after notice and a hearing and based on the equities of the case, orders otherwise. As a result, even if accounts receivable continue to be generated after the commencement of U.S. bankruptcy proceedings involving the U.S. Guarantor it is unlikely that such accounts receivable will be subject to the security interest in favor of the collateral agent on behalf of holders of secured exchange notes.

The Netherlands

General

Dutch law provides for two types of security rights: (i) security created on registered assets (*registergoederen*), such as real property and on limited rights (*beperkte rechten*) vested therein. This type of security right is referred to as mortgage (*hypotheek*); and (ii) security created on all other assets, whether tangible (such as moveable assets) or intangible (such as receivables (*vorderingen*) and registered shares). This type of security right is referred to as pledge (*pand*).

Foreclosure of Security Interests

Pursuant to the Dutch security documents the collateral agent may enforce the Dutch mortgages and pledges taken over the secured assets of the issuer and NXP Semiconductors B.V. (the "Dutch Security Providers") in case of certain events which include bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*) in respect of the Dutch Security Providers.

In general, mortgage and pledge rank above other rights of priority, including the general priority right of the Dutch tax authorities on the tax debtor's assets. However, Dutch law provides for exceptions. For example, under certain circumstances, the Dutch tax authorities' priority right ranks above a non-possessory pledge on inventory (not including stock) found on the premises of the tax debtor (*bodemzaken*).

Enforcement in a Dutch court is subject to Dutch rules of civil procedure. In addition, foreclosure on Dutch security interests (including allocation of the proceeds) is subject to Dutch law. Under Dutch law, security interests are in principle enforced through a public auction of the relevant assets. This auction has to be effected in accordance with the applicable provisions of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

Under Dutch law, shares in a Dutch B.V. (private company with limited liability; *besloten vennootschap met beperkte aansprakelijkheid*) may only be transferred upon foreclosure in accordance with Dutch law and the relevant pledged company's articles of association at the time of foreclosure.

The collateral agent may request the competent court to approve a private sale of the secured assets. In case of pledged assets (but not mortgaged assets), the collateral agent and the Dutch Security Provider may agree to an alternative foreclosure procedure once the pledge has become enforceable. The collateral agent may also request the competent court to determine that the pledged assets shall accrue to it for a price determined by the court. In relation to a mortgage, it is not possible to exclude the mortgagor's right to request the competent court to approve a private sale of the property.

Furthermore, undisclosed pledges on receivables may be enforced by the collateral agent giving notice of the pledge to the debtors of the receivables and then collecting the receivables. Pursuant to the relevant Dutch security documents, disclosed pledges on receivables (in which case the debtors of the relevant receivables have already been notified of the pledge) may be enforced by the collateral agent by giving notice of enforcement of the pledge to the debtors of the receivables and then collecting the receivables. This latter arrangement is not mandatory under Dutch law, but has been agreed among the parties. The collateral agent may satisfy its receivable (provided that it is due and payable) out of the monies collected by it.

Impact of Dutch Insolvency Law

In case of bankruptcy or suspension of payments in respect of the Dutch Security Providers, the collateral agent will be entitled to exercise the rights afforded by law to a secured party as if there were no bankruptcy or suspension of payment. However, bankruptcy or a suspension of payments involving any of the Dutch Security Providers would affect the position of the collateral agent as a secured party in some respects, the most important of which are: (i) the competent court may as a general rule set a period of not more than four months during which the collateral agent may not without the court's consent (a) claim the secured asset if it is under the control of (*in de macht van*) the insolvent party or, in the case of a bankruptcy, the trustee in bankruptcy (*curator*), or (b) seek recourse against the asset, and (ii) a trustee in bankruptcy may (x) give the collateral agent a reasonable period to exercise his rights, and (y) if the collateral agent fails to sell the asset within that period, claim the asset and sell it, without prejudice to the collateral agent's entitlement to the proceeds after deduction of bankruptcy costs and taking into account his rank.

Enforcement of U.S. Judgments in The Netherlands

We are a Dutch private limited liability company (*besloten vennootschap met beperkte aarzsprakelijkheid*) incorporated under the laws of The Netherlands and substantially all of our assets are located outside the United States. In addition, some of our managing directors and members of our supervisory board, are non-residents of the United States. Although we have agreed in the indentures governing the notes to accept service of process in the United States by an agent designated for that purpose, it may not be possible for holders of notes to:

- effect service of process upon certain of our directors or officers and those of our subsidiaries; or
- enforce judgments of courts of the United States predicated upon civil liability under the U.S. federal securities laws against such persons in the courts of a foreign jurisdiction.

We understand that there is doubt as to the enforceability in The Netherlands against any of the persons listed above in an original action or in an action for the enforcement of judgments of U.S. courts of civil liabilities predicated solely upon U.S. federal securities laws.

As there is no treaty between the United States and The Netherlands providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards in civic and commercial matters), a judgment rendered by a court in the United States will not be recognized and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a U.S. court which is enforceable in the United States (the "foreign judgment") and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to the foreign judgment insofar as it finds that the jurisdiction of the U.S. court has been based on grounds which are internationally acceptable and that proper legal procedures have been observed and unless the foreign judgment contravenes Dutch public policy.

England and Wales

Insolvency Proceedings

NXP Semiconductors UK Limited (the "U.K. Guarantor") is a company incorporated under English law. Accordingly, as a general rule, insolvency proceedings with respect to this English company should be based on English insolvency laws. However, where an English company conducts business in more than one member state of the European Union, the jurisdiction of the English courts may be curtailed if the company's "centre of main interests" is in a member state other than the United Kingdom. There are a number of factors that are taken into account to ascertain the "centre of main interests", which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties.

English insolvency laws are favorable to secured creditors as compared to comparable provisions of U.S. law and afford debtors and unsecured creditors only limited protection from enforcement by secured creditors. The U.K. Guarantor has created fixed security over certain of its assets and a floating charge over other assets; substantially all of the assets of the U.K. Guarantor are secured, other than bank accounts and cash. Because no security is granted by the U.K. Guarantor over bank accounts or cash prior to the occurrence of an enforcement event, the floating charge may not constitute a qualifying floating charge for purposes of English insolvency law. A holder of a qualifying floating charge may, in certain circumstances, appoint an administrative receiver, although the general rule under English insolvency law is that such an appointment is prohibited unless certain exceptions apply. The exceptions to the prohibition against appointing an administrative receiver include an exception where the security interest is taken in respect of certain transactions in the capital markets; it is not certain whether this or any other exception would be available in respect of the floating charge. If duly appointed, an administrative receiver, unlike an administrator or a liquidator, would be able to act in the interests of the creditor appointing him, not in the interests of the creditors of the company at large. If no administrative receiver can be appointed, the security can, in general, only be enforced through the appointment of a receiver, other than an administrative receiver, or of an administrator. Any administrator or receiver (including administrative receiver) and any liquidator will be required to ring-fence a certain percentage of floating charge realizations for the benefit of unsecured creditors. This applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000.

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administrator can be appointed by the company, its directors or the holder of a "qualifying floating charge" and different procedures apply according to the identity of the appointor. Once appointed, the administrator must perform his functions with the objective of: (a) rescuing the company as a going concern; (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first going into administration); or (c) realizing property in order to make a distribution to one or more secured or preferential creditors. The administrator must perform his functions in the interests of the company's creditors as a whole. He may only perform his functions in pursuit of the objective

stated in (b) if, in his opinion, it is either not reasonably practicable to rescue the company, or the objectives described in (b) would achieve a better result for the company's creditors as a whole. He may only perform his functions in pursuit of the objective stated in (c) if he believes that it is not reasonably practicable to achieve the objectives stated in (a) or (b) and to do so would not unnecessarily harm the interests of the creditors of the company as a whole. During the administration, in general no proceedings or other legal process may be commenced or continued against the debtor, except with leave of the court or consent of the administrator. If the U.K. Guarantor were to enter into administration proceedings, it is possible that the obligations due under the guarantee and the security granted by the U.K. Guarantor may not be enforced while it was in administration.

In the event of a liquidation under English law of the U.K. Guarantor, the liabilities of the U.K. Guarantor to its unsecured creditors will be satisfied only after payment of all secured indebtedness (to the extent of the assets securing that indebtedness) and after payment of all claims entitled to priority under English insolvency law. Currently, the debts entitled to priority may include (a) amounts owed in respect of unpaid contributions for occupational pension schemes, and (b) certain amounts owed to employees in respect of unpaid wages and holiday entitlements. Further, all expenses (including the liquidator's remuneration) properly incurred in a winding-up are also payable out of the company's assets in priority to all other claims.

Any interest accruing under or in respect of amounts due under the guarantee or any of the security documents to which the U.K. Guarantor is a party in respect of any period after the commencement of liquidation proceedings would only be recoverable by holders of the notes from any surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings.

Under English insolvency law, a liquidator or administrator of the U.K. Guarantor could apply to the court to set aside the issuance of its guarantee or creation of the security if such liquidator or administrator believed that issuance of such guarantee or the creation of such security constituted a transaction at an undervalue. Under English insolvency law, the liquidator or administrator of a company may, among other things, apply to the court to set aside a transaction entered into by a company, if such company was insolvent (as defined in the UK Insolvency Act 1986, as amended) at the time of, or in consequence of, the transaction and enters into liquidation or administration within two years of entering into the transaction. A transaction might be subject to being set aside if it involved a gift by a company, if a company received no consideration or if a company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. Upon such application, the court can make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction. A court generally will not intervene, however, if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business, and that at the time it did so there were reasonable grounds for believing the transaction would benefit such company.

An administrator or liquidator may apply to the court for an order avoiding any action taken by the U.K. Guarantor within six months (two years if the person receiving the preference is connected with the company) before the U.K. Guarantor went into administration or liquidation which has the effect of putting a creditor, guarantor or surety of the U.K. Guarantor in a better position (in the event of the company going into insolvent liquidation) than if the action had not been taken. In order to be successful, it must be shown that the U.K. Guarantor was influenced by a desire to produce that result and provided that, at the time or as a result of the preference, the company was unable to pay its debts.

Where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding

creditors. This provision may be used by any person who claims to be a "victim" of the transaction and is not therefore limited to liquidators or administrators. There is no statutory time limit in the English insolvency legislation within which the challenge must be made and the relevant company does not need to be insolvent at the time of the transaction.

Service of Process and Enforcement of Judgments

All of the directors of the U.K. Guarantor are residents of the United Kingdom. In addition, the U.K. Guarantor is incorporated under the laws of England and Wales. All of or a substantial portion of the assets of the U.K. Guarantor are located outside the United States. It may not be possible for holders of the notes to effect service of process within the United States upon the U.K. Guarantor or its directors or to enforce against it judgments of U.S. courts predicated upon civil liability provisions of the U.S. federal or state securities laws.

With respect to the enforceability of certain U.S. court judgments in England, the company and the guarantors have been advised as follows. The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be enforceable in England. In order to enforce any such judgment in England, proceedings must be initiated by way of a common law action before a court of competent jurisdiction in England. In a common law action, an English court generally will not (subject to the following sentence) reinvestigate the merits of the original matter decided by a U.S. court and will order summary judgment on the basis that there is no defense to the claim for payment. The entry of an enforcement order by an English court is conditional upon the following:

- the U.S. court having had jurisdiction over the original proceeding according to English conflicts of laws principles;
- the judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a debt or a definite sum of money;
- the judgment not contravening public policy of England;
- the judgment being not for a sum payable in respect of tax, or other charges of a like nature in respect of a penalty or fine;
- the judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damaged sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the judgment not having been obtained by fraud or in breach of English principles of natural justice;
- there not having been a prior judgment in another court recognizable in England between the same parties concerning the same issues; and
- enforcement proceedings having been instituted within six years after the date of judgment.

A judgment by an English court may be given in pounds sterling in some cases. Subject to the foregoing, holders of the notes may be able to enforce judgments in England, in civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. In addition, it is doubtful whether an English court would accept jurisdiction and impose civil liability if proceedings were commenced in England in an original action predicated solely upon U.S. federal securities laws.

Germany

Enforcement of Security Interests

Under German law, certain ("accessory") security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim. The holders of interests in notes from time to time will not be party to the security agreements. In order to permit the holders of notes from time to time to have a secured claim the Collateral Agency Agreement provides for the creation of a "parallel debt". Pursuant to the parallel debt, the collateral agent becomes the holder of a claim equal to each amount payable by an obligor under the indenture and the notes. The pledges governed by German law will directly secure the parallel debt. The parallel debt procedure has not been tested under German law, and we cannot assure you that it will eliminate or mitigate the risk of unenforceability posed by German law.

Moreover, under German law, in the event that a subsidiary entered into insolvency proceedings, the security interest granted by that entity could also be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance of German insolvency law (*Insolvenzordnung*). Any security interest with respect to assets of an insolvent subsidiary that constitutes part of the insolvency estate attained by way of compulsory enforcement (*Zwangsvollstreckung*) within the month immediately prior to the petition for commencement of insolvency proceedings or subsequent to such petition will be ineffective as of the commencement of the insolvency proceedings. In addition, creditors of a subsidiary which has granted a security interest may challenge a security interest under the rules of avoidance of the German Act of Avoidance (*Anfechtungsgesetz*). If any challenge to the validity or enforceability of a security interest granted in favor of the holders of the notes is successful, the holders of the notes may not be able to recover any amounts under the relevant security interest.

The enforcement of the guarantees or a security interest by any holder of the notes or the collateral agent will be limited by the capital maintenance rules imposed by Sections 30 and 31 *et seq.* of the German Limited Liability Company Act, which prohibit the direct or indirect repayment of a German limited liability company's stated share capital to its shareholders (including payments pursuant to guarantees or security in favor of the debt of such shareholders). Payments under the guarantees and the security will be limited if, and to the extent, such payments would cause the payor's net worth to fall below the amount of its stated share capital. If such an event occurs, the collateral agent must release the portion of the proceeds of any realization of enforcement of that guarantee or security that is necessary to preserve the payor's stated share capital in accordance with these provisions. As a result and to the extent of any such releases, the claims of the holders of the notes under the guarantees will be effectively junior to the claims of direct creditors of the applicable guarantor, such as trade creditors.

The payor's net worth must be determined according to accounting standards and is measured at the time of enforcement of the guarantee or security after taking into account, among other things, the direct debt and other obligations of the payor. As a result, in the event that a payor has other debt or liabilities (including liabilities to trade creditors) that reduce its ability to make payments, holders of notes will not be able to enforce the guarantee or security fully or at all. Because the grantors of guarantees or security may be liable for other debt, including under the senior revolving credit facilities and with respect to trade creditors, there can be no assurance that the excess of the net worth of each payor over its stated share capital will be adequate to cover any or all of the amounts outstanding under any guarantee or secured under any security.

In addition, pursuant to German court rulings the respective direct or indirect shareholders of a German security provider must not jeopardize the existence of the German security grantor, including, in particular, that such holders must not deprive the German security grantor of the assets necessary to

meet the German security provider's payment obligations. Payments under the guarantees and the enforcement of collateral of the German security grantor will therefore be limited if, and to the extent, such payments or enforcement of such collateral would jeopardize the existence of the German security grantor by depriving it of the liquidity it requires to meet its own payment obligations.

German capital maintenance rules and the case law prohibiting the jeopardizing of the existence of the German security grantor are subject to ongoing court decisions. We can not assure you that future court rulings may not further limit the access of holders to assets of its subsidiaries constituted in the form of a limited liability company, which can negatively affect the ability of the grantor to make payment on the notes or of the subsidiaries to make payments on the guarantees or security interests.

Enforceability of U.S. Judgments

There is doubt as to the enforceability in Germany of civil liabilities based on federal or state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. federal or state courts. The United States and the Federal Republic of Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment for payment given by any federal or state court in the United States, whether or not predicated solely upon U.S. federal or state securities laws, would not automatically be enforceable in Germany. A final judgment by a U.S. federal or state court, however, may be recognized and enforced in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following:

- the judgment being final under U.S. law;
- the U.S. court having had jurisdiction over the original proceeding under German law;
- the defendant having had the chance to defend itself against an unduly or untimely served complaint;
- the judgment of the U.S. court being consistent with the judgment of a German court or a recognized judgment of a foreign court handed down before the judgment of the U.S. court;
- the judgment of the U.S. court being consistent with the procedure of a matter pending before a German court, provided that such matter was pending before a German court before the U.S. court entered its judgment;
- the enforcement of the judgment by the U.S. court being compatible with German public policy, including the fundamental principles of German law and in particular the civil liberties (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*); and
- generally, the guarantee of reciprocity.

Subject to the foregoing, holders of the notes may be able to enforce judgments in civil and commercial matters obtained from U.S. federal or state courts in Germany. However, there can be no assurance that attempts to enforce judgments in Germany will be successful.

In addition, the recognition and enforcement of punitive damages is usually denied by German courts as incompatible with the substantial foundations of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In so far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on the common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under German law.

Insolvency

To the extent any security grantor is incorporated in Germany, in the event of an insolvency of such security grantor, insolvency proceedings may be initiated in Germany. German law would then govern such proceedings. Under certain circumstances, insolvency proceedings may also be opened in Germany in accordance with German law over the assets of companies that are not established under German law (for example, if the center of the business operations of such company is within Germany).

Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor (i.e., where the debtor's debts exceed the value of its assets) or in the event that the debtor is unable to pay its debts as and when they fall due (*Zahlungsunfähigkeit*). In addition, the debtor can file for insolvency proceedings if it is imminently at risk of being unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*).

The insolvency proceedings are court controlled. If the insolvency court (*Insolvenzgericht*) has reasonable grounds to believe that there is a reason for the opening of insolvency proceedings (i.e., the debtor is either over-indebted, or unable to pay its debts as they fall due or—if the debtor itself applied for the opening of insolvency proceedings—imminently at risk of being unable to pay its debt as they fall due) it will appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). Upon appointment of the preliminary insolvency administrator, the debtor can only dispose over its assets with the consent of the preliminary insolvency administrator unless the court has decided that the power to dispose over the assets shall fully pass to the preliminary insolvency administrator. The insolvency court can also order a stay of all enforcement measures against the debtor.

If the preliminary insolvency administrator has verified that there is a ground for the opening of insolvency proceedings and that the debtor has sufficient assets to cover the costs of the insolvency proceedings then the insolvency court will open the (definite) insolvency proceedings by appointing an insolvency administrator (*Insolvenzverwalter*). The insolvency administrator has full power to dispose of the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened.

All creditors, whether secured or unsecured, wishing to assert claims against the debtor need to participate in the insolvency proceedings and have to file their claims against the debtor and the rights they claim in the assets of the debtor with the insolvency administrator. Creditors secured by a right *in rem* in the debtor's assets or any part thereof (for example, by a pledge over bank accounts or shares, a security assignment of receivables or a security transfers of moveable assets) have certain preferential rights. These security rights entitle the creditor to preferential treatment in the distribution of the proceeds resulting from the realization of the charged asset; they are entitled to separate satisfaction (*abgesonderte Befriedigung*). A creditor having a right to separate satisfaction may enforce its right if and to the extent the insolvency administrator is not itself authorized to do so (the latter generally being the case in relation to moveable assets in the possession of the insolvency administrator and receivables assigned to a creditor for security purposes). In case of an enforcement by the insolvency administrator, the enforcement proceeds minus certain contributory charges for (i) assessing the secured assets and the rights thereto in the amount of 4% of the proceeds, and (ii) realizing the secured assets in the amount of 5% of the proceeds (or any actual costs of realization that are significantly lower or higher) plus value added tax incurred in the realisation, are paid to the creditor

holding a security interest in the relevant asset up to an amount equal to its secured claims. Whether the secured creditor itself or the insolvency administrator realizes the charged asset, to the extent the net realisation proceeds exceed the amount of the secured claim, the proceeds have to be surrendered to the liquidation fund (*Insolvenzmasse*) and will be distributed among the unsecured creditors which will be satisfied on a pro rata basis only. Creditors who have a right to preferential treatment may participate in the pro rata distribution of the liquidation fund only to the extent that the proceeds from the realisation of the assets charged to them did not cover their claims or if they have waived their right to preferential treatment. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among others, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

Under the German Insolvency Code (*Insolvenzordnung*), an insolvency administrator could possibly avoid payments under any guarantee or security interest or, if payment has already been made under the relevant security interest or guarantee, require that the recipients return the payment to the relevant payor.

In particular, a transaction (which term includes the provision of security and the payment of debt) may be avoided according to the German Insolvency Code in the following cases:

- a transaction granting a creditor security or satisfaction for a debt (*Befriedigung*) can be avoided if the transaction was effected in the three months immediately prior to the filing of a petition for the commencement of insolvency proceedings or thereafter, if at the time of the transaction (i) the debtor was insolvent (*zahlungsunfähig*, i.e., unable to pay its debt when due) and the creditor had knowledge thereof, or (ii) a petition for the commencement of insolvency proceedings had been filed and the creditor had knowledge thereof;

- a transaction granting a creditor security or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be avoided if the transaction was effected in the month prior to the filing of a petition for the commencement of insolvency proceedings or thereafter, if the transaction was effected in the second and/or third month prior to the filing, it can be avoided if at the time of the transaction (i) the debtor was insolvent, or (ii) the creditor knew that the transaction would be detrimental to other creditors of the debtor. In the case of collateral over future claims, a recent court decision has held that the granting of security can be challenged if the pledged claim arises within the respective time period, even if the actual security agreement was concluded outside these periods;

- a legal transaction (*Rechtsgeschäft*) effected by the debtor which is directly detrimental to the creditors of the debtor can be avoided, if the transaction was effected in the three months immediately prior to the filing of a petition for the commencement of insolvency proceedings against the debtor or thereafter, if at the time of the legal transaction (i) the debtor was insolvent and the other party to the legal transaction had knowledge thereof or (ii) a petition for the commencement of insolvency proceedings had been filed against the debtor and the other party to the legal transaction had knowledge thereof;

- a transaction whereby a debtor grants security for a third party debt might be regarded as having been granted gratuitously (*unentgeltlich*); a gratuitous transaction can be avoided if it was effected in the four immediately years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor;

- a transaction entered into by the grantor of the guarantee or security in the ten years immediately prior to the filing of a petition for commencement of insolvency proceedings or thereafter with the intent of harming its creditors can be avoided if the beneficiary of the transaction had knowledge of such intent at the time of the transaction; or

- a transaction with respect to the claim of a shareholder for repayment of an equity replacing loan or an equivalent claim can be avoided if the transaction (i) was secured and was effected in the ten years immediately prior to the filing of a petition for commencement of insolvency proceedings or thereafter or (ii) resulted in satisfaction and was effected in the year immediately prior to the petition for commencement of insolvency proceedings or thereafter.

Apart from the above-described examples of an insolvency administrator (*Insolvenzverwalter*) avoiding transactions according to the German Insolvency Code, another creditor who has obtained an enforcement order (*Vollstreckungstitel*) could possibly also avoid any security interest or payment performed under the relevant security interest according to the German Act of Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The conditions vary to a certain extent from the above described rules and the avoidance periods are calculated from the date when such other creditor exercises its rights of avoidance in the courts.

Singapore

Enforcement of Security Interests

The general impediments to enforcement of security in Singapore include the following:

- bankruptcy, insolvency, liquidation and other laws affecting the rights of the creditors, including the appointment of a judicial manager over the company's assets under Part VIIIA of the Singapore Companies Act (Chapter 50) (the "Singapore Companies Act");
- general principles of equity which may dictate that equitable remedies may not always be given if damages are adequate or which may deny or postpone relief where the circumstances dictate;
- limitation, laws of defenses of set-off and counterclaim; and
- illegality or public policy reasons.

In particular, upon the presentation of an application by the company or a creditor for the appointment of a judicial manager under Part VIIIA of the Singapore Companies Act, all creditors are prevented from enforcing any security over the company's assets, except with the court's permission. However, once appointed, upon effecting any sale or disposal of the company's property subject to security, the judicial manager would (unless there are grounds to challenge the security itself) be obligated under Section 227H of the Singapore Companies Act to recognize the priority of the secured parties to the proceeds or property derived from the sale or disposal.

Enforcement of U.S. Judgments in Singapore

The courts of Singapore will not register and enforce a judgment of the courts of the State of New York in respect of any legal suit or proceedings arising out of or relating to the guarantee. However, a final and conclusive judgment properly obtained against NXP Semiconductors (Singapore) Pte Ltd. (the "Singapore Guarantor") in the courts of the State of New York for a fixed sum of money in respect of any legal suit or proceedings arising out of or relating to the guarantee and which can be enforced by execution against the Singapore Guarantor in the jurisdiction of the relevant court and has not been stayed or satisfied in whole may be sued on in Singapore as a debt due from the Singapore Guarantor if:

- that judgment has not been obtained by fraud;
- the enforcement of that judgment would not be contrary to public policy in Singapore; and
- that judgment has not been obtained in contravention of the principles of natural justice.

Taiwan

Enforcement of Security Interests

All of the noteholders will be deemed to acknowledge and agreed that the security in Taiwan will be held by a sub-collateral agent in the capacity as a "joint and several creditor" against the co-issuers and foreclosure thereon would be done in the name of a sub-collateral agent. Absent agreement of the security provider after default, foreclosure would be done by court sale or through public auction. Auction/sale proceeds would be payable only in New Taiwan Dollars and there is no assurance that foreign exchange control approvals required to convert such proceeds into U.S. Dollars or Euros would be available.

Enforcement of U.S. Judgments in Taiwan

In the event a judgment of a court of a country other than Taiwan or the People's Republic of China (excluding Hong Kong and Macau) were obtained, and enforcement of such judgment were sought in Taiwan, such judgment would be recognized and enforced by the courts of Taiwan only if the Taiwan courts were satisfied that:

- the court rendering the judgment had subject matter jurisdiction under the laws of Taiwan;
- the proceedings and the judgment were not contrary to public order or good morals of Taiwan;
- the judgment was a final judgment for which the period for appeal had expired or from which no appeal could be taken;
- if NXP Semiconductors (Taiwan) Ltd. (the "Taiwanese Guarantor") did not appear in the proceedings in such court, process was duly and timely served on the Taiwanese Guarantor in the jurisdiction of litigation or with the assistance of the judicial authorities of Taiwan; and
- judgments of the courts of Taiwan would be enforceable in the jurisdiction of the court rendering such judgment on a reciprocal basis.

Philippines

Enforcement of Security Interests

A conditional assignment has been taken of shares in, and substantially all of the assets of, the subsidiary guarantor organized in The Philippines. This is not a security interest. However, it requires the assets and shares to be assigned upon the occurrence of an enforcement event. Such assignment may constitute a preference and be unenforceable. In addition, in order to be enforceable certain taxes and/or duties would be payable, in each case based on the amount recoverable under such assignment. Consents and waivers may also have to be secured from counterparties to effect the assignment of certain collateral rights. Given the value of The Philippines' assets this could require the payment of substantial duties and taxes.

The provisions of the Civil Code on concurrence and preference of credits will apply once insolvency proceedings are instituted.

If a petition for corporate rehabilitation is found to be sufficient in form and substance, an order staying enforcement of all claims, whether for money or otherwise and whether such enforcement is by court action or otherwise, against the debtor, its guarantors and sureties not primarily liable with the debtor shall be issued within five (5) days from the filing of the petition.

Enforcement of U.S. Judgments in The Philippines

A judgment rendered against a party by a foreign court may be enforced in The Philippines by filing an action for enforcement in a Philippine court, but such judgment may be rejected by evidence

that (i) such foreign court did not have jurisdiction in accordance with the jurisdictional rules of such court, (ii) the party against whom the judgment is sought to be enforced had no notice of the proceedings, or (iii) the judgment of such foreign court was obtained through collusion or fraud or was based on clear mistake of law or fact.

Philippine court judges and administrative staff are generally perceived to be underpaid and overworked. The Philippine court system is also seen to be understaffed and overloaded. These factors may affect the ability of a litigant to secure fair and speedy action on its claims.

Thailand

Enforcement of Security Interests

The security governed by Thai law may not be enforceable in the event of certain bankruptcy or bankruptcy-related circumstances affecting the security grantor. Furthermore, Thai law does not recognize the concept of trusts, which could adversely affect the collateral agent's ability to enforce the security on behalf of the holders of the notes. The security interests created under Thai law and granted to the collateral agent for and on behalf of the holders of the notes under the principle of agency law may be subject to challenges.

Enforcement of U.S. Judgments in Thailand

Under Thai law, judgments entered by a non-Thai court are not enforceable in Thailand. In order to pursue a claim against NXP Manufacturing (Thailand) Co. Ltd (the "Thai Guarantor"), a holder of the notes would have to bring a new action or claim in Thailand. While a non-Thai judgment could be introduced as evidence in a court proceeding in Thailand, a Thai court would be free to examine issues arising in the case without regard to the non-Thai judgment. Thus, to the extent holders of the notes succeed in bringing legal actions against the Thai Guarantor, their available remedies and any recoveries against it in any Thai proceeding may be limited.

Hong Kong

Enforcement of Security Interests

NXP Semiconductors Hong Kong Limited (the "Hong Kong Guarantor") is a company incorporated under Hong Kong law. Accordingly, as a general rule, insolvency proceedings with respect to this Hong Kong company will be based on Hong Kong insolvency laws.

Hong Kong insolvency laws are favorable to secured creditors and afford debtors and unsecured creditors only limited protection from enforcement by secured creditors. The Hong Kong Guarantor will create fixed charges over certain of its assets and a floating charge over all or substantially all of its assets, other than cash and bank accounts. The holder of a charge may appoint a receiver or receiver and manager under that charge.

In the event of a liquidation under Hong Kong law of the Hong Kong Guarantor, the liabilities of the Hong Kong Guarantor to its unsecured creditors will be satisfied only after payment of all secured indebtedness (to the extent of the assets securing that indebtedness) and after payment of all claims entitled to priority under Hong Kong insolvency law. Currently, these debts entitled to priority may include (a) certain amounts owed to the Government, and (b) certain amounts owed to employees (which also have priority ahead of a floating charge). Further, all expenses (including the liquidator's remuneration) properly incurred in a winding up are also payable out of the company's assets in priority to all other claims.

Any interest accruing under or in respect of amounts due under the guarantee or any of the security documents to which the Hong Kong Guarantor is a party in respect of any period after the commencement of liquidation proceedings would only be recoverable by holders of the notes from any

surplus remaining after payment of all other debts proved in the proceedings and accrued and unpaid interest up to the date of the commencement of the proceedings.

Under Hong Kong insolvency law, any payment or other act relating to property made or done by a company within six months (or two years in the case of transactions entered into with an "associate" (as defined in the Bankruptcy Ordinance (Cap. 6)) before the commencement of its winding up is invalid if the insolvent company in making that payment or doing that act did so with a view to giving a creditor an unfair preference. An unfair preference is given by a company to a person if it has the effect of putting a creditor, guarantor or surety of the company in a better position (in the event of the company going into insolvent liquidation) than if the action had not been taken. In order to be successful, it must be shown that the company was influenced by a desire to produce that result and provided that, at the time or as a result of the preference, the company was unable to pay its debts.

A floating charge on the undertaking or property of a company is invalid if created in the period of twelve months ending with the presentation of a winding up petition of the company, unless it is proved that the company immediately after the creation of the charge was solvent, except to the amount of any cash paid to the company at the time of or subsequently to the creation of, and in consideration for, the charge (together with interest on such amount at the rate specified in the charge or at the rate of twelve per cent. (12%) per annum, whichever is the lesser).

Service of Process and Enforcement of Judgments

As there is no agreement for the reciprocal enforcement of judgments between Hong Kong and the United States, a judgment of the courts of the United States rendered in an action brought in such courts can only be enforced in Hong Kong by commencing an action in the Hong Kong courts. Provided the judgment of the courts of the United States is final and conclusive (even if it can still be appealed) and is for a definite monetary sum the judgment would form the basis of a claim in respect of which an application for summary judgment could be made on the grounds that there was no defense to the claim. Accordingly, a final and conclusive judgment for a definite sum of money entered by a United States court in any suit, action or proceeding would be enforced by the Hong Kong courts, without re-examination or re-litigation of the matters adjudicated upon, *provided* that:

- the judgment was not obtained by fraud;
- the enforcement of the judgment would not be contrary to Hong Kong public policy;
- the judgment was not obtained in proceedings contrary to natural justice;
- the judgment is not inconsistent with a Hong Kong judgment in respect of the same matter;
- the judgment is not for multiple or penalty damages;
- enforcement proceedings are instituted within six (6) years after the date of the judgment; and
- the United States court had jurisdiction.

A judgment of a Hong Kong court will generally be given in the currency in which the claim is made but may be given in Hong Kong dollars in some cases. Subject to the foregoing, holders of the notes may be able to enforce judgments in Hong Kong, in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that those judgments will be enforceable. In addition, a Hong Kong court may decline to accept jurisdiction and impose civil liability if proceedings were commenced in Hong Kong in an original action predicated solely upon U.S. federal securities laws, typically if the Hong Kong court believed there was an insufficient connection between Hong Kong and the dispute or if it considered that it would be contrary to Hong Kong public policy to enforce such laws in Hong Kong.

PLAN OF DISTRIBUTION

If you want to participate in the exchange offers you must represent, among other things, that:

- you are acquiring the exchange notes issued in the exchange offers in the ordinary course of your business;
- you are not an "affiliate", as defined in Rule 405 under the Securities Act, of NXP B.V., NXP Funding LLC or any subsidiary guarantor; and
- you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in a distribution of the exchange notes issued in the exchange offers.

If you are unable to make the above representations you are a "restricted holder". A restricted holder will not be able to participate in the exchange offers and may only sell its notes under a registration statement containing the selling security holder information required by Item 507 of Regulation S-K of the Securities Act, or under an exemption from the registration requirement of the Securities Act.

If you are a broker-dealer who holds notes that were acquired for your own account as a result of market-marking activities or other trading activities, you may exchange notes in the exchange offers. As a broker-dealer, you may be deemed to be an "underwriter" within the meaning of the Securities Act, and, consequently, must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes you receive in the exchange offers.

Each participating broker-dealer is required to acknowledge that it acquired the notes as a result of market-making activities or other trading activities and that it will deliver a prospectus in connection with the resale of the exchange notes. We have agreed that, for a period of up to 180 days after the last exchange date, we will use our best efforts to:

- keep the exchange offers registration statement continuously effective, supplemented and amended as required by the registration rights agreement to the extent necessary to ensure that it is available for resale of notes acquired by broker-dealers for their own accounts as a result of market-making activities or other trading activities;
- ensure that the exchange offers registration statement conforms with the requirements of the registration rights agreement, the Securities Act and the policies, rules and regulations of the SEC as announced from time to time; and
- make this prospectus available to participating broker-dealers for use in connection with any resale.

During this period of time, delivery of this prospectus, as it may be amended or supplemented, will satisfy the prospectus delivery requirements of a participating broker-dealer engaged in market making or other trading activities.

Based on interpretations by the staff of the SEC, we believe that the exchange notes issued by the exchange offers may be offered for resale, resold and otherwise transferred by their holder, other than a participating broker-dealer, without compliance with the registration and prospectus delivery requirements of the Securities Act.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by participating broker-dealers for their own account under the exchange offers may be sold from time to time in one or more transactions in the over-the-counter market,

- in negotiated transactions;

- through the writing of options on the exchange notes; or
- a combination of methods of resale.

The exchange notes may be sold from time to time:

- at market prices prevailing at the time of resale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any participating broker-dealer and/or the purchasers of any exchange notes.

Any participating broker-dealer that resells exchange notes received by it for its own account under the exchange offers and any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act. Any profit on any resale of exchange notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act. By delivering a prospectus, a participating broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offers other than commissions and concessions of any brokers or dealers and will indemnify holders of the notes, including any broker-dealers, against some liabilities, including liabilities under the Securities Act, as set forth in the registration rights agreement.

LEGAL MATTERS

The validity of the exchange notes and the guarantees will be passed upon for us by Sullivan & Cromwell LLP, New York, New York. We have also been advised as to certain matters relating to the laws of The Netherlands by De Brauw Blackstone Westbroek N.V.; as to certain matters relating to the laws of England and Wales by Sullivan & Cromwell LLP, London, England; as to certain matters relating to the laws of Germany by Sullivan & Cromwell LLP, Frankfurt, Germany; as to certain matters relating to the laws of The Philippines by Poblador Bautista & Reyes Law Offices; as to certain matters relating to the laws of Taiwan by Lee & Li; as to certain matters relating to the laws of Thailand by Allen & Overy (Thailand) Co., Ltd.; as to certain matters relating to the laws of Singapore by Allen & Overy Shook Lin & Bok Joint Law Venture; and as to certain matters relating to the laws of Hong Kong by Allen & Overy.

EXPERTS

The combined financial statements of NXP B.V. (formerly known as Philips Semiconductors International B.V.) and the semiconductor businesses of Philips as of December 31, 2005, and for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 through September 28, 2006 (predecessor periods), have been included herein and in the registration statement of which this prospectus is a part in reliance upon the report of KPMG Accountants N.V., independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of NXP B.V. for the period from September 29, 2006 to December 31, 2006 (successor period) have been audited by Deloitte Accountants B.V., an independent registered public accounting firm, as stated in their report, appearing elsewhere in the registration statement of which this prospectus is a part and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

NXP SEMICONDUCTORS GROUP

INDEX TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Management of NXP B.V.

We have audited the accompanying combined balance sheet of NXP B.V. (formerly known as Philips Semiconductors International B.V.) and the semiconductor businesses of Philips (Predecessor) as of December 31, 2005, and the related combined statements of operations, changes in business' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 through September 28, 2006 (Predecessor periods). These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of NXP B.V. (formerly known as Philips International Semiconductors B.V.) and the semiconductor businesses of Philips (Predecessor) as of December 31, 2005, and the combined results of their operations and their cash flows for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 through September 28, 2006 (Predecessor periods) in conformity with U.S. generally accepted accounting principles.

KPMG ACCOUNTANTS N.V.

Amstelveen, The Netherlands
March 22, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Management and Shareholders of
NXP B.V.
High Tech Campus 60
5656 AG Eindhoven

We have audited the accompanying consolidated balance sheet of NXP B.V. and subsidiaries (the "Company") as of December 31, 2006 and the related consolidated statement of operations, shareholder's equity, and cash flows for the period from September 29, 2006 to December 31, 2006 (Successor period). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The combined balance sheet as of December 31, 2005, and the related combined statements of operations, changes in business' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 to September 28, 2006 (Predecessor periods) were audited by other auditors whose report, dated March 22, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of NXP B.V. and subsidiaries (Successor) as of December 31, 2006, and the results of their operations and their cash flows for the period from September 29, 2006 to December 31, 2006 (Successor period) in conformity with accounting principles generally accepted in the United States of America.

Deloitte Accountants B.V.

March 22, 2007

A. Sandler

NXP SEMICONDUCTORS GROUP

COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS

**For the Periods September 29, 2006 through December 31, 2006 (Successor)
and January 1, 2006 through September 28, 2006 (Predecessor)
and for the Years Ended December 31, 2005 and 2004 (Predecessor)**

(in millions of euros unless otherwise stated)

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Sales	€4,609	€4,615	€3,702	**€1,172**
Sales to Philips companies	214	151	68	**18**
Total sales	4,823	4,766	3,770	**1,190**
Cost of sales	(2,955)	(2,933)	(2,331)	**(917)**
Gross margin	1,868	1,833	1,439	**273**
Selling expenses	(297)	(304)	(275)	**(88)**
General and administrative expenses	(437)	(435)	(306)	**(194)**
Research and development expenses	(979)	(1,028)	(737)	**(258)**
Write-off of acquired in-process research and development(18)	—	—	—	**(515)**
Other income	79	36	18	**3**
Income (loss) from operations(7,8)	234	102	139	**(779)**
Financial income (expense)(9)	(93)	(63)	(22)	**(73)**
Income (loss) before taxes	141	39	117	**(852)**
Income tax benefit (expense)(10)	(113)	(101)	(65)	**242**
Income (loss) after taxes	28	(62)	52	**(610)**
Results relating to unconsolidated companies(11)	12	(5)	3	**(2)**
Minority interests(12)	(26)	(34)	(50)	**(4)**
Net income (loss)	€14	€(101)	€5	**€(616)**

The accompanying notes are an integral part of these combined and consolidated financial statements.

NXP SEMICONDUCTORS GROUP

COMBINED AND CONSOLIDATED BALANCE SHEETS

As of December 31, 2006 (Successor) and 2005 (Predecessor)

(in millions of euros unless otherwise stated)

	PREDECESSOR		SUCCESSOR	
		December 31, 2005		December 31, 2006
Current assets				
Cash and cash equivalents		€ 110		**€ 939**
Receivables:(5,13)				
—Accounts receivable—net	534		**501**	
—Accounts receivable from Philips companies	34		**49**	
—Other receivables	21		**13**	
		589		**563**
Inventories(14)		696		**646**
Other current assets(15)		106		**125**
Total current assets		1,501		**2,273**
Non-current assets				
Investments in unconsolidated companies(11)		48		**44**
Other non-current financial assets(16)		7		**12**
Other non-current assets(16)		122		**157**
Property, plant and equipment:(17,28)				
—At cost	7,688		**2,455**	
—Less accumulated depreciation	(5,632)		**(171)**	
		2,056		**2,284**
Intangible assets excluding goodwill:(18)				
—At cost	527		**3,190**	
—Less accumulated amortization	(469)		**(125)**	
		58		**3,065**
Goodwill(19)		213		**2,032**
Total non-current assets		2,504		**7,594**
Total		€ 4,005		**€ 9,867**
Current liabilities				
Accounts payable:(5)				
—Trade creditors	€ 415		**€ 446**	
—Accounts payable to Philips companies	55		**43**	
		470		**489**
Accrued liabilities(20)		548		**485**
Short-term provisions(21,22,23,29)		53		**54**
Other current liabilities(24)		55		**45**
Short-term debt(25)		147		**23**
Loans with Philips companies, current portion(5)		610		**—**
Total current liabilities		1,883		**1,096**
Non-current liabilities				
Long-term debt(26,28)		224		**4,426**
Loans with Philips companies, non-current portion(5)		502		**—**
Long-term provisions(21,22,23,29)		88		**368**
Other non-current liabilities		9		**130**
Total non-current liabilities(27)		823		**4,924**
Commitments and contingent liabilities(28,29)				
Minority interests(12)		173		**162**
Business' equity (Predecessor):				
Philips net investment	1,350			
Accumulated other comprehensive loss	(224)			
Total Business' equity		1,126		
Shareholder's equity (Successor):				
Common stock (issued and authorized: 1,000 shares, no par value)			**—**	
Capital in excess of par value			**4,305**	
Accumulated deficit			**(616)**	
Accumulated other comprehensive loss			**(4)**	
Total Shareholder's equity				**3,685**
Total		€ 4,005		**€ 9,867**

The accompanying notes are an integral part of these combined and consolidated financial statements.

NXP SEMICONDUCTORS GROUP

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

**For the Periods September 29, 2006 through December 31, 2006 (Successor)
and January 1, 2006 through September 28, 2006 (Predecessor)
and for the Years Ended December 31, 2005 and 2004 (Predecessor)
(in millions of euros unless otherwise stated)**

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,			
	2004	2005	For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
Cash flows from operating activities:				
Net income (loss)	€ 14	€ (101)	€ 5	€ **(616)**
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	849	818	471	**296**
Write-off of in-process research and development	—	—	—	**515**
Net gain on sale of assets	(20)	(17)	(7)	**(4)**
Results relating to unconsolidated companies	(3)	5	(3)	**2**
Minority interests	26	34	50	**4**
Changes in operating assets and liabilities:				
(Increase) decrease in receivables and other current assets	(32)	(52)	(131)	**266**
(Increase) decrease in inventories	(47)	29	(68)	**168**
Increase (decrease) in accounts payable, accrued and other liabilities	88	95	154	**(3)**
Decrease (increase) in current accounts Philips	33	15	(25)	**—**
Decrease (increase) in non-current receivables/other assets	38	(21)	(24)	**(82)**
Decrease (increase) in provisions	16	(31)	33	**(206)**
Other items	16	18	13	**(48)**
Net cash provided by operating activities	€ 978	€ 792	€ 468	€ **292**
Cash flows from investing activities:				
Purchase of intangible assets	(21)	(18)	(12)	**(5)**
Capital expenditures on property, plant and equipment	(641)	(370)	(465)	**(111)**
Proceeds from disposals of property, plant and equipment	63	50	26	**22**
Purchase of other non-current financial assets	—	—	(3)	**(2)**
Purchase of interest in businesses	—	(27)	(3)	**(93)**
Proceeds from sale of interests in unconsolidated businesses	9	7	—	**5**
Net cash used for investing activities	€ (590)	€ (358)	€ (457)	€ **(184)**
Cash flows from financing activities:				
PREDECESSOR				
Net decrease in debt	(102)	(119)	(322)	
Net draws (repayments) of loans to Philips companies	(19)	(39)	(497)	
Net transactions with Philips	(327)	(250)	867	
SUCCESSOR				
Increase in short-term debt				**17**
Proceeds from bridge loan facility, net				**4,400**
Repayment of loan Philips, net of settlements				**(3,704)**
Principal payments on long-term debt (incl. bridge loan)				**(4,540)**
Proceeds from the issuance of notes				**4,529**
Net cash provided by (used for) financing activities	€ (448)	€ (408)	€ 48	€ **702**
Effect of changes in consolidations on cash positions	117	—	—	**—**
Effect of changes in exchange rates on cash positions	(6)	9	(10)	**(30)**
Increase in cash and cash	51	35	49	**780**

equivalents				
Cash and cash equivalents at beginning of period	24	75	110	**159**
Cash and cash equivalents at end of period	€ 75	€ 110	€ 159	**€ 939**

Supplemental disclosures to combined and consolidated statements of cash flows				
Net cash paid during the period for:				
Interest	€ 88	€ 61	€ 19	**€ 19**
Income taxes	26	33	20	**15**
Net gain on sale of assets:				
Cash proceeds from the sale of assets	72	57	26	**27**
Book value of these assets	(52)	(40)	(19)	**(23)**
	€ 20	€ 17	€ 7	**€ 4**
Non-cash financing activity:				
Intercompany loan from Philips to effect separation	—	—	€3,766	**—**

For a number of reasons, principally the effects of translation differences and consolidation changes, certain items in the statements of cash flows do not correspond to the differences between the balance sheet amounts for the respective items.

The accompanying notes are an integral part of these combined and consolidated financial statements.

NXP SEMICONDUCTORS GROUP

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN BUSINESS' AND SHAREHOLDER'S EQUITY AND COMPREHENSIVE INCOME (LOSS)

For the Periods September 29, 2006 through December 31, 2006 (Successor) and January 1, 2006 through September 28, 2006 (Predecessor) and for the Years Ended December 31, 2005 and 2004 (Predecessor)

(in millions of euros unless otherwise stated)

		Accumulated other comprehensive income (loss)		
	Philips net investment	Currency translation differences	Changes in fair value of cash flow hedges	Total business' equity
PREDECESSOR				
Balance as of December 31, 2003	**€ 1,967**	**€ (221)**	**€ 6**	**€ 1,752**
Net income	14			14
Current period change	—	(16)	11	(5)
Reclassifications into income	—	—	(4)	(4)
Income tax on current period changes	—	—	(2)	(2)
Total comprehensive income (loss), net of tax	14	(16)	5	3
Net transactions with Philips	(297)	—	—	(297)
Balance as of December 31, 2004	**1,684**	**(237)**	**11**	**1,458**
Net loss	(101)			(101)
Current period change	—	31	(52)	(21)
Reclassifications into income (loss)	—	—	10	10
Income tax on current period changes	—	—	13	13
Total comprehensive income (loss), net of tax	(101)	31	(29)	(99)
Net transactions with Philips	(233)	—	—	(233)
Balance as of December 31, 2005	**1,350**	**(206)**	**(18)**	**1,126**
Net income	5			5
Current period change	—	(28)	28	—
Income tax on current period changes	—	—	(8)	(8)
Total comprehensive income (loss), net of tax	5	(28)	20	(3)
Net transactions with Philips	854	—	—	854
Balance as of September 28, 2006	**€ 2,209**	**€ (234)**	**€ 2**	**€ 1,977***

* The business' equity amount of EUR 1,977 million, representing the net assets of NXP as of September 28, 2006, does not equal the amount of EUR 2,590 million presented as net assets before purchase price allocation as of September 29, 2006 in note 2, "Purchase price accounting", since NXP did not assume certain liabilities of its predecessor in connection with the Acquisition. The net assets of NXP as of September 29, 2006 reflect the elimination of EUR 541 million of intercompany debt and EUR 72 million of other items, primarily certain environmental and legal provisions and certain tax liabilities prepared on a separate return basis that were not assumed by NXP following the Acquisition.

				Accumulated other comprehensive income (loss)		
	Common stock	Capital in excess of par value	Retained earnings	Currency translation differences	Changes in fair value of cash flow hedges	Total shareholder's equity
SUCCESSOR						
Balance as of September 29, 2006	**—**	**4,305**	**—**	**—**	**—**	**4,305**
Net loss			(616)	—		(616)
Current period change	—	—	—	(10)	6	(4)
Income tax on current period changes	—	—	—	—	—	—
Total comprehensive income, net of tax	—	—	(616)	(10)	6	(620)
Balance as of December 31, 2006	**—**	**4,305**	**(616)**	**(10)**	**6**	**3,685**

The accompanying notes are an integral part of these combined and consolidated financial statements.

1 Background, Basis of Presentation

Background

On September 29, 2006, Koninklijke Philips Electronics N.V. ("Philips") sold 80.1% of its semiconductors businesses to a consortium of private equity investors ("Private Equity Consortium") in a multi-step transaction. As part of this sale, Philips transferred these semiconductor businesses to NXP B.V. ("NXP" or the "Company", formerly known as Philips Semiconductors International B.V.), a wholly owned subsidiary of Philips, on September 28, 2006. This transaction is referred to as the "Separation". All of NXP's issued and outstanding shares were then acquired by KASLION Acquisition B.V. ("KASLION"), which was formed as an acquisition vehicle by the Private Equity Consortium and Philips. This transaction is referred to as the "Acquisition". In order to fund the acquisition of NXP by KASLION, the Private Equity Consortium and Philips contributed cash to KASLION in exchange for 80.1% and 19.9%, respectively, of the total equity of KASLION.

As a result of the Separation and Acquisition, the balance sheets, statements of operations, cash flows and business' and shareholder's equity and related notes to the financial statements are presented on a Predecessor and Successor basis: The Predecessor periods reflect the combined financial results of NXP prior to the Acquisition. The Successor period reflects the consolidated financial results after the Acquisition. The Company also refers to the operations of NXP for both the Predecessor and Successor periods as NXP Semiconductors Group.

Basis of Presentation

The combined and consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of financial statements in conformity with US GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Predecessor periods

The combined financial statements of the Company for the Predecessor periods, represent the financial statements of NXP B.V. together with the combined financial statements of the semiconductor businesses of Philips and have been derived from the consolidated financial statements and accounting records of Philips, principally using the historical results of operations, the historical basis of assets and liabilities of the semiconductor businesses. Additionally, the combined financial statements include an allocation of the costs of certain corporate functions (management oversight, corporate services, basic research costs, brand campaign expenses, employee benefits and incentives including pensions) historically provided by Philips but not recorded by its semiconductors businesses. Additionally, the combined financial statements include allocated cash, debt and related interest income and expense, which have not been historically reported by Philips' semiconductors businesses. Furthermore, the combined financial statements present income taxes calculated on a basis as if the Company had filed a separate income tax return. These allocations were made on a specifically identifiable basis or using relative percentages, as compared to Philips' other businesses, of the Company's net sales, payroll, fixed assets, inventory, net assets, excluding debt, headcount or other reasonable methods. Management believes the assumptions underlying the combined financial statements to be a reasonable reflection of the utilization of services provided by Philips. However, the costs the Company would have incurred or will incur as a separate stand-alone company may be higher or lower than the cost allocations reflected

in these combined financial statements for the predecessor periods. In determining these estimates, management has retained the historical cost allocated by Philips where no more reliable estimate of the costs are available (for example, pension cost).

Additionally, during the predecessor periods Philips used a worldwide centralized cash management and finance function, with the activity between Philips and the Company reflected in Philips' net investment. Accordingly, the accompanying combined financial statements may not necessarily reflect the Company's results of operations, financial position and cash flows in the future or what its results of operations, financial position and cash flows would have been if the Company had been a stand-alone company during the Predecessor periods.

Since a direct ownership relationship did not exist among the various worldwide entities comprising the Company prior to the legal separation from Philips, Philips' net investments in the Company is shown as Business' equity in lieu of Shareholder's equity in the combined financial statements for the Predecessor periods. Transactions between NXP B.V. and Philips and its affiliates have been identified in the combined financial statements as transactions between related parties.

Successor period

The consolidated financial statements include the accounts of NXP B.V. and subsidiaries during the successor period.

As a result of the purchase accounting applied to the Acquisition, the assets and liabilities reported in the consolidated balance sheet have changed substantially for the Successor period as discussed in more detail in note 2. Adjustments to the final purchase price paid by KASLION to Philips are still the subject of negotiations between KASLION and Philips, and as a result changes may occur to our reported assets and liabilities. The allocation of the purchase price paid by KASLION to Philips that are reflected in our financial statements has been based on estimated fair values. In accordance with applicable accounting guidance subsequent adjustments may be required. The Company does not expect significant changes to this allocation.

2 Purchase price accounting

On September 29, 2006, the Company was acquired by KASLION for a purchase price of EUR 8,079 million composed of a payment of EUR 4,305 million to Philips and assumed debt of EUR 3,774 million. In accordance with the provisions of SFAS No. 141 "Business Combinations" (SFAS 141), KASLION has been identified as the acquiring company and applied purchase accounting. The purchase price paid by KASLION together with the acquisition costs of EUR 45 million and estimated settlement payments for differences in agreed levels of net cash and working capital of EUR 84 million result in a total purchase price consideration of EUR 8,208 million, which has been pushed down to NXP B.V. and allocated to the fair value of assets acquired and liabilities assumed.

After the Acquisition the Company obtained a bridge loan facility of EUR 4,400 million, net of issuance cost of EUR 100 million, which was used to repay the payable to Philips, including certain cash balance settlements, amounting to EUR 3,704 million. Subsequently the bridge loan facility was repayed with the proceeds from the issuance of EUR 4,529 million of euro and USD denominated notes as described in more detail in note 26.

The Company has substantially finalized the determination of the fair values of the assets acquired and liabilities assumed and the related allocation of purchase price. The Company has allocated the total purchase price, calculated as described above to the assets acquired and liabilities assumed based on estimated fair values. Management is responsible for determining these fair values, which reflects among other things, its consideration of valuation and appraisal reports. Revisions to the allocations of the purchase price within the time frames permitted by applicable accounting standards might affect the fair value assigned to the assets and liabilities, although no material changes to these allocations are currently expected.

The table as set forth below reflects the purchase price allocation among assets acquired and liabilities assumed:

In millions of euros		
Aggregate purchase price	€	8,208
Net assets acquired and liabilities assumed at September 29, 2006		2,590
Excess of purchase price over net assets acquired		5,618
Allocations to reflect fair value of net assets acquired:		
Existing technology		(1,606)
Core technology		(791)
Customer relationships		(592)
Order backlog		(47)
Trademark		(85)
In-process research and development		(515)
Property, plant and equipment		(422)
Inventories		(130)
Investments in unconsolidated companies		10
Pension liabilities		104
Deferred income tax liability		461
Allocation to goodwill	€	2,005

The Company estimated the fair value of existing technology and core technology by applying an income analysis (which involves calculating the present value of future cash flows resulting from each asset), using an "excess earnings" method for product-related technologies, and a "relief from royalties" method for core fabrication technologies and patents. Discount rates between 11% and 28% were used in discounting cash flows, and royalty rates of between 2% and 6% were applied for purposes of the "relief from royalties" methodology.

The Company estimated the fair value of customer relationships by applying an income analysis, using an "excess earnings" approach.

Under this approach, the Company estimated its customer attrition rates and then calculated the discounted present value of the estimated cash flows resulting from selling future products to those customers over the estimated life of the customer relationship. Discount rates between 15% and 20% were applied to this analysis.

Goodwill is not amortized and will be evaluated for impairment on at least an annual basis. In-process research and development was written off immediately upon the Acquisition and, accordingly, is reflected as a loss in the consolidated statement of operations. The major categories of net assets after the purchase price allocation (PPA) (in millions of euros) were:

	Balances after PPA
Cash & cash equivalents	€ 159
Inventories	825
Property, plant and equipment	2,377
Intangible assets	3,175
In-process research and development	515
Goodwill	2,005
Other assets	1,057
Liabilities and debt	(1,905)
Net assets	€ 8,208

3 Accounting policies and new accounting standards

Accounting policies

The combined and consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (US GAAP). Historical cost is used as the measurement basis unless otherwise indicated. The accounting policies as described in this section are used for both the combined financial statements of the Predecessor as well as the consolidated financial statements of the Successor unless otherwise indicated.

The Company applies Statement of Financial Accounting Standards (SFAS) No. 154 'Accounting Changes and Error Corrections'. This Statement establishes retrospective application as the required method for reporting a correction of an error or a change in accounting principle in the absence of explicit transition requirements for new accounting pronouncements.

Principles for combined and consolidated financial statements

The combined financial statements for the predecessor periods include the accounts of NXP B.V. during the predecessor periods a wholly-owned subsidiary of Philips, and the assets and liabilities of the semiconductor businesses of Philips. Furthermore, the combined financial statements include all entities in which the Company holds a direct or indirect controlling interest through voting rights or qualifying variable interests. The consolidated financial statements for the successor periods include the accounts of NXP B.V. and subsidiaries during the successor period a wholly-owned subsidiary of KASLION, and all entities in which the Company holds a direct or indirect controlling interest through voting rights or qualifying variable interests.

All intercompany balances and transactions have been eliminated in the combined and consolidated financial statements. Net income (loss) is reduced by the portion of the earnings of subsidiaries applicable to minority interest. The minority interests are disclosed separately in the combined and consolidated statements of operations and in the combined and consolidated balance sheets.

The Company applies Financial Accounting Standards Board (FASB) Interpretation No. 46(R) 'Consolidation of Variable Interest Entities'. In accordance with Interpretation of Accounting Research Bulletin (ARB) No. 51. 'Consolidated Financial Statements', the Company includes in its combined and consolidated financial statements entities in which variable interests are held to an extent that would require the Company to absorb a majority of the entity's expected losses, receive a majority of the entity's expected residual returns, or both.

Investments in unconsolidated companies

Investments in companies in which the Company does not have the ability to directly or indirectly control the financial and operating decisions, but does possess the ability to exert significant influence, are accounted for using the equity method. Generally, in the absence of demonstrable proof of significant influence, it is presumed to exist if at least 20% of the voting stock is owned. The Company's share of the net income of these companies is included in results relating to unconsolidated companies in the combined and consolidated statements of operations. The Company recognizes an impairment loss when an other-than-temporary decline in the value of an investment occurs.

When its share of losses exceeds the carrying amount of an investment accounted for by the equity method, the carrying amount of that investment is reduced to zero and recognition of further losses is discontinued unless the Company has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee.

Accounting for capital transactions of a subsidiary or an unconsolidated company

The Company recognizes in income dilution gains or losses arising from the sale or issuance of stock by a subsidiary that is included in the combined and consolidated financial statements or an unconsolidated entity which is accounted for using the equity method of accounting in the combined and consolidated statement of income, unless the Company or the subsidiary either has reacquired or plans to reacquire such shares. In such instances, the result of the transaction will be recorded directly in equity.

The dilution gains or losses are presented in the combined and consolidated statement of operations under other business income if they relate to subsidiaries that are included in the combined and consolidated financial statements. Dilution gains and losses related to unconsolidated companies are presented under results relating to unconsolidated companies.

Accounting for Alliance

Since 2002 the Company has been a participant in a jointly-funded alliance (the 'Alliance') with two other semiconductors manufacturers in Crolles, France. The activities of the Alliance are the joint development of advanced process and assembly/packaging technology and the joint operation of a fabrication plant for the manufacturing of 300 millimeter wafers. The Alliance has its own governance structure to decide on all material decisions relating to the Alliance. Each of the three participants is equally represented in the governance structure. Upon its commencement each party contributed assets to the Alliance. The initial term of the Alliance expires December 31, 2007, and will be automatically extended until December 31, 2010 unless any of the parties serves written notice of termination prior to December 31, 2006. On January 16, 2007, the Company announced its intention to withdraw from the Crolles Alliance, effective December 31, 2007. At the termination of the Alliance, the Company retains

title to the capital assets that it contributed to the Alliance unless another participant of the Alliance exercises its option to purchase those assets at the higher of net book value or market value. Capital assets contributed by the Company include primarily machinery.

Under the Alliance arrangement, each participant is responsible for funding specific allocations of operations, research and development expenses, as well as related capital expenditures and output from the facility. Funding requirements are divided among the Company (31%) and the two other participants (31% and 38%), and are accounted for to ensure all expenses and capital expenditures are recorded in relation to the funding percentage.

The Company's interest in the Alliance has been accounted for in these combined and consolidated financial statements as a contract or cost sharing arrangement.

Accordingly, the Company's share in the results of operation of the Alliance are recorded in the cost and expense caption in the accompanying combined and consolidated statement of operations, and primarily consists of the Company's share of research and development expenses, pilot line manufacturing expenses and depreciation expense related to the Alliance's capital assets.

In the accompanying combined and consolidated balance sheets the Company's share in the capital assets of the Alliance, for which it has title, is recorded in property, plant and equipment.

Foreign currencies

The Company uses the euro as its reporting currency. The financial statements of foreign entities, with a currency other than the euro, are translated into euros. Assets and liabilities are translated using the exchange rates on the respective balance sheet dates. Income and expense items in the statements of operations and cash flows are translated at weighted average exchange rates during the year. The resulting translation adjustments are recorded as a separate component of other comprehensive income (loss) within business' and shareholder's equity. Cumulative translation adjustments are recognized as income or expense upon partial or complete disposal or substantially complete liquidation of a foreign entity.

The functional currency of foreign entities is generally the local currency, unless the primary economic environment requires the use of another currency. When foreign entities conduct their business in economies considered to be highly inflationary, they record transactions in the Company's reporting currency instead of their local currency. Gains and losses arising from foreign currency-denominated transactions, monetary assets and liabilities into the functional currency are recognized in income in the period in which they arise. However, currency differences on intercompany loans that have the nature of a permanent investment are accounted for as translation differences as a separate component of other comprehensive income (loss) within business' and shareholder's equity.

Derivative financial instruments

The Company uses derivative financial instruments principally in the management of its foreign currency risks and to a more limited extent for interest rate and commodity price risks. In compliance with SFAS No. 133, 'Accounting for Derivative Instruments and Hedging Activities', SFAS No. 138, 'Accounting for Certain Derivative Instruments and Certain Hedging Activities', and SFAS No. 149 'Amendment of Statement 133 on Derivative Instruments and Hedging Activities', the Company

measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate.

Changes in the fair value of a derivative that is highly effective and designated and qualifies as a cash flow hedge are recorded in accumulated other comprehensive income (loss), until earnings are affected by the variability in cash flows of the designated hedged item.

The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. When it is established that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively. When hedge accounting is discontinued because it is probable that a forecasted transaction will not occur within a period of two months from the originally forecasted transaction date, the Company continues to carry the derivative on the combined and consolidated balance sheets at its fair value, and gains and losses that were accumulated in other comprehensive income are recognized immediately in earnings. In all other situations in which hedge accounting is discontinued, the Company continues to carry the derivative at its fair value on the combined and consolidated balance sheets, and recognizes any changes in its fair value in earnings.

For interest rate swaps that are unwound, the gain or loss upon unwinding is released to income over the remaining life of the underlying financial instruments, based on the recalculated effective yield.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with a maturity of three months or less at acquisition that are readily convertible into known amounts of cash. It also includes restricted cash balances that cannot be freely repatriated. Cash and cash equivalents are stated at face value.

Receivables

Receivables are carried at face value, net of allowances for doubtful accounts and uncollectible amounts. As soon as trade accounts receivable can no longer be collected in the normal way and are expected to result in a loss, they are designated as doubtful trade accounts receivable and valued at the expected collectible amounts. They are written off when they are deemed to be uncollectible because of bankruptcy or other forms of receivership of the debtors.

Valuation adjustment for doubtful trade accounts receivable

The allowance for the risk of non-collection of trade accounts receivable is determined in three stages. First, individual debtors that represent 3% or more of the debtor portfolio are assessed for creditworthiness based on external and internal sources of information; management decides to record an allowance based on that information and the specific circumstances for that debtor which might require a value adjustment. In the second stage, for all other debtors the allowance is calculated based on a percentage of average historical losses. Finally, if, owing to specific circumstances such as serious adverse economic conditions in a specific country or region, it is management's judgment that the valuation of the receivables is inadequately represented by the valuation allowance in stage two, the percentage of valuation allowance for the debtors in the related country or region may be increased to cover the increased risk.

Inventories

Inventories are stated at the lower of cost or market, less advance payments on work in progress. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include direct labor and fixed and variable production overheads, taking into account the stage of completion. The cost of inventories is determined using the first-in, first-out (FIFO) method. An allowance is made for the estimated losses due to obsolescence. This allowance is determined for groups of products based on purchases in the recent past and/or expected future demand. Individual items of inventory that have been identified as obsolete are typically disposed of within a period of three months either by sale or by scrapping. Effective January 1, 2005, the Company adopted SFAS No. 151, 'Inventory costs (SFAS 151), an amendment of ARB No. 43, Chapter 4'. This Statement clarifies the accounting for abnormal amounts of idle facility expense and waste and prohibits such costs from being capitalized in inventory. In addition, this Statement requires that the allocation of fixed production overheads to the inventory cost is based on the normal capacity of the production facilities. This statement did not have a material impact on the combined and consolidated financial statements.

Other non-current financial assets

Loans receivable are stated at amortized cost, less the related allowance for impaired loans receivable.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Assets constructed by the Company include direct costs, overheads and interest charges incurred during the construction period. Government investment grants are deducted from the cost of the related asset. Depreciation is calculated using the straight-line method over the expected economic life of the asset. Depreciation of special tooling is generally also based on the straight-line method. Gains and losses on the sale of property, plant and equipment are included in other business income. Costs related to repair and maintenance activities are expensed in the period in which they are incurred unless leading to an extension of the original lifetime or capacity. Plant and equipment under capital leases are initially recorded at the present value of minimum lease payments. These assets and leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

Asset retirement obligations

The Company applies SFAS No. 143 'Accounting for Asset Retirement Obligations' (SFAS 143) and FASB Interpretation No. 47 'Accounting for Conditional Asset Retirement Obligations', Under the provisions of these pronouncements the Company recognizes the fair value of an asset retirement obligation in the period in which it is incurred, while an equal amount is capitalized as part of the carrying amount of the long-lived asset and subsequently depreciated over the life of the asset.

Goodwill

The Company accounts for goodwill in accordance with the provisions of SFAS 141 and SFAS No. 142 'Goodwill and Other Intangible Assets', (SFAS 142). Accordingly, goodwill is not amortized but tested for impairment annually in the third quarter or whenever impairment indicators require so. During the predecessor period the annual goodwill impairment test was executed in the second quarter.

An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. This determination is made at the reporting unit level and consists of two steps. First, the Company determines the carrying value of each reporting unit by assigning the assets and liabilities, including the goodwill and intangible assets, to those reporting units. Furthermore, the Company determines the fair value of each reporting unit and compares it to the carrying amount of the reporting unit. If the carrying amount of a reporting unit exceeds the fair value of the reporting unit, the Company performs the second step of the impairment test. In the second step, the Company compares the implied fair value of the reporting unit's goodwill with the carrying amount of the reporting unit's goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation upon a business combination in accordance with SFAS 141. The residual fair value after this allocation is the implied fair value of the reporting unit's goodwill. The Company generally determines the fair value of the reporting units based on discounted projected cash flows.

Intangible assets

Intangible assets (other than goodwill) arising from acquisitions are amortized using the straight-line method over their estimated economic lives. Economic lives are evaluated every year. There are currently no intangible assets with indefinite lives. In-process research and development with no alternative use is written off immediately upon acquisition. Patents and trademarks acquired from third parties are capitalized at cost and amortized over their remaining lives.

Certain costs relating to the development and purchase of software for internal use are capitalized and subsequently amortized over the estimated useful life of the software in conformity with Statement of Position (SOP) 98-1, 'Accounting for the Costs of Computer Software Developed or Obtained for Internal Use'.

Impairment or disposal of intangible assets other than goodwill and tangible fixed assets

The Company accounts for intangible and tangible fixed assets in accordance with the provisions of SFAS No. 144, 'Accounting for the Impairment or Disposal of Long-Lived Assets'. This Statement requires that long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. The Company determines the fair value based on discounted projected cash flows. The review for impairment is carried out at the level where discrete cash flows occur that are largely independent of other cash flows. For the IC Manufacturing Operations (IMO) segment, the review of impairment of long-lived

assets is carried out on a Company-wide basis as IMO is the shared manufacturing base for the other business units with, for this purpose, no discrete cash flows that are largely independent of other cash flows. Assets held for sale are reported at the lower of the carrying amount or fair value, less cost to sell.

Research and development

Costs of research and development are expensed in the period in which they are incurred, in conformity with SFAS No. 2, 'Accounting for Research and Development Costs'.

Advertising

Advertising costs are expensed when incurred.

Provisions and accruals

The Company recognizes provisions for liabilities and probable losses that have been incurred as of the combined and consolidated balance sheet dates and for which the amount is uncertain but can be reasonably estimated.

Provisions of a long-term nature are stated at present value when the amount and timing of related cash payments are fixed or reliably determinable unless discounting is prohibited under U.S. GAAP. Short-term provisions are stated at face value.

The Company applies the provisions of SOP 96-1, 'Environmental liabilities' and SFAS No. 5, 'Accounting for Contingencies' and accrues for losses associated with environmental obligations when such losses are probable and reasonably estimable. Additionally, in accordance with SOP 96-1, the Company accrues for certain costs such as compensation and benefits for employees directly involved in the remediation activities. Measurement of liabilities is based on current legal requirements and existing technology. Liabilities and expected insurance recoveries, if any, are recorded separately. The carrying amount of liabilities is regularly reviewed and adjusted for new facts or changes in law or technology.

Restructuring

The Company applies SFAS No. 146, 'Accounting for Costs Associated with Exit or Disposal Activities' (SFAS 146).

The provision for restructuring relates to the estimated costs of initiated reorganizations that have been approved by the Board of Management, and which involve the realignment of certain parts of the industrial and commercial organization. When such reorganizations require discontinuance and/or closure of lines of activities, the anticipated costs of closure or discontinuance are included in restructuring provisions.

SFAS 146 requires that a liability be recognized for those costs only when the liability is incurred, i.e. when it meets the definition of a liability. SFAS 146 also establishes fair value as the objective for initial measurement of the liability.

Liabilities related to one-time employee termination benefits are recognized ratably over the future service period when those employees are required to render services to the Company, if that period exceeds 60 days or a longer legal notification period.

Employee termination benefits covered by a contract or under an ongoing benefit arrangement continue to be accounted for under SFAS No. 112, "Employer's Accounting for Postemployment Benefits,' and are recognized when it is probable that the employees will be entitled to the benefits and the amounts can be reasonably estimated.

Guarantees

The Company complies with FASB Interpretation No. 45, 'Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others' (FIN 45). In accordance with this Interpretation, the Company recognizes, at the inception of a guarantee that is within the scope of the recognition criteria of the Interpretation, a liability for the fair value of the obligation undertaken in issuing the guarantee.

Debt and other liabilities

Debt and other liabilities, other than provisions, are stated at amortized cost. However, loans that are hedged under a fair value hedge are remeasured for the changes in the fair value that are attributable to the risk that is being hedged. Debt issue cost is not expensed immediately but are reported as deferred charges and subsequently amortized over the term of the debt using the effective interest rate method.

Currently, the Company does not have any financial instruments that are affected by SFAS No. 150 'Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity'.

Revenue recognition

The Company's revenues are primarily derived from made-to-order sales to Original Equipment Manufacturers ("OEM's") and similar customers. Furthermore, the Company's revenues are derived from sales to distributors.

The Company applies the guidance in SEC Staff Accounting Bulletin Topic 13 "Revenue Recognition" and recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or the service has been provided, the sales price is fixed or determinable, and collection is reasonably assured, based on the terms and conditions of the sales contract. For "made to order" sales, these criteria are generally met at the time the product is shipped and delivered to the customer and title and risk have passed to the customer. Examples of delivery conditions typically meeting these criteria are 'Free on Board point of delivery' and 'Costs, Insurance Paid point of delivery'. Generally, the point of delivery is the customer's warehouse. Acceptance of the product by the customer is generally not contractually required, since, with "made-to-order" customers, design approval commences manufacturing and delivery without further acceptance protocols. Payment terms used are those that are customary in the particular geographic market. When management has established that all aforementioned conditions for revenue recognition have been met and no further post-shipment obligations exist revenue is recognized.

For sales to distributors, the same recognition principles apply and similar terms and conditions as for sales to other customers are applied. However, for some distributors contractual arrangements are in place, which allow these distributors to return product if certain conditions are met. These conditions generally relate to the time period during which return is allowed and reflect customary conditions in the particular geographic market. Other return conditions relate to circumstances arising at the end of a product cycle, when certain distributors are permitted to return products purchased during a

pre-defined period after the Company has announced a product's pending discontinuance. Long notice periods associated with these announcements generally prevent significant amounts of product from being returned, however. Repurchase agreements with OEM's or distributors are not entered into by the Company.

For sales where return rights exist, the Company applies the guidance given in SFAS 48 "Recognition When Right of Return Exists." Based on historical data, management has determined that only a very small percentage of the sales to this type of distributors is actually returned. Currently the return percentage is less than 1%. In accordance with the requirements of SFAS 48, a pro rata portion of the sales to these distributors is not recognized but deferred until the return period has lapsed or the other return conditions no longer apply.

Revenues are recorded net of sales taxes, customer discounts, rebates and similar charges. Shipping and handling costs billed to customers are recognized as revenues. Expenses incurred for shipping and handling costs of internal movements of goods are recorded as cost of sales. Shipping and handling costs related to sales to third parties are reported as selling expenses.

A provision for product warranty is made at the time of revenue recognition and reflects the estimated costs of replacement and free-of-charge services that will be incurred by the Company with respect to the sold products. In cases where the warranty period is extended and the customer has the option to purchase such an extension, which is subsequently billed separately to the customer, revenue recognition occurs on a straight-line basis over the contract period.

Royalty income, which is generally earned based upon a percentage of sales or a fixed amount per product sold, is recognized on an accrual basis. Government grants, other than those relating to purchases of assets, are recognized as income as qualified expenditures are made.

Income taxes

Income taxes in the consolidated financial statements are accounted for using the asset and liability method. Income tax is recognized in the statement of operations except to the extent that it relates to an item recognized directly within business' or shareholder's equity, including other comprehensive income (loss), in which case the related tax effect is also recognized there.

Current-year deferred taxes related to prior-year equity items, which arise from changes in tax rates or tax laws are included in income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the combined and consolidated balance sheet dates, and any adjustment to tax payable in respect of previous years. Income tax payable includes amounts payable to tax authorities and intercompany payable with Philips. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts. Measurement of deferred tax assets and liabilities is based upon the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets, including assets arising from loss carryforwards, are recognized if it is more likely than not that the asset will be realized. Deferred tax assets and liabilities are not discounted. Deferred tax liabilities for withholding taxes are recognized for subsidiaries in situations where the income is to be paid out as dividends in the foreseeable future, and for undistributed earnings of minority shareholdings.

Changes in tax rates are reflected in the period that includes the enactment date.

Predecessor

The Company's income taxes as presented in the combined financial statements are calculated on a separate tax return basis, although the Company was included in the consolidated tax return of Philips. Philips manages its tax position for the benefit of its entire portfolio of businesses, and its tax strategies are not necessary reflective of the tax strategies that the Company would have followed as a stand-alone Company.

Benefit accounting

The Company accounts for the cost of pension plans and postretirement benefits other than pensions in accordance with SFAS No. 87, 'Employers' Accounting for Pensions', and SFAS No. 106, "Postretirement Benefits other than Pensions', respectively.

The Company employees participate in pension and other postretirement benefit plans that Philips has established in many countries. The costs of pension and other postretirement benefits and related assets and liabilities with respect to the Company employees participating in these plans have been allocated to the Company based upon actuarial computations.

Obligations for contributions to defined-contribution pension plans are recognized as an expense in the statement of operations as incurred.

Predecessor

The Company has accounted for its participation in Philips sponsored pension plans in which the Company and other Philips businesses participate as multi-employer plans. Related assets and liabilities are therefore not included in the Company's balance sheets. For pension and other postretirement benefit plans in which only the Company employees participate (the Company dedicated plans), the related costs, assets and liabilities have been included in the combined and consolidated balance sheets.

The costs of pension and other postretirement benefits with respect to the Company employees participating in the Philips plans have been allocated to the Company based upon actuarial computations, except for certain less significant plans, in which case a proportional allocation based upon compensation or headcount has been used.

Share-based compensation

Predecessor

In 2003, the Company adopted the fair value recognition provisions of SFAS No. 123, 'Accounting for Stock-Based Compensation' (SFAS 123), as amended by SFAS No. 148, 'Accounting for Stock- Based Compensation—Transition and Disclosure', prospectively for all employee awards granted, modified or settled after January 1, 2003. Effective January 1, 2006, the Company adopted SFAS No. 123 (Revised 2004) (SFAS 123(R)), using the modified prospective method for the transition. Since the Company already adopted the fair value recognition provision of SFAS 123, the effects of the adoption of the revised standard on the Company was not material. Under the provisions of SFAS 123(R), the Company recognizes the estimated fair value of equity instruments granted to employees as compensation expense over the vesting period on a straight-line basis. These employee awards were previously granted by Philips to its employees and have been allocated to the Company for the purpose of the predecessor combined financial statements.

For awards granted to employees prior to 2003, the Company continued to account for share-based compensation using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25, 'Accounting for Stock Issued to Employees'. These employee awards were previously granted by Philips to its employees and have been subsequently allocated to the Company.

The following table illustrates the effect on net income (loss) in the combined statements of operation as if the Company had applied the fair value recognition provisions for all outstanding and unvested awards in each period:

	For the years ended December 31,	
	2004 (Predecessor)	2005 (Predecessor)
Net income (loss)	14	(101)
As reported		
Add: Share-based compensation expense included in reported net income (loss), net of related tax	15	16
Deduct: Share-based compensation expense determined using the fair value method, net of related tax	(30)	(18)
Pro forma	(1)	(103)

There was no impact for 2006 in the table above as all awards previously granted under APB Opinion No. 25 were fully vested as of December 31, 2005 (three-year vesting term, and the Company adopted SFAS 123 effective January 1, 2003).

Successor

Immediately before the date of acquisition of our Company by KASLION, Philips announced all outstanding unvested stock options and restricted share rights related to employees of the semiconductor businesses of Philips would become fully vested and exercisable on October 16, 2006, which was recorded as part of the purchase allocation. For the successor period there is no share-based plan in place for employees and, as such, no new share-based compensation arrangements were granted to employees in the period from September 29, 2006 through December 31, 2006.

Cash flow statements

Cash flow statements have been prepared using the indirect method in accordance with the requirements of SFAS No. 95, 'Statement of Cash flows', as amended by SFAS No. 104, 'Statement of Cash Flows—Net Reporting of Certain Cash Receipts and Cash Payments and Classification of Cash Flows from Hedging Transactions'. Cash flows in foreign currencies have been translated into euros using the weighted average rates of exchange for the periods involved.

Cash flows from derivative instruments that are accounted for as fair value hedges or cash flow hedges are classified in the same category as the cash flows from the hedged items. Cash flows from derivative instruments for which hedge accounting has been discontinued are classified consistent with the nature of the instrument as from the date of discontinuance.

Concentration of risk

The Company's sales are for a large part dependent on a limited number of customers, none of which individually exceeds 10% of total sales. Furthermore, the Company is using outside suppliers of

foundries for a portion of its manufacturing capacity. For certain equipment and materials the Company relies on a single source of supply.

New accounting standards

The FASB issued several pronouncements, of which the following are to various degrees of relevance to the Company.

FASB Staff Position (FSP) SFAS 123(R)-4 Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event.

This FSP was posted on February 3, 2006 and amends paragraph 32 of SFAS 123 (revised 2004) Share-based Payment. The FSP requires share options and restricted shares that have contingent cash settlement features that are outside the control of the employee, such as a change in control or the death or disability of an employee, to be accounted for as liabilities rather than equity if the contingent event is probable of occurring. The share-based compensation plans of Philips that the Company's employees participated in do not contain contingent cash settlement features. Cash settlement can only occur upon initiative of Philips and with consent of the employee. Therefore it is concluded that this FSP is not applicable for the Company. FSP FIN 46(R)-6 Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R).

This FSP addresses how the variability to be considered for variable interest entities should be determined. The FSP becomes effective January 1, 2007. The Company believes that application of this FSP will not have any effect.

In July 2006 the FASB issued FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes', (FIN 48). FIN 48 establishes the threshold for recognizing the benefits of tax-return positions in the combined and consolidated financial statements as "more-likely-than-not' to be sustained by the taxing authority, and prescribes a measurement methodology for those positions meeting the recognition threshold. FIN 48 is effective for the fiscal years beginning after December 15, 2006. The Company is currently evaluating the effect that the adoption of FIN 48 will have on the Company's financial position and result of operations.

In September 2006, the FASB issued FASB Statement No. 157 "Fair value measurements", which sets out a framework for measuring fair values. It applies only to fair-value measurements that are already required or permitted by other accounting pronouncements. The Statement will become effective prospectively for the Company from 2008 going forward. In the limited situations in which the Statement requires retrospective application this is expected not to be applicable for the Company.

In September 2006, the FASB issued FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefit Plans" ("FASB 158"), which requires that we recognize on our balance sheet the over-funded or under-funded status of our defined benefit and post retirement plans as an asset or liability. For all of our defined pension benefit plans, the measurement date on which we determine the funded status is December 31.

FASB 158 requires that we recognize as a component of other comprehensive income the gains or losses and prior service costs and credits that arise during the year but are not recognized as a component of net periodic benefit cost. FASB 158 also requires that we disclose additional information regarding certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service credits, and transition assets or obligations. Since we

have not issued equity securities that trade in a public market, we are not required to adopt the provisions of FASB 158 until our fiscal year ending December 31, 2007. The impact of adopting FASB 158 will be dependent upon the fair value of plan assets and the projected benefit obligations determined as of December 31, 2007.

December 21, 2006 FASB Staff position No. EITF 00-19-2 "Accounting for Registration Payment Arrangements" was posted. This FSP requires companies that agree to register securities recognizing a liability separate from the related securities if a payment to investors for failing to fulfill the agreement is probable and its amount can be reasonably estimated. Because the Company has agreed to register its outstanding Notes within 450 days from October 12, 2006 or otherwise incur higher interest expense on the Notes, this FSP is applicable from 2007 onwards. However, since the Company expects to register the Notes during 2007, it is not deemed probable that any higher interest expense will be incurred.

4 Information by Segment and Main Countries

The company is structured in four market-oriented business units: Mobile & Personal, Multimarket Semiconductors, Home and Automotive & Identification.

- Mobile & Personal delivers full systems solutions for cellular phones and personal entertainment devices.
- Home is a leading supplier of systems and components for the TV, PC TV and direct memory access segments of the consumer semiconductors market.
- Automotive & Identification has leading positions in car audio/radio, in-vehicle networking (IVN), car access and immobilization, tire pressure monitoring and magnetic sensors; Identification has leading positions in the radio frequency identification (RFID), near field communication (NFC) and eGovernment applications markets.
- Multimarket Semiconductors provides a broad range of standard products (e.g. Bipolar, Power Discretes, Transistors & Diodes and Logic) and application specific standard products (e.g. Integrated Discretes, Interface Products and Microcontrollers).

The Company operates a shared manufacturing base, which is grouped in IC Manufacturing Operations, with the exception of manufacturing assets dedicated to Multimarket Semiconductors products, which are reported as part of this segment.

Corporate and Other includes certain research and development activities, IP licensing, Emerging Products and special items not directly allocated to Business Units and/or IC Manufacturing Operations.

NXP Software (formerly Philips Software) included in Corporate and Other, specializes in innovative multimedia, security and connectivity solutions for manufacturers of mobile and portable equipment.

Segments

	Sales	Research and Development Expenses	Income (loss) from Operations	Income (loss) from Operations as a % of Sales	Results relating to Unconsolidated Companies
SUCCESSOR					
For the period September 29, 2006 through December 31, 2006					
Mobile & Personal	**€ 396**	**€ 91**	**€ (135)**	**(34.1)**	**€ —**
Home	**212**	**50**	**(164)**	**(77.4)**	**—**
Automotive & Identification	**210**	**35**	**(256)**	**(121.9)**	**—**
Multimarket Semiconductors	**328**	**25**	**(79)**	**(24.1)**	**—**
IC Manufacturing Operations (*)	**28**	**11**	**(71)**	**—[1]**	**—**
Corporate and Other	**16**	**46**	**(74)**	**—[1]**	**(2)**
	€ 1,190	**€ 258**	**€ (779)**	**(65.5)**	**€ (2)**
PREDECESSOR					
For the period January 1, 2006 through September 28, 2006					
Mobile & Personal	1,172	280	23	2.0	—
Home	730	146	(37)	(5.1)	—
Automotive & Identification	662	92	151	22.8	—
Multimarket Semiconductors	1,017	67	203	20.0	—
IC Manufacturing Operations (*)	140	65	7	—[1]	4
Corporate and Other	49	87	(208)	—[1]	(1)
	€ 3,770	€ 737	€ 139	3.7	€ 3
For the year ended December 31, 2005					
Mobile & Personal	1,618	367	72	4.4	—
Home	1,002	293	(85)	(8.5)	—
Automotive & Identification	719	111	168	23.4	—
Multimarket Semiconductors	1,238	101	139	11.2	—
IC Manufacturing Operations (*)	146	67	32	—[1]	(3)
Corporate and Other	43	89	(224)	—[1]	(2)
	€ 4,766	€ 1,028	€ 102	2.1	€ (5)
For the year ended December 31, 2004					
Mobile & Personal	1,525	327	90	5.9	—
Home	1,060	305	(30)	(2.8)	—
Automotive & Identification	706	94	159	22.5	—
Multimarket Semiconductors	1,268	102	139	11.0	—
IC Manufacturing Operations (*)	178	51	(19)	—[1]	6
Corporate and Other	86	100	(105)	—[1]	6
	€ 4,823	€ 979	€ 234	4.9	€ 12

(*) For the period September 29, 2006 through December 31, 2006, IC Manufacturing Operations supplied EUR 449 million (for the period January 1, 2006 through September 28, 2006: EUR 1,599 million, December 31, 2005: EUR 2,138 million, December 31, 2004: EUR 1,950 million) to other segments, which have been eliminated in the above presentation.

1) Not meaningful.

Segments

	Inventories(1)	Property, Plant and Equipment, Net	Gross Capital Expenditures	Depreciation Property, Plant and Equipment
SUCCESSOR				
For the period September 29, 2006 through December 31, 2006				
Mobile & Personal	**€ 156**	**€ 77**	**€ 4**	**€ 7**
Home	**84**	**49**	**2**	**3**
Automotive & Identification	**73**	**24**	**1**	**1**
Multimarket Semiconductors	**166**	**300**	**14**	**26**
IC Manufacturing Operations	**167**	**1,377**	**65**	**106**
Corporate and Other	**—**	**457**	**25**	**28**
	€ 646	**€ 2,284**	**€ 111**	**€ 171**
PREDECESSOR				
For the period January 1, 2006 through September 28, 2006				
Mobile & Personal	€ 175	€ 47	€ 19	€ 12
Home	105	35	6	7
Automotive & Identification	81	15	10	2
Multimarket Semiconductors	162	279	52	67
IC Manufacturing Operations	188	1,448	234	301
Corporate and Other	(1)	145	144	63
	€ 710	€ 1,969	€ 465	€ 452
For the year ended December 31, 2005				
Mobile & Personal	€ 186	€ 46	€ 25	€ 23
Home	94	47	12	12
Automotive & Identification	71	12	4	4
Multimarket Semiconductors	167	299	34	108
IC Manufacturing Operations	217	1,524	258	573
Corporate and Other	(39)	128	37	29
	€ 696	€ 2,056	€ 370	€ 749
For the year ended December 31, 2004				
Mobile & Personal	€ 145	€ 56	€ 16	€ 29
Home	127	50	8	13
Automotive & Identification	70	11	4	3
Multimarket Semiconductors	166	348	65	108
IC Manufacturing Operations	149	1,747	489	600
Corporate and Other	(6)	81	59	11
	€ 651	€ 2,293	€ 641	€ 764

(1) Inventory "Corporate and Other" includes the central value adjustment, i.e. the central intercompany profit elimination from inventories.

Goodwill assigned to segments

	Carrying Value At September 29, 2006	Acquisitions	Impairment	Translation Differences and Other Changes	Carrying Value At December 31, 2006
SUCCESSOR					
For the period September 29, 2006 through December 31, 2006					
Mobile & Personal	**€ 356**	**€ —**	**€ —**	**—**	**€ 356**
Home	**274**	**—**	**—**	**—**	**274**
Automotive & Identification	**723**	**—**	**—**	**—**	**723**
Multimarket Semiconductors	**442**	**—**	**—**	**—**	**442**
IC Manufacturing Operations	**181**	**27**	**—**	**—**	**208**
Corporate and Other	**29**	**—**	**—**	**—**	**29**
	€ 2,005	**€ 27**	**€ —**	**€ —**	**€ 2,032**

	Carrying Value At January 9, 2006	Acquisitions	Impairment	Translation Differences and Other Changes	Carrying Value At September 31, 2006
PREDECESSOR					
For the period January 1, 2006 through September 28, 2006					
Mobile & Personal	€ 30	€ —	€ —	€ (2)	€ 28
Home	28	—	—	(2)	26
Automotive & Identification	69	—	—	(4)	65
Multimarket Semiconductors	72	—	—	(4)	68
IC Manufacturing Operations	14	—	—	(1)	13
Corporate and Other	—	—	—	—	—
	€ 213	€ —	€ —	€ (13)	€ 200

Main countries

	Total sales(1)
SUCCESSOR	
For the period September 29, 2006 through December 31, 2006	
China	**€ 254**
Netherlands	**181**
Taiwan	**100**
United States	**102**
Singapore	**150**
Germany	**70**
South Korea	**11**
Other countries	**322**
	€ 1,190

	Sales to third parties	Sales to Philips companies	Total sales(1)
PREDECESSOR			
For the period January 1, 2006 through September 28, 2006			
China	€ 831	€ 22	€ 853
Netherlands	591	15	606
Taiwan	270	—	270
United States	367	13	380
Singapore	433	5	438
Germany	196	—	196
South Korea	312	—	312
Other countries	702	13	715
	€ 3,702	€ 68	€ 3,770
For the year ended December 31, 2005			
China	€ 1,187	€ 89	€ 1,276
Netherlands	24	17	41
Taiwan	510	3	513
United States	299	17	316
Singapore	222	4	226
Germany	323	2	325
South Korea	585	—	585
Other countries	1,465	19	1,484
	€ 4,615	€ 151	€ 4,766

Main countries

For the year ended December 31, 2004			
China	€ 1,065	€ 118	€ 1,183
Netherlands	56	19	75
Taiwan	496	5	501
United States	365	24	389
Singapore	309	19	328
Germany	297	18	315
South Korea	454	—	454
Other countries	1,567	11	1,578
	€4,609	€ 214	€4,823

(1) The allocation is based on customer location. From September 29, 2006 onwards, sales to Philips companies amounting to Euro 18 million are included in sales to third parties.

	Property, plant and equipment, net	Gross capital expenditures	Depreciation property, plant and equipment
SUCCESSOR			
For the period September 29, 2006 through December 31, 2006			
China	€ 122	€ 6	€ 12
Netherlands	690	16	45
Taiwan	110	2	9
United States	67	6	5
Singapore	306	20	32
Germany	236	13	15
South Korea	1	—	—
Other countries	752	48	53
	€ 2,284	€ 111	€ 171

PREDECESSOR			
For the period January 1, 2006 through September 28, 2006			
China	€133	€38	€30
Netherlands	299	33	70
Taiwan	121	19	30
United States	68	12	28
Singapore	339	43	109
Germany	242	62	50
South Korea	1	—	—
Other countries	766	258	135
	€1,969	€465	€452
For the year ended December 31, 2005			
China	€132	€31	€42
Netherlands	336	87	127
Taiwan	144	28	53
United States	97	19	51
Singapore	434	42	183
Germany	234	41	92
South Korea	—	—	—
Other countries	679	122	201
	€2,056	€370	€749
For the year ended December 31, 2004			
China	€126	€59	€32
Netherlands	420	140	159
Taiwan	149	62	62
United States	130	13	61
Singapore	509	215	156
Germany	285	55	84
South Korea	—	—	—
Other countries	674	97	210
	€2,293	€641	€764

5 Related-party transactions

The Company entered into related party transactions with the following companies:

1. Philips, which was the Company's parent during the predecessor periods and continued to hold an indirect 19.9% beneficial interest during the successor period.

2. Taiwan Semiconductor Manufacturing Company (TSMC) is a related party during the predecessor period as a result of Philips' interest in TSMC.

3. Advanced Semiconductor Manufacturing Corporation (ASMC) is an affiliate of the Company (see note 11).

NXP and Philips will have continuing relationships through shared research and development activities and through license agreements. The existing global service agreements for—amongst others—payroll, network and purchase facilities cover a period of approximately one year. Additionally, through the purchase of component products, namely semiconductor products for the consumer electronic sector, NXP and Philips will have a continuing relationship for the foreseeable future.

The following table presents the amounts related to revenues and expenses incurred in transactions with these related parties:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Sales	€395	€294	€160	**€46**
Purchase of goods and services	420	325	170	**54**
General corporate expenses	82	81	62	**—**
Basic research	14	13	14	**—**
Interest expense to Philips companies, net	66	42	6	**—**

The following table presents the amounts related to account receivable and payable balances with Philips:

	PREDECESSOR	SUCCESSOR
	December 31, 2005	December 31, 2006
Receivables	€ 34	**€ 49**
Payables	55	**43**
Loans with Philips companies	1,112	**—**

Predecessor

Costs of services and corporate functions

During the predecessor periods the Company participated in a variety of corporate-wide programs administered by Philips in areas such as cash management, insurance, employee benefits, information technology, intellectual property, and customs.

Furthermore, the Company utilized various Philips shared services organizations for services such as:

- Human Resource services such as payroll processing, benefits administration, recruitment and training
- Accounting services
- Information technology such as the cost of hardware, network and standard software applications
- Purchasing of non-product related items
- Real Estate services

The costs of these services have been charged or allocated to the Company based on service level agreements and other contracts that include agreements on charges against actual costs. Please refer to notes 22, 23 and 30 for a discussion of the costs of pension benefits, other postretirement benefits and share-based compensation.

Successor

In December 2006, selected members of our management purchased approximately 9.5 million depository receipts issued by the Stichting Management Co-Investment NXP, each of these receipts representing an economic interest in a common share of KASLION. These depository receipts have been purchased at fair market value and in the aggregate represent a beneficial interest in KASLION of 0.22%.

General corporate expenses and Basic Research

The financial statements for the predecessor periods also include expense allocations for certain corporate functions, historically provided by Philips but not charged to the semiconductors segment, such as management oversight, accounting, treasury, tax, legal, brand management and human resources, as well as an allocation of the costs of basic research performed by Philips. A proportional cost allocation method based upon sales has been used to estimate the amounts of these allocations.

The Company considers the allocation of the costs of the aforementioned services and functions to be reasonable. However, these amounts may not be indicative of the costs necessary for the Company to operate as a stand-alone entity.

Interest expense

The amount of net interest expense charged by Philips included in the combined statements of operations for 2004, 2005, and January 1, 2006 through September 28, 2006 amounted to EUR 66 million, EUR 42 million, and EUR 6 million, respectively.

Loans with Philips companies

At the end of December 31, 2005, the Company had outstanding loans with Philips companies aggregating EUR 1,112 million, of which EUR 502 million was classified as non-current. As a result of the Separation, the Company repaid all outstanding balances as of September 28, 2006.

Cash management and financing

During the predecessor periods, the Company participated in Philips' worldwide cash management system under which the Company maintains bank accounts in specific banks as directed by Philips. Such accounts were generally zero balanced, where possible, to the Philips global pool, allowing cash to be managed and centralized by Philips.

The transfer of funds in and between the countries is accounted for via intercompany accounts. The balance of these intercompany accounts has been presented in the caption Philips' net investment in the Company, which is presented as a part of business' equity. Interest income and expense are generally not recorded on these domestic intercompany balances. Where pooling of cash balances was not possible, longer term cash surpluses were generally placed on deposit with Philips until dividends were distributed to Philips. Philips also maintained an in-house banking arrangement that provided facilities for Philips entities to obtain funds for local short term funding requirements. Longer term and structural financing was provided to Philips legal entities either through specific intercompany loans with Philips or through third party financing. Philips did not allocate interest to specific segments or businesses. The combined statements of operations include intercompany interest income and expense that has been recorded by legal entities that include only the Company's businesses. Interest income and expense of shared legal entities of the Company and other Philips divisions have not been included in the combined statements of operations.

Cash and cash equivalents, external debt, intercompany loans, and related interest income and expense have been included in the Company's financial statements for the predecessor periods to the extent such amounts were actually held or incurred by the legal entities that are part of the Company.

6 Acquisitions and divestments

Predecessor

In 2005, additional shares in SSMC were acquired for a cash payment of EUR 22 million. Goodwill of EUR 14 million was recognized as a result of this transaction. The shareholding in SSMC increased from 48% to 50.5%.

In 2006 and 2005 there were no material divestments. In 2004, the 22% stake in Computer Access Technologies Corp. (USA) was sold for EUR 16 million, of which EUR 9 million was collected in 2004 and EUR 7 million in 2005.

Successor

In November 2006, the option to purchase additional outstanding stock of the Singapore-based wafer fabrication firm Systems on Silicon Manufacturing Company (SSMC) was fully exercised. An incremental 10.7% SSMC shares were acquired from the Economic Development Board (EDB), increasing the Company's equity interest to 61.2%, at cost of EUR 90 million paid in cash.

The total purchase price was allocated to property, plant and equipment (EUR 7 million), goodwill (EUR 27 million), other intangibles (EUR 11 million) and, as a consequence, a reduction in minority interests (EUR 45 million). Other intangibles fully consist of core technology.

There were no major divestments.

7 Income from operations

For information related to sales and income from operations on a geographical and business basis, see note 4.

Sales composition

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Goods	€4,752	€4,737	€3,753	**€1,184**
Licenses	71	29	17	**6**
	€4,823	€4,766	€3,770	**€1,190**

Salaries and wages

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Salaries and wages	€1,225	€1,228	€958	**€337**
Pension and other postemployment costs	83	74	70	**26**
Other social security and similar charges:				
—Required by law	154	149	136	**45**
—Voluntary	11	8	2	**1**
	€1,473	€1,459	€1,166	**€409**

Included in salaries and wages for the period September 29, 2006 through December 31, 2006 is nil (January 1, 2006 through September 28, 2006: EUR 14 million, 2005: EUR 6 million, 2004: EUR 36 million) relating to restructuring charges. Pension and post employment costs are comprised of the costs of pension benefits, other postretirement benefits, and post employment benefits, including obligatory severance.

For the period September 29, 2006 through December 31, 2006, remuneration and pension charges relating to the members of the board of management amounted to EUR 700,000. During this period, no additional amount was awarded in the form of other compensation. When pension rights are granted to members of the board of management, necessary payments (if insured) and all necessary provisions are made in accordance with the applicable accounting principles.

The members of our supervisory board, other than Sir Peter Bonfield, do not receive any cash compensation for their service on our Supervisory Board.

See note 21, 22 and 23 to the financial statements for further information regarding these benefits.

Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangibles are as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Depreciation of property, plant and equipment	€764	€749	€452	**€171**
Amortization of internal use software	51	35	10	**6**
Amortization of other intangible assets	34	34	9	**119**
Write-off of in-process research and development	—	—	—	**515**
	€849	€818	€471	**€811**

Depreciation of property, plant and equipment for the period September 29, 2006 through December 31, 2006 includes an additional write-off in connection with the retirement of property, plant and equipment amounting to EUR 3 million (January 1, 2006 through September 28, 2006: EUR 1 million, 2005: EUR 5 million, 2004: EUR 15 million).

No impairment charges relating to depreciation of property, plant and equipment were recorded for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: nil, 2005: EUR 5 million, 2004: EUR 8 million). Depreciation of property, plant and equipment and amortization of software are primarily included in cost of sales.

Rent

Rent expenses amounted to EUR 20 million for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: EUR 49 million, 2005: EUR 62 million, 2004: EUR 53 million).

Selling expenses

Selling expenses incurred for the period September 29, 2006 through December 31, 2006 totaled EUR 88 million (January 1, 2006 through September 28, 2006: EUR 275 million, 2005: EUR 304 million, 2004: EUR 297 million), of which nil (January 1, 2006 through September 28, 2006: EUR 2 million, 2005: EUR 8 million, 2004: EUR 4 million) was allocated from Philips.

The selling expenses mainly relate to the cost of the sales and marketing organization. This mainly consists of account management, marketing, first and second line support, and order desk.

General and administrative expenses

General and administrative expenses include the costs related to management and staff departments in the corporate center, business units and business lines, amounting to EUR 194 million for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: EUR 306 million, 2005: EUR 435 million, 2004: EUR 437 million), of which nil (January 1, 2006 through September 28, 2006: EUR 63 million, 2005: EUR 83 million, 2004: EUR 83 million) was allocated from Philips.

Research and development expenses

Expenditures for research and development activities amounted to EUR 258 million for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: EUR 737 million, 2005: EUR 1,028 million, 2004: EUR 979 million), of which nil (January 1, 2006 through September 28, 2006: EUR 14 million, 2005: EUR 13 million, 2004: EUR 14 million) was allocated from Philips.

For information related to research and development expenses on a segment basis, see note 4.

Write-off of acquired in-process research and development

As part of the purchase price allocation EUR 515 million was identified as in-process research and development relating to incomplete projects for which no alternative use could be determined.

The full amount has been written-off immediately and charged to the statement of operations for the period September 29, 2006 through December 31, 2006 (see note 2 regarding purchase accounting).

Other income

Other income consists of the following:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Results on disposal of properties	€ 11	€ 17	€ 7	**€ 4**
Remaining income	68	19	11	**(1)**
	€79	€36	€18	**€3**

The result on disposal of fixed assets for the period September 29, 2006 through December 31, 2006 represents the gain on the sale of various properties. For the period January 1, 2006 through September 28, 2006 it also related to various gains on sale of properties, of which the most significant was the sale of property in Albuquerque. In 2005 it mainly related to the sale of property in San José, US and Vienna. In 2004, it was mainly related to the sale of property in San José, US.

For the period September 29, 2006 through December 31, 2006, remaining income consists of various smaller items. For the period January 1, 2006 through September 28, 2006 it also consists of various smaller items. In 2005, remaining income consists of various items, the most significant being the partial recovery of a customer claim from one of our suppliers. In 2004, the most significant item related to insurance recoveries for a fire in one of the Company's factories amounting to EUR 63 million.

8 Restructuring and impairment charges

The components of restructuring and impairment charges recognized in the predecessor periods 2004, 2005, January 1, 2006 through September 28, 2006, and successor period September 29, 2006 through December 31, 2006 are as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Personnel lay-off costs	€ 40	€ 10	€ 19	**€ 5**
Write-down of assets	—	2	3	**—**
Other restructuring costs	1	—	—	**—**
Release of excess provisions/accruals	(9)	(4)	(5)	**(1)**
Net restructuring and impairment	€ 32	€ 8	€ 17	**€ 4**

The restructuring and impairment charges are included in the following line items in the statement of operations:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Cost of sales	€ 32	€ 2	€ 3	**€ 5**
Research & development expenses	—	6	5	**—**
Selling expenses	—	—	9	**(1)**
Net restructuring and impairment charges	€32	€8	€17	**€4**

In the predecessor periods, the Company has executed restructuring programs to reduce excess capacity, increase operational efficiency and implement an asset light flexible manufacturing strategy. In 2004 and 2005, the charges related to a further reduction of excess capacity, overhead, and research and development costs in Europe and included the lay-off of 700 workers and 225 workers respectively. In the period January 1, 2006 through September 28, 2006 the charge is mainly related to the restructuring of the back-office of the sales organization (EUR 9 million), the increase of the operational efficiency in the manufacturing organization (EUR 3 million) and reorganization of development sites in Europe (EUR 5 million). In the successor period September 29, 2006 through December 31, 2006 it related to releases from our sales organizations' restructuring and our activities in Stadskanaal.

The balance of restructuring liabilities as of December 31, 2006 amounted to EUR 12 million, which is presented in the balance sheet under accrued liabilities (EUR 8 million) and other non-current liabilities (EUR 4 million). At December 31, 2005, EUR 18 million is presented under accrued liabilities and EUR 2 million under other non-current liabilities.

Predecessor

The following tables present the changes in the position of restructuring liabilities and provisions from December 31, 2003 through September 28, 2006:

	Balance January 1, 2006	Additions	Utilized	Released(1)	Other changes(2)	Balance September 28, 2006
Personnel costs	€20	€19	€(14)	€(5)	€—	€20
Write-down of assets	—	3	(3)	—	—	—
Other costs	—	—	—	—	—	—
	€20	€22	€(17)	€(5)	€—	€20

	Balance January 1, 2005	Additions	Utilized	Released(1)	Other changes(2)	Balance December 31, 2005
Personnel costs	€39	€10	€(25)	€(4)	€—	€20
Write-down of assets	—	2	(2)	—	—	—
Other costs	2	—	(2)	—	—	—
	€41	€12	€(29)	€(4)	€—	€20

	Balance January 1, 2004	Additions	Utilized	Released(1)	Other changes(2)	Balance December 31, 2004
Personnel costs	€41	€40	€(39)	€(4)	€1	€39
Write-down of assets	—	—	—	—	—	—
Other costs	25	1	(19)	(5)	—	2
	€66	€41	€(58)	€(9)	€1	€41

Successor

The following table presents the changes in the position of restructuring liabilities and provisions from September 29, 2006 through December 31, 2006.

	Balance September 29, 2006	Additions	Utilized	Released(1)	Other changes(2)	Balance December 31, 2006
Personnel costs	€20	€5	€(12)	€(1)	€—	€12
Write-down of assets	—	—	—	—	—	—
Other costs	—	—	—	—	—	—
	€20	€5	€(12)	€(1)	€—	€12

(1) The releases of surplus in 2006, 2005 and 2004 were primarily attributable to reduction in severance payment due to an internal transfer of employees who were originally expected to be laid off to other positions in the Company. In 2004, the release was partly attributable to the proceeds from the sale of tools and equipment, which was originally not foreseen in the plan.

(2) Other changes primarily related to translation differences.

9 Financial income and expenses

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Interest income	€ 1	€ 2	€ 3	**€ 12**
Interest expense	(23)	(21)	(16)	**(91)**
Interest expense Philips, net	(66)	(42)	(6)	**—**
Total interest expense, net	(88)	(61)	(19)	**(79)**
Foreign exchange results	—	2	—	**48**
Miscellaneous financing costs/income, net	(5)	(4)	(3)	**(42)**
Total other income and expense	(5)	(2)	(3)	**6**
Total	€ (93)	€ (63)	€ (22)	**€ (73)**

Predecessor

Interest expense, net decreased to EUR 19 million (2005: EUR 61 million; 2004 EUR 88 million), mainly due to lower financing by Philips.

Successor

Interest expense, net of EUR 79 million was mainly related to the interest expense that was recorded in connection with the bridge financing facility (EUR 14 million) and the issuance of notes (EUR 74 million).

Foreign exchange results of EUR 48 million mainly include losses related to a bridge financing (EUR 28 million) and foreign exchange gains related to the USD denominated notes (EUR 111 million). Furthermore, an exchange loss of EUR 24 million was related to cash and cash equivalents.

Miscellaneous financing costs include fees related to the bridge financing and the amortization of fees relating to the issuance of notes (EUR 39 million).

10 Income taxes

The tax benefit on the loss before income tax for the period September 29, 2006 through December 31, 2006 amounted to EUR 242 million (January 1, 2006 through September 28, 2006: an expense of EUR 65 million, 2005: an expense of EUR 101 million, 2004: an expense of EUR 113 million).

There were no non reclaimable withholding taxes in 2006 during the predecessor or successor periods. In the tax expense of 2005 a non reclaimable withholding tax of EUR 38 million was included (2004: EUR 17 million).

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
The components of income tax benefit (expense) are as follows:				
Netherlands:				
Current taxes	€ —	€ (45)	€ (19)	**€ —**
Deferred taxes	(59)	(14)	—	**211**
	(59)	(59)	(19)	**211**
Foreign:				
Current taxes	(39)	(104)	(64)	**(5)**
Deferred taxes	(15)	62	18	**36**
	(54)	(42)	(46)	**31**
Income tax (expense) benefit	€ (113)	€ (101)	€ (65)	**€ 242**

The Company's operations are subject to income taxes in various foreign jurisdictions. Excluding certain tax incentives, the statutory income tax rates vary from 17.5% to 41%.

A reconciliation of the statutory income tax rate in the Netherlands as a percentage of income before taxes and the effective income tax rate is as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Statutory income tax in the Netherlands	34.5%	31.5%	29.6%	**29.6%**
Rate differential local statutory rates versus statutory rates of the Netherlands	(5.6)	28.1	(2.6)	**(2.4)**
Changes in the valuation allowance:				
—utilization of previously reserved loss carryforwards	(23.4)	(50.3)	(5.0)	**—**
—new loss carryforwards not expected to be realized	19.6	187.1	19.6	**(0.7)**
—release and other changes	34.4	34.2	(11.4)	**(0.2)**
Non-taxable income	(4.5)	(9.7)	(2.9)	**0.8**
Non-tax-deductible expenses	7.7	14.5	0.2	**(0.1)**
Withholding and other taxes	12.7	120.3	5.6	**(0.1)**
Tax incentives and other	4.7	(91.1)	23.0	**1.5**
Effective tax rate	80.1%	264.6%	56.1%	**28.4%**

Deferred tax assets and liabilities

Deferred tax assets and liabilities relate to the following balance sheet captions:

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	€ 4	€ (3)	**€ 127**	**€ (405)**
Property, plant and equipment	60	(26)	**8**	**(8)**
Inventories	21	(1)	**13**	**(6)**
Receivables	—	(4)	**1**	**(1)**
Other assets	17	(3)	**1**	**(1)**
Provisions:				
—Pensions	14	—	**14**	**—**
—Restructuring	2	—	**—**	**—**
—Guarantees	1	—	**1**	**—**
—Other postretirement benefits	7	—	**7**	**—**
—Other	45	—	**9**	**—**
Other liabilities	141	(1)	**2**	**(10)**
Tax loss carryforwards (including tax credit carryforwards)	547	—	**157**	**—**
Total deferred tax assets (liabilities)	859	€ (38)	**340**	**€ (431)**
Net deferred tax position	821		**(91)**	
Valuation allowances	(694)		**(51)**	
Net deferred tax assets (liabilities)	€ 127		**(142)**	

In assessing the Company's ability to realize deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax strategies in making this assessment. In order to fully realize the deferred tax asset, the Company will need to generate future taxable income in the countries where the net operating losses were incurred. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowance at December 31, 2006.

The valuation allowance for deferred tax assets as of December 31, 2006 and 2005 was EUR 51 million and EUR 694 million respectively.

The net changes in the total valuation allowance for the successor period September 29, 2006 through December 31, 2006 was an increase of EUR 15 million.

The net changes in the total valuation allowance for the predecessor periods January 1, 2006 through September 28, 2006, the years ended December 31, 2005 and 2004, were an increase of EUR 4 million, an increase of EUR 160 million and a decrease of EUR 23 million, respectively.

The portion of the valuation allowance as of December 31, 2006, relating to deferred tax assets, for which subsequently recognized tax benefits will be allocated to reduce goodwill or other intangible assets of an acquired entity or directly to contributed capital, amounts to EUR 11 million (2005: EUR 14 million).

At December 31, 2006, operating loss carryforwards expire as follows:

Total	2007	2008	2009	2010	2011	2012-2016	Later	Unlimited
496	—	—	22	—	19	243	—	212

The Company also has tax credit carryforwards of EUR 12 million, which are available to offset future tax, if any, and which expire as follows:

Total	2007	2008	2009	2010	2011	2012-2016	Later	Unlimited
12	1	5	4	1	—	—	—	1

The classification of the deferred tax assets and liabilities in the Company's balance sheet is as follows:

	PREDECESSOR	SUCCESSOR
	2005	2006
Deferred tax assets classified under other current assets	24	**23**
Deferred tax assets classified under other non-current assets	114	**86**
Deferred tax liabilities classified under provisions	(11)	**(251)**
	127	**(142)**

Income tax payable, amounting to EUR 11 million as of December 31, 2006 includes amounts directly payable to tax authorities. As of December 31, 2005 income tax payable amounting to EUR 186 million represents intercompany payable to Philips related to income tax calculated on a separate tax return basis.

The amount of the unrecognized deferred income tax liability for temporary differences as of December 31, 2006, of EUR 11 million (2005: EUR 39 million) relates to unremitted earnings in foreign Group companies, which are considered to be permanently re-invested. Under current Dutch tax law, no additional taxes are payable. However, in certain jurisdictions, withholding taxes would be payable.

11 Investments in unconsolidated companies

Results relating to unconsolidated companies

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,			
	2004	2005	For the period January 1, 2006 – September 28, 2006	For the period September 29, 2006 – December 31, 2006
Company's participation in income (loss)	3	(5)	(2)	(2)
Result on sale of shares	9	—	—	—
Gains arising from dilution effects	—	—	5	—
	12	(5)	3	(2)

Company's participation in income (loss)

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,			
	2004	2005	For the period January 1, 2006 – September 28, 2006	For the period September 29, 2006 – December 31, 2006
ASMC	6	(3)	1	—
Others	(3)	(2)	(3)	(2)
	3	(5)	(2)	(2)

Result on sale of shares

In 2004, the shares in Computer Access Technology Corporation were sold resulting in a gain of EUR 9 million.

Gains arising from dilution effects

The gain arising from dilution effects in the period January 1, 2006 through September 28, 2006, is related to the initial public offering by ASMC resulting in a dilution of NXP's shareholding from 37% to 27%.

Investments in unconsolidated companies

The changes in the period January 1, 2006 through September 28, 2006 are as follows:

	PREDECESSOR
Balance of equity method investments as of January 1, 2006	€ 48
Changes:	
Acquisitions/additions	3
Share in income (loss) on dilution gain	3
Translation and exchange rate differences	(1)
Balance of equity method investments as of September 28, 2006	€ 53

Acquisitions relate to the acquisition of Sunext.

The changes in the period September 29, 2006 through December 31, 2006 are as follows:

	SUCCESSOR
Balance of equity method investments as of September 29, 2006	€ 49
Changes:	
Acquisitions/additions	3
Sales/repayments	(5)
Share in income (loss)	(2)
Translation and exchange rate differences	(1)
Balance of equity method investments as of December 31, 2006	€ 44

Acquisitions relate to the shareholding in T3G. Sales/repayments related to the repayment of a loan by T3G.

The total carrying value of investments in unconsolidated companies is summarized as follows:

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Shareholding %	Amount	Shareholding %	Amount
ASMC	37	45	**27**	**37**
Others		3		**7**
		48		**44**

12 Minority interests

The share of minority interests in the results of the Company resulted in a charge to the combined and consolidated statements of operations of EUR 4 million, for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: EUR 50 million; 2005: EUR 34 million; 2004: EUR 26 million).

In the period September 29, 2006 through December 31, 2006, minority interests in consolidated companies decreased with EUR 45 million due to the incremental 10.7% acquisition of SSMC shares. Refer to note 6.

As of December 31, 2006, minority interests in consolidated companies totaled EUR 162 million (2005: EUR 173 million).

In 2006 and 2005, minority interests almost fully relates to the shareholding in SSMC in Singapore.

13 Receivables

Accounts receivable are summarized as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Accounts receivable from third parties	536	**501**
Accounts receivable from unconsolidated companies	1	**3**
Less: allowance for doubtful accounts	(3)	**(3)**
	534	**501**

14 Inventories

Inventories are summarized as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Raw materials and supplies	368	**317**
Work in process	141	**128**
Finished goods	187	**201**
	696	**646**

A portion of the finished goods stored at customer locations under consignment amounted to EUR 38 million as of December 31, 2006 (2005: EUR 37 million).

The amounts recorded above are net of an allowance for obsolescence.

15 Other current assets

Other current assets as of December 31, 2006, consist of a current deferred tax asset of EUR 23 million (2005: EUR 24 million), derivative instrument assets of EUR 8 million (2005: EUR 9 million), the current portion of capitalized unamortized fees related to the issuance of notes of EUR 11 million (2005: nil) and prepaid expenses of EUR 85 million (2005: EUR 73 million).

16 Other non-current assets

Other non-current assets as of December 31, 2006 are comprised of prepaid pension costs of nil (2005: EUR 8 million), the non-current portion of deferred tax assets of EUR 86 million (2005: EUR 114 million), the non-current portion of capitalized unamortized fees related to the issuance of notes of EUR 71 million (2005: nil), and non-current financial assets of EUR 12 million (2005: EUR 7 million), mainly consisting of long-term receivables from Laguna Ventures Inc. in The Philippines.

The term of amortization of capitalized fees related to the issuance cost of notes is on average 7 years.

17 Property, plant and equipment

Property, plant and equipment consisted of:

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Land and buildings	1,314	(765)	**720**	**(15)**
Machinery and installations	5,875	(4,590)	**1,497**	**(147)**
Other equipment	376	(262)	**126**	**(9)**
Prepayments and construction in progress	108	—	**112**	**—**
No longer productively employed	15	(15)	**—**	**—**
	7,688	(5,632)	**2,455**	**(171)**
Accumulated depreciation—total	(5,632)		**(171)**	
Book value	2,056		**2,284**	

Land with a book value of EUR 94 million (2005: EUR 42 million) is not depreciated.

The expected service lives as of December 31, 2006 are as follows:

Buildings	from 12 to 50 years
Machinery and installations	from 2 to 7 years
Lease assets	from 3 to 10 years
Other equipment	from 3 to 10 years

The expected service lives as of December 31, 2005 are as follows:

Buildings	from 20 to 25 years
Machinery and installations	from 5 to 7 years
Lease assets	from 3 to 10 years
Other equipment	from 3 to 10 years

Capital expenditures include capitalized interest related to the construction in progress amounting to nil in 2006 (2005: EUR 2 million).

18 Intangible assets excluding goodwill

Predecessor

The changes in the period January 1, 2006 through September 28, 2006 were as follows:

	Total	Other Intangible Assets	Software
Balance as of January 1, 2006:			
Cost	€ 527	€ 287	€ 240
Accumulated amortization	(469)	(278)	(191)
Book value	58	9	49
Changes in book value:			
Acquisitions/additions	16	—	16
Amortization	(19)	(9)	(10)
Translation differences	(1)	—	(1)
Total changes	(4)	(9)	5
Balance as of September 28, 2006:			
Cost	504	265	239
Accumulated amortization	(450)	(265)	(185)
Book value	€ 54	€ —	€ 54

Successor

The changes in the period September 29, 2006 through December 31, 2006 were as follows:

	Total	Other Intangible Assets	Software
Balance as of September 29, 2006:			
Cost	€ 3,690	€ 3,636	€ 54
Accumulated amortization	—	—	—
Book value	3,690	3,636	54
Changes in book value:			
Acquisitions/additions	15	10	5
Amortization	(125)	(119)	(6)
Write-off in-process research and development	(515)	(515)	—
Total changes	(625)	(624)	(1)
Balance as of December 31, 2006:			
Cost	3,190	3,131	59
Accumulated amortization	(125)	(119)	(6)
Book value	€ 3,065	€ 3,012	53

Acquisitions/additions in other intangible assets relate to the incremental 10.7% purchase of additional shares in SSMC. Refer to note 6.

Other intangible assets as of December 31 consist of:

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Gross	Accumulated amortization	Gross	Accumulated amortization
Marketing-related	—	—	**85**	**(4)**
Customer-related	—	—	**639**	**(22)**
Technology-based	287	(278)	**2,407**	**(93)**
	287	(278)	**3,131**	**(119)**

The estimated amortization expense for these other intangible assets as of December 31, 2006 for each of the five succeeding years are:

2007	461
2008	426
2009	398
2010	301
2011	258

All intangible assets, excluding goodwill, are subject to amortization and have no assumed residual value.

The estimated amortization expense for software as of December 31, 2006 for each of the five succeeding years are:

2007	18
2008	18
2009	17
2010	—
2011	—

The expected weighted average remaining life of other intangibles is 5 year as of December 31, 2006. The expected weighted average remaining lifetime of software is 2 years as of December 31, 2006.

19 Goodwill

The changes in goodwill were as follows:

	PREDECESSOR		SUCCESSOR
	For the year ended December 31, 2005	For the period January 1, 2006 — September 28, 2006	For the period September 29 — December 31, 2006
Book value at begin of	€ 178	€ 213	€ 2,005
Changes in book value:			
Acquisitions	14	—	27
Translation differences	21	(13)	—
Book value at end of	€ 213	€ 200	**€ 2,032**

Acquisitions in 2006 for the successor period include goodwill related to the incremental 10.7% purchase of additional shares in SSMC. Refer to note 6. In 2005, it included the goodwill paid on the acquisition of a 2.5% interest in SSMC for EUR 14 million. Please refer to note 4 for a specification of goodwill by segment.

20 Accrued liabilities

Accrued liabilities are summarized as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Personnel-related costs:		
Salaries and wages	€ 112	**€ 114**
Accrued vacation entitlements	46	**56**
Other personnel-related costs	20	**53**
Utilities, rent and other	25	**30**
Income tax payable	186	**11**
Communication & IT costs	23	**20**
Distribution costs	10	**10**
Purchase-related costs	25	**21**
Interest accruals	9	**81**
Derivative instruments—liabilities	41	**1**
Liabilities for restructuring costs (see note 8)	18	**8**
Other accrued liabilities	33	**80**
	€ 548	**€ 485**

21 Provisions

Provisions are summarized as follows:

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Long-term	Short-term	Long-term	Short-term
Pensions for defined-benefit plans (see note 22)	€ 53	€ 2	**€ 97**	**€ 15**
Other postretirement benefits (see note 23)	—	3	**—**	**1**
Postemployment benefits and severance payments	—	6	**1**	**1**
Deferred tax liabilities (see note 10)	11	—	**251**	**—**
Product warranty	—	5	**—**	**6**
Loss contingencies	12	4	**1**	**2**
Other provisions	12	33	**18**	**29**
Total	€ 88	€ 53	**€ 368**	**€ 54**

The changes in total provisions excluding deferred tax liabilities are as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
	2004	2005		
Beginning balance	152	127	130	**162**
Changes:				
Additions	16	31	25	**15**
Utilizations	(26)	(32)	(24)	**(5)**
Releases	(4)	(5)	(1)	**—**
Translation differences	(4)	9	(4)	**(1)**
Changes in consolidation	(7)	—	—	**—**
Ending balance	127	130	126	**171**

Postemployment benefits and obligatory severance payments

The provision for postemployment benefits covers benefits provided to former or inactive employees after employment but before retirement, including salary continuation, supplemental unemployment benefits and disability-related benefits.

The provision for severance payments covers the Company's commitment to pay employees a lump sum upon the employee's dismissal or resignation. In the event that a former employee has passed away, in certain circumstances the Company pays a lump sum to the deceased employee's relatives.

Product warranty

The provision for product warranty reflects the estimated costs of replacement and free-of-charge services that will be incurred by the Company with respect to products sold. The changes in the provision for product warranty are as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,			
	2004	2005	For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
Beginning balance	7	8	5	**7**
Changes:				
Additions	3	—	2	**—**
Utilizations	(2)	(1)	—	**(1)**
Releases	—	(3)	—	**—**
Changes in consolidation	—	1	—	**—**
Ending balance	8	5	7	**6**

Loss contingencies (environmental remediation and product liability)

This provision includes expected losses recorded with respect to environmental remediation and product liability obligations which are deemed probable and reasonably estimatable. The changes in this provision are as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31,			
	2004	2005	For the period January 1, 2006– September 28, 2006	For the period September 29, 2006– December 31, 2006
Beginning balance	16	16	16	**2**
Changes:				
Additions	3	—	—	**1**
Utilizations	(1)	(2)	(3)	**—**
Translation differences	(2)	2	(1)	**—**
Ending balance	16	16	12	**3**

Philips has assumed obligations related to the environmental remediation that existed at the date of the Acquisition, primarily at certain closed sites in the United States. The Company has not incurred material environmental remediation obligations since the Acquisition. The remaining balance as of December 31, 2006 relates to minor product liability contingencies.

Other provisions

Other provisions include provisions for employee jubilee funds totaling EUR 28 million as of December 31, 2006 (2005: EUR 22 million).

22 Pensions

The Company does not sponsor material postretirement benefits other than pensions. Our employees participate in employee pension plans in accordance with the legal requirements, customs and the local situation in the respective countries.

The majority of the employees in Europe and the USA are covered by defined-benefit pension plans. The benefits provided by these plans are based on employees' years of service and compensation levels. For other countries, defined-contribution pension plans are more common. The measurement date for all defined-benefit pension plans is December 31. Contributions are made by the Company, as necessary, to provide assets sufficient to meet the benefits payable to defined-benefit pension plan participants.

These contributions are determined based upon various factors, including funded status, legal and tax considerations as well as local customs. The Company funds certain defined-benefit pension plans as claims are incurred.

The pension plans have been established by Philips. During the predecessor period the costs of pension benefits with respect to the Company's employees participating in these plans have been allocated to the Company based upon actuarial computations, except for certain less significant plans, in which case a proportional allocation based upon compensation or headcount has been used. The amounts included in the combined statements of operations for 2004, 2005 and January 1, 2006 through September 28, 2006 were EUR 58 million, EUR 64 million and EUR 51 million, respectively. Related assets and liabilities are not included in the Company's predecessor balance sheet. At the Separation the Company disentangled the majority of its pension plans. Full disentanglement of remaining plans is expected to be completed before October 1, 2007.

For the Netherlands the disentanglement will be finalized one year after the Separation. During this one year period, the employees will participate in the Dutch Philips pension fund. It has been assumed that a transfer will take place and that the amount of plan assets transferred will equal the required reserves to offer equivalent benefits.

For pension plans in which only the Company's employees participate (the Company's dedicated plans), the related costs, assets and liabilities have been included in the combined and consolidated balance sheets.

For the period prior to the Separation, the Philips sponsored pension plans in which the Company and other Philips businesses participated have been treated as multi-employer plans (non-Company dedicated plans).

The table below provides a summary of the changes in the pension benefit obligations and defined benefit pensions plan assets for 2006 and 2005, with respect to the Company's dedicated plans, and a reconciliation of the funded status of these plans to the amounts recognized in the combined and consolidated balance sheets.

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Projected benefit obligation		
Projected benefit obligation at beginning of year	€151	**€188**
Additions		**746**
Service cost	8	**16**
Interest cost	8	**10**
Actuarial (gains) and losses	19	**—**
Settlements	(2)	**—**
Benefits paid	(5)	**(3)**
Exchange rate differences	9	**(1)**
Projected benefit obligation at end of year	188	**956**
Plan assets		
Fair value of plan assets at beginning of year	87	**98**
Additions	—	**603**
Actual return on plan assets	6	**9**
Employer contributions	6	**16**
Benefits paid	(2)	**(3)**
Exchange rate differences	1	**(1)**
Fair value of plan assets at end of year	98	**722**
Funded status	(90)	**(234)**
Unrecognized net transition obligation	1	**—**
Unrecognized prior service cost	1	**—**
Unrecognized net loss	39	**—**
Net balance	(49)	**(234)**
Classification of the net balances is as follows:		
—Prepaid pension costs under other non-current assets	8	**—**
—Accrued pension costs under other non-current liabilities	(2)	**(122)**
—Provisions for pensions under provisions	(55)	**(112)**
Total	€(49)	**€(234)**

The weighted average assumptions used to calculate the projected benefit obligations were as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Discount rate	4.4%	**4.4%**
Rate of compensation increase	3.5%	**3.1%**

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for both funded and unfunded defined-benefit pension plans with accumulated benefit obligations in excess of plan assets are included in the table below:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Projected benefit obligation	77	**230**
Accumulated benefit obligation	54	**181**
Fair value of plan assets	4	**53**

The weighted-average assumptions used to calculate the net periodic pension cost were as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31, 2004	2005	For the period January 1, 2006— September 28, 2006	For the period September 29,— December 31, 2006
Discount rate	4.8%	4.8%	4.4%	**4.4%**
Expected returns on plan assets	4.2%	4.4%	4.3%	**5.3%**
Rate of compensation increase	3.1%	3.5%	3.6%	**3.1%**

The components of net periodic pension costs were as follows:

	PREDECESSOR			SUCCESSOR
	For the years ended December 31, 2004	2005	For the period January 1, 2006— September 28, 2006	For the period September 29,— December 31, 2006
Service cost	7	8	7	**16**
Interest cost on the projected benefit	7	8	7	**10**
Expected return on plan assets	(3)	(4)	(4)	**(9)**
Net amortization of unrecognized net assets/liabilities	1	—	—	**—**
Net actuarial loss recognized	—	1	1	**—**
Other	1	—	—	**1**
Net periodic cost	13	13	11	**18**

The Company also sponsors defined-contribution plans and similar plans. The total cost of these plans amounted to EUR 8 million for the period September 29, 2006 through December 31, 2006 (January 1, 2006 through September 28, 2006: EUR 10 million, 2005: EUR 12 million, 2004: EUR 9 million).

The Company expects to make cash contributions in relation to defined-benefit plans amounting to EUR 55 million in 2007.

Estimated future pension benefit payments

The following benefit payments are expected to be made:

2007	9
2008	11
2009	12
2010	14
2011	16
Years 2012-2016	153

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Accumulated benefit obligation for all Company-dedicated benefit pension plans	142	**768**

Plan assets

The actual and targeted pension plan asset allocation at December 31, 2005 and 2006 is as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Asset category:		
Equity securities	6%	**27**%
Debt securities	80%	**57**%
Other	14%	**16**%
	100%	**100**%

The investment objectives for the pension plan assets are designed to generate returns that, along with the future contributions, will enable the pension plans to meet their future obligations.

23 Postretirement benefits other than pensions

Prior to the Separation, the Company's employees in certain countries participated in Philips sponsored plans that provide other postretirement benefits, primarily retiree healthcare benefits. The costs of other postretirement benefits, with respect to the Company's employees, have been allocated to the Company based upon headcount and actuarial calculations. After the Separation, these plans have been closed with the exception of a small group of employees in the United Kingdom and a larger group in the USA.

The amounts included in the combined and consolidated statements of operations for the period September 29, 2006 through December 31, 2006, the period January 1, 2006 through September 28, 2006, for 2005 and 2004 are expense of EUR 1 million, expense of EUR 1 million, income of EUR 19 million, and expense of EUR 8 million, respectively.

The recognition of income in 2005 is a result of a release of the postretirement obligation. The release was triggered by a change in Dutch law relating to the treatment of medical insurance costs.

24 Other current liabilities

Other current liabilities are summarized as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Advances received from customers on orders not covered by work in process	3	5
Other taxes including social security premiums	43	39
Other short-term liabilities	9	1
Total	55	45

25 Short-term debt

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Short-term bank borrowings	32	**20**
Other short-term loans	—	**1**
Current portion of long-term debt	115	**2**
Total	147	**23**

Predecessor

As at the end of December 2005 the current portion of long-term debt includes an amount of EUR 43 million related to a 4.25% fixed rate loan of SGD 600 million due in September 2006 and an amount of EUR 70 million related to a USD 200 million term loan with a total amount of USD 170 million outstanding at December 2005. Both loans were recorded by System on Silicon Manufacturing Company in Singapore.

During 2005 the weighted average interest rate on the bank borrowings was 3.8% (2004: 3.2%).

Successor

As at the end of December 2006 short-term bank borrowings consisted of bank loans recorded in our Chinese organizations in Guangdong (EUR 14 million) and Jilin (EUR 6 million).

During 2006 the weighted average interest rate on these loans was 6.0%.

26 Long-term debt

	SUCCESSOR							PREDECESSOR
	Range of interest rates	Average rate of interest	Amount outstanding December 31, 2006	Due in 2007	Due after 2007	Due after 2011	Average remaining term (in years)	Amount outstanding December 31, 2005
Euro notes	6.2–8.6	7.0	1,525	—	1,525	1,525	7.6	—
USD notes	7.9–9.5	8.5	2,890	—	2,890	2,890	7.8	—
Bank borrowings	4.1–4.8	4.4	1	—	1	—	1.5	281
Liabilities arising from capital lease transactions	5.9–6.0	5.9	8	2	6	2	5.8	9
Other long-term debt	2.1–2.1	2.1	4	—	4	3	4.6	49
		8.0	4,428	2	4,426	4,420	7.7	339
PREDECESSOR								
Corresponding data previous year		5.0	339	115	224	7	3.0	

The following amounts of long-term debt as of December 31, 2006 are due in the next 5 years:

2007	2
2008	3
2009	1
2010	1
2011	1
	8
PREDECESSOR	
Corresponding amount previous year	332

Predecessor

At the end of December 2005 long-term debt primarily consisted of bank borrowings. These mainly consisted of a syndicated loan to SSMC in Singapore, which had an outstanding balance at December 31, 2005 of EUR 141 million, and a bank loan to Philips Semiconductors, Inc. in the Philippines with an outstanding balance at the end of 2005 of EUR 140 million. The loan to SSMC has a balance of EUR 70 million payable within 12 months, which has been classified as part of short-term debt. The remaining balance is payable in 2007. The average interest rate applied to this loan in 2005 was 4.3%. The average remaining period was 1.6 years at the end of 2005.

The loan to Philips Semiconductors, Inc. has various maturity dates from 2007 to 2010. The average interest rate applied to this loan in 2005 was 6.2% and the average remaining period was 3.5 years.

Both above mentioned loans have been fully repaid before the Separation from Philips.

At the end of December 31, 2005, the Company had outstanding loans with Philips of EUR 1,112 million. Please refer to note 5.

Successor

Related to the Acquisition, NXP issued on October 12, 2006 several series of notes with maturities ranging from 7 to 9 years and a mix of floating and fixed rates. Several series are denominated in US dollar and several series are euro denominated. The euro and US dollar notes represent 34% and 66% respectively of the total notes outstanding. The series with tenors of 7 and 8 years are secured as described below; the series with a tenor of 9 years are unsecured.

Euro Notes

The Euro notes comprise of the following two series:

- a EUR 1,000 million aggregate principal amount of floating rate senior secured notes due 2013 with an interest rate of three-month EURIBOR plus 2.75%, except that the interest rate for the period beginning on the date these notes were offered, October 12, 2006 through January 14, 2007 the interest rate was 6.214%; and

- a EUR 525 million aggregate principal amount of 8.625% senior notes due 2015.

No redemptions on any of these series have been made; both series are fully outstanding at their original principal euro amount at year-end 2006.

USD Notes

The USD notes comprise of the following three series:

- a USD 1,535 million aggregate principal amount of floating rate senior secured notes due 2013 with an interest rate of three-month LIBOR plus 2.75%, except that the interest rate for the period beginning on the date these notes were offered, October 12, 2006 through January 14, 2007 the interest rate was 8.118%; and

- a USD 1,026 million aggregate principal amount of 7.875% senior secured notes due 2014; and

- a USD 1,250 million aggregate principal amount of 9.5% senior notes due 2015.

No redemptions on any of these series have been made; all three series are fully outstanding at their original principal US dollar amount at year-end 2006.

Certain terms and Covenants of the Euro and USD Notes

The Company is not required to make mandatory redemption payments or sinking fund payments with respect to the notes.

The indentures governing the notes contain covenants that, among other things, limit the Company's ability and that of restricted subsidiaries to incur additional indebtedness, create liens, pay dividends, redeem capital stock or make certain other restricted payments or investments; enter into agreements that restrict dividends from restricted subsidiaries; sell assets, including capital stock of restricted subsidiaries; engage in transactions with affiliates; and effect a consolidation or merger.

Certain portions of long-term and short-term debt as of December 31, 2006 in the amount of EUR 2,959 million have been secured by collateral on substantially all of the Company's assets and of certain of its subsidiaries.

The notes are fully and unconditionally guaranteed jointly and severally, on a senior basis by certain of the Company's current and future material wholly-owned subsidiaries ("Guarantors").

Pursuant to various security documents related to the above mentioned secured notes and the EUR 500 million committed revolving credit facility, the Company and each Guarantor has granted first priority liens and security interests in, amongst others, the following, subject to the grant of further permitted collateral liens:

(a) all present and future shares of capital stock of (or other ownership or profit interests in) each of its present and future direct subsidiaries, other than SMST Unterstützungskasse GmbH, and material joint venture entities;

(b) all present and future intercompany debt of the Company and each Guarantor;

(c) all of the present and future property and assets, real and personal, of the Company, and each Guarantor, including, but not limited to, machinery and equipment, inventory and other goods, accounts receivable, owned real estate, leaseholds, fixtures, general intangibles, license rights, patents, trademarks, trade names, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds, but excluding cash and bank accounts; and

(d) all proceeds and products of the property and assets described above.

Notwithstanding the foregoing, certain assets may not be pledged (or the liens not perfected) in accordance with agreed security principles, including:

- if the cost of providing security is not proportionate to the benefit accruing to the holders;
- if providing such security requires consent of a third party and such consent cannot be obtained after the use of commercially reasonable efforts; and
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or providing security would be outside the applicable pledgor's capacity or conflict with fiduciary duties of directors or cause material risk of personal or criminal liability after using commercially reasonable efforts to overcome such obstacles;
- if providing such security would have a material adverse effect (as reasonably determined in good faith by such subsidiary) on the ability of such subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the indenture; and
- if providing such security or perfecting liens thereon would require giving notice (i) in the case of receivables security, to customers or (ii) in the case of bank accounts, to the banks with whom the accounts are maintained. Such notice will only be provided after the secured notes are accelerated.

Subject to agreed security principles, if material property is acquired by the Company or a Guarantor that is not automatically subject to a perfected security interest under the security documents, then the Company or relevant Guarantor will within 60 days provide security over this property and deliver certain certificates and opinions in respect thereof as specified in the indenture governing the notes.

Credit facilities

Predecessor

As at the end of December 2005 the company had a USD 400 million syndicated credit facility in Singapore, comprising of a USD 200 million term loan, of which USD 167 million (EUR 141 million) was outstanding as at 31 December 2005, and a USD 200 million revolving credit facility which was undrawn as at 31 December 2005. For this facility, EUR 425 million of property, plant and equipment and EUR 154 million of other assets were provided as collateral.

The above mentioned loans of SSMC have been fully repaid and cancelled before the Separation from Philips.

Successor

As of September 29, 2006, the Company entered into a senior secured revolving credit facility for an aggregate principal amount of EUR 500 million to finance the working capital requirements and general corporate purposes. This committed revolving credit facility has a tenor of 6 years and expires in 2012. All of the Guarantors of the secured notes described above are also guarantor of our obligations under this committed revolving credit facility and similar security as granted under the secured notes has been granted for the benefit of the lenders under this facility.

27 Other non-current liabilities

Other non-current liabilities are summarized as follows:

	PREDECESSOR	SUCCESSOR
	As of December 31, 2005	As of December 31, 2006
Accrued pension costs	2	**122**
Asset retirement obligations	5	**4**
Liabilities for restructuring costs	2	**4**
	9	**130**

28 Leases

Capital leases

Property, plant and equipment includes EUR 8 million as of December 31, 2006 (2005: EUR 9 million) for capital leases and other beneficial rights of use, such as building rights and hire purchase agreements. The financial obligations arising from these contractual agreements are reflected in long-term debt.

Operating leases

Long-term operating lease commitments totaled EUR 89 million as of December 31, 2006 (2005: EUR 58 million). The long-term operating leases are mainly related to the rental of buildings. These

leases expire at various dates during the next 30 years. The future payments that fall due in connection with these obligations are as follows:

2007	**23**
2008	**14**
2009	**8**
2010	**7**
2011	**7**
Later	**30**
Total	**89**

29 Other commitments and contingent liabilities

Guarantees

In the normal course of business, the Company issues certain guarantees. Guarantees issued or modified after December 31, 2002, having characteristics defined in FIN 45, are measured at fair value and recognized on the balance sheet. At the end of 2006 there were no material guarantees recognized by the Company.

Guarantees issued before December 31, 2002 and not modified afterward, and certain guarantees issued after December 31, 2002, which do not have characteristics as defined in FIN 45, remain off-balance sheet. At the end of 2006 there were no such guarantees recognized.

Other Commitments

The Company has made certain commitments to SSMC, whereby the Company is obligated to make cash payments to SSMC should it fail to purchase an agreed-upon percentage of the total available capacity at SSMC's fabrication facilities if overall SSMC utilization levels drop below a fixed proportion of the total available capacity. In the periods presented in these financial statements no such payments were made. Furthermore, other commitments exist with respect to long-term obligations for a joint development contract with Catena Holding BV of EUR 21 million and with respect to long-term software license contracts of EUR 53 million, among others with Synopsis and Cadence.

Environmental Remediation

The Company accrues for losses associated with environmental obligations when such losses are probable and reasonably estimable. Refer to note 21 to the combined and consolidated financial statements for a specification of provisions for environmental remediation.

Litigation

The Company and certain of its businesses are involved as plaintiffs or defendants in litigation relating to such matters as commercial transactions, intellectual property rights and product liability. Although the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, it is the opinion of the Company's management that the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on the Company's combined or consolidated financial position, but may be material to the consolidated statement of operations of the Company for a particular period.

30 Share-based compensation

Until the Separation from Philips, on September 28, 2006, the Company participated in Philips' share-based compensation plans. Under these plans, Philips has granted share options on its common shares and rights to receive common shares in the future (restricted share rights) to certain Company employees. The employee awards were previously granted by Philips to its employees and have been subsequently allocated to the Company. Under the Philips plans, options were granted at fair market value on the date of grant.

Immediately before the date of acquisition of our Company by KASLION, Philips announced all outstanding unvested stock options and restricted share rights related to employees of the semiconductor businesses of Philips would become fully vested and exercisable on October 16, 2006, which was recorded as part of the purchase allocation.

For the successor period there is no share-based plan in place for non-executive employees and, as such, no new share-based compensation arrangements were granted to non-executive employees in the period from September 29, 2006 through December 31, 2006.

From 2003 to September 28, 2006, Philips issued restricted share rights to certain Company's employees that vest in equal annual installments over a three-year period. Restricted shares are Philips shares that the grantee will receive in three successive years, provided the grantee is still with Philips on the respective delivery dates. If the grantee still holds the shares after three years from the delivery date, Philips will grant 20% additional (premium) shares, provided the grantee is still with Philips.

From 2002, Philips granted fixed share options to certain Company's employees that expire upon the earlier of 10 years after the grant, or 5 years after the termination of the grantee's employment with Philips. Generally, the options vest after 3 years; however, a limited number of options granted to certain employees of acquired businesses contain accelerated vesting. In prior years, fixed and variable (performance) options were issued with terms of ten years, vesting one to three years after grant. In contrast to 2001 and certain prior years, when variable (performance) share options were issued, the share-based compensation grants from 2002 consider the performance of Philips versus a peer group of multinationals.

USD-denominated share options and restricted share rights are granted to employees in the United States only.

Under the terms of employee share purchase plans established by Philips in various countries, substantially all employees in those countries are eligible to purchase a limited number of shares of Philips share at discounted prices through payroll withholdings, of which the maximum ranges from 8.5% to 10% of total salary. Generally, the discount provided to the employees is between the range of 10% to 20%. In 2004 and certain prior years, the purchase price in the United States equaled the lower of 85% of the closing price at the beginning or end of quarterly purchase periods.

In The Netherlands, and through September 28, 2006, Philips issued personnel debentures to the Company's employees with a 5-year right of conversion into common shares of Philips. The conversion price is equal to the current share price at the date of issuance. The fair value of the conversion option of EUR 6.41 in 2006 (predecessor periods) (EUR 5.85 in 2005 and EUR 6.05 in 2004) is recorded as compensation expense over the period of vesting.

Effective January 1, 2006, the Company adopted SFAS 123(R) using the modified prospective method for the transition. Since the Company had previously adopted the fair value provisions of

SFAS 123 prospectively for all employer awards granted, modified or settled after January 1, 2003, the adoption of SFAS 123(R) did not have a material impact on the Company's financial position or results of operation.

An expense of EUR 15 million was recorded in the period January 1, 2006 through September 28, 2006 for share-based compensation (2005: EUR 19 million, 2004: EUR 18 million).

Prior to 2003, the Company accounted for share-based compensation using the intrinsic value method, and the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees', and related interpretations.

Since awards issued under Philips plans prior to 2003 generally vested over three years, the cost related to share-based compensation included in the determination of net income (loss) for 2005 and 2004 is less than that which would have been recognized if the fair value method had been applied to all outstanding awards. There was no impact for 2006.

Pro forma net income (loss), calculated as if the Company had applied the fair value recognition provisions for all outstanding and unvested awards in each period, amounted to a loss of EUR 103 million and EUR 1 million for 2005 and 2004 respectively. Please refer to stock-based compensation under accounting policies for a reconciliation of reported and pro forma income (loss).

Pro forma net income (loss) may not be representative of that to be expected in future years.

In accordance with SFAS 123(R), the fair value of share options granted is required to be based upon a statistical option valuation model.

Since the Philips share options are not traded on any exchange, employees can neither receive any value nor derive any benefit from holding these share options without an increase in the market price of Philips' shares.

The fair value of the Philips option grants was estimated using a Black-Scholes option valuation model and the following weighted average assumptions:

	PREDECESSOR		
	For the years ended December 31,		For the period January 1, 2006– September 28, 2006
	2004	2005	
	(EUR-denominated)		
Risk-free interest rate	3.33%	2.89%	3.63%
Expected dividend yield	1.8%	1.8%	1.8%
Expected stock price volatility	48%	44%	39%
Expected option life	5 yrs	5 yrs	6 yrs

	PREDECESSOR		
	For the years ended December 31,		
	2004	2005	For the period January 1, 2006– September 28, 2006
	(USD-denominated)		
Risk-free interest rate	3.50%	3.84%	4.73%
Expected dividend yield	1.6%	1.8%	1.8%
Expected stock price volatility	47%	43%	38%
Expected option life	5 yrs	5 yrs	6 yrs

The assumptions were used for these calculations only and do not necessarily represent an indication of Management's expectations of future developments.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected share price volatility.

The Philips employee share options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate.

A summary of the status of the Philips share options granted to Company employees as of September 28, 2006 and December 31, 2005 and changes during the periods then ended is presented below:

Fixed option plans

	PREDECESSOR			
	As of December 31, 2005		As of September 28, 2006	
	Shares	Weighted average exercise	Shares	Weighted average exercise
		(price in EUR)		(price in EUR)
Outstanding at the beginning of the period	4,472,773	29.72	4,640,812	28.17
Granted	496,799	15.25	816,150	26.27
Exercised	32,750	15.71	(111,653)	16.85
Forfeited	(361,510)	28.44	(74,972)	44.05
Outstanding at the end of the period	4,640,812	28.17	5,270,337	27.89
Weighted average fair value of options granted during the period in EUR	6.99		9.74	
		(price in USD)		
Outstanding at the beginning of the period	6,788,973	28.45	6,237,756	28.19
Granted	608,867	25.13	592,254	32.23
Exercised	(291,101)	24.95	(1,128,954)	25.97
Forfeited	(868,983)	29.20	(975,339)	29.09
Outstanding at the end of the period	6,237,756	28.19	4,725,717	29.04
Weighted average fair value of options granted during the period in USD	9.28		12.29	

Variable plans

	As of December 31, 2005		As of September 28, 2006	
	Shares	Weighted average exercise	Shares	Weighted average exercise
		(price in EUR)		(price in EUR)
Outstanding at the beginning of the period	892,677	34.62	790,664	34.43
Granted	(53,475)	36.71	—	—
Exercised	—	—	—	—
Forfeited	(48,538)	35.38	(48,993)	38.67
Outstanding at the end of the period	790,664	34.43	741,671	34.15
		(price in USD)		
Outstanding at the beginning of the period	1,405,074	32.67	1,121,780	32.79
Granted	(13,400)	31.56	—	—
Exercised	(127,520)	25.54	(202,766)	25.78
Forfeited	(142,374)	38.26	(184,906)	35.87
Outstanding at the end of the period	1,121,780	32.79	734,108	33.95

Transfers of employees from and to other Philips businesses are reflected in the table above.

A summary of the status of the Philips restricted share rights granted to Company employees as of the period and changes during the period is presented below:

Restricted share rights*

	As of December 31, 2005		As of September 28, 2006	
	EUR-denominated shares	USD-denominated shares	EUR-denominated shares	USD-denominated shares
Outstanding at the beginning of the period	387,116	512,563	448,341	470,566
Granted	225,714	214,437	278,169	197,418
Vested/Issued	(137,738)	(198,648)	(218,900)	(227,669)
Forfeited	(26,751)	(57,786)	8,322	(59,404)
Outstanding at the end of the period	448,341	470,566	515,932	380,911
Weighted average fair value at grant date	EUR 19.08	USD 24.40	EUR 22.84	USD 28.43

* Excludes incremental shares that may be received if shares awarded under the restricted share rights plan are not sold for a three-year period.

31 Fair value of financial assets and liabilities

The estimated fair value of financial instruments has been determined by the Company using available market information and appropriate valuation methods. The estimates presented are not necessarily indicative of the amounts that the Company could realize in a current market exchange or the value that will ultimately be realized by the Company upon maturity or disposal. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts.

	PREDECESSOR		SUCCESSOR	
	As of December 31, 2005		As of December 31, 2006	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Assets:				
Cash and cash equivalents	110	110	939	939
Accounts receivable—current	589	589	563	563
Other financial assets	7	7	12	12
Derivative instruments—assets	9	9	8	8
Liabilities:				
Accounts payable	(470)	(470)	(489)	(489)
Debt	(371)	(371)	(4,449)	(4,560)
Loans with Philips companies	(1,112)	(1,112)	—	—
Derivative instruments—liabilities	(41)	(41)	(1)	(1)

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents, accounts receivable and payable

The carrying amounts approximate fair value because of the short maturity of these instruments.

Other financial assets

For other financial assets, fair value is based upon the quoted market prices.

Debt

The fair value is estimated on the basis of the quoted market prices for certain issues, or on the basis of discounted cash flow analyses based upon the incremental borrowing rates for similar types of borrowing arrangements with comparable terms and maturities. Accrued interest is included under accounts payable and not within the carrying amount or estimated fair value of debt.

32 Other financial instruments, derivatives and currency risk

The Company does not purchase or hold financial derivative instruments for trading purposes. Assets and liabilities related to derivative instruments are disclosed in note 15 and note 20. Currency fluctuations may impact the Company's financial results. The Company has a limited structural currency mismatch between costs and revenues, as a proportion of its production, administration and research and development costs is denominated in euros, while a proportion of its revenues is denominated in US dollars.

The Company's transactions are denominated in a variety of currencies. The Company uses financial instruments to reduce its exposure to the effects of currency fluctuations. The Company generally hedges foreign currency exposures in relation to transaction exposures, such as anticipated sales and purchases and receivables/payables resulting from such transactions. The Company generally uses forwards to hedge these exposures.

Changes in the fair value of foreign currency accounts receivable/payable as well as changes in the fair value of the hedges of accounts receivable/payable are reported in the statement of operations under cost of sales. The hedges related to anticipated transactions are recorded as cash flow hedges. The results from such hedges are deferred in equity.

For the predecessor period, hedges entered into by the Company were generally concluded by Philips. During the successor period and thereafter, NXP Management will perform its own assessment on the effectiveness of these hedging instruments.

Derivative instruments relate to

- hedged balance sheet items, with changes in the fair value of the instruments recorded in the statement of operations and
- cash flow hedges, with changes in the fair value recorded in accumulated other comprehensive income.

The derivative assets amounted to EUR 9 million and EUR 8 million, whereas derivative liabilities amounted to EUR 41 million and EUR 1 million as of December 31, 2005 and 2006, respectively, and are included in other current assets and accrued liabilities on the combined and consolidated balance sheets, respectively.

Currency risk

A substantial proportion of our cost base is incurred in euros, while most of our revenues are denominated in U.S. dollars. Accordingly, our results of operations may be affected by changes in foreign currency exchange rates, particularly between the euro and the U.S. dollar. A weakening U.S. dollar against the euro during any reporting period will reduce EBIT of NXP.

It is NXP's policy that material transaction exposures are hedged. Accordingly, the Company's organisations identify and measure their exposures from material transactions denominated in other than their own functional currency.

We calculate our net exposure on a cash flow basis considering balance sheet items, actual orders received or made and anticipated revenues and expenses. Committed foreign currency exposures are required to be fully hedged using forward contracts. The net exposures related to anticipated transactions are hedged up to 70% for a maximum tenor of 24 months.

The translation exposures related to foreign currency denominated debt are not hedged.

The table below outlines the foreign currency transactions outstanding per December 31, 2006.

In millions of euro equivalents	Aggregate Contract amount buy/(sell) (1)	Fair value December 31, 2006(1)	Weighted Average Tenor (in months)
Foreign currency forward contracts(1)			
Euro/U.S.dollar	550	6.00	8.3
U.S. dollar/Japanese Yen	(16)	0.01	4
Great Britain pound/U.S. dollar	18	0.22	2
U.S. dollar/Swedish kroner	(7)	(0.26)	1.5
U.S. dollar/Singapore dollar	(9)	0.05	1.5
U.S. dollar/Thailand baht	7	(0.13)	1
U.S. dollar/Malaysian Ringgit	15	(0.05)	1
Euro/Great Britain pound	17	0.10	1
Euro/Polish zloty	29	0.15	1

(1) euro equivalent

The derivatives related to transactions are, for hedge accounting purposes, split into hedges of accounts receivable/payable and anticipated sales and purchases. Changes in the value of foreign currency accounts receivable/payable as well as the changes in fair value of the hedges of accounts receivable/payable are reported in the income statement under cost of sales.

Hedges related to anticipated transactions are accounted for as cash flow hedges. The results of such hedges are deferred in other comprehensive income within equity. Currently, a gain of EUR

6 million is deferred in equity as a result of these hedge transactions. The results from such hedges are released to income from operations when the related transactions affect the income statements.

Interest rate risk

NXP has significant outstanding debt, which creates an inherent interest rate risk. On October 12, 2006, NXP issued several series of notes with maturities ranging from 7 to 9 years and a mix of floating and fixed rates. The euro and U.S dollar denominated notes represent 34% and 66% respectively of the total notes outstanding.

The following table summarizes the outstanding notes per December 31, 2006:

	Principal amount*	Fixed/floating	Current coupon rate	Maturity date
Senior Secured Notes	EUR1,000	Floating	6.214	2013
Senior Secured Notes	USD1,535	Floating	8.118	2013
Senior Secured Notes	USD1,026	Fixed	7.875	2014
Senior Notes	EUR525	Fixed	8.625	2015
Senior Notes	USD1,250	Fixed	9.500	2015

* amount in millions

A sensitivity analysis shows that if interest rates were to increase instantaneously by 1% from the level of December 31, 2006, all other variables held constant, the annualized net interest expense would increase by EUR 15 million. This impact is based on the outstanding net debt position as per December 31, 2006.

33 Supplemental Guarantor Information

Certain of the wholly-owned subsidiaries of NXP provide joint and several unconditional guarantees of NXP's obligations under the notes issued in connection with the acquisition of NXP. Pursuant to Rule 3-10 of Regulation S-X of the Securities and Exchange Commission, the following combined and consolidated financial information of the guarantors and non-guarantors is provided in lieu of financial statements of such guarantor entities, and has been determined based on the assets, liabilities and operations of the entities which were included in the guarantor and non-guarantor subsidiaries of NXP at the Separation. For the predecessor periods, the financial information for Philips Semiconductors International B.V. (now NXP B.V.) have been included in the combined financial information of the guarantors as there were no significant assets, liabilities or operations of Philips Semiconductors International B.V. for any of the periods presented. For the successor period, a separate column has been provided for NXP B.V. (as parent).

Supplemental consolidated statement of operations for the period September 29, 2006 through December 31, 2006

	SUCCESSOR				
	NXP B.V.	Guarantors	Non-guarantors	Eliminations/ reclassifications	Consolidated
Sales	—	879	311	—	1,190
Intercompany sales	—	339	127	(466)	—
Total sales	—	1,218	438	(466)	1,190
Cost of sales	(157)	(802)	(411)	453	(917)
Gross margin	(157)	416	27	(13)	273
Selling expenses	—	(68)	(21)	1	(88)
General and administrative expenses	(119)	(61)	(15)	1	(194)
Research and development expenses	—	(166)	(103)	11	(258)
Write-off of acquired in-process research and development	(515)	—	—	—	(515)
Other business income (loss)	(29)	(100)	132	—	3
Income (loss) from operations	(820)	21	20	—	(779)
Financial expense	(25)	(45)	(3)	—	(73)
Income (loss) before taxes	(845)	(24)	17	—	(852)
Income tax benefit (expense)	227	18	(3)	—	242
Income (loss) after taxes	(618)	(6)	14	—	(610)
Income subsidiaries	4	—	—	(4)	—
Results relating to unconsolidated companies	(2)	—	—	—	(2)
Minority interests	—	—	(4)	—	(4)
Net income (loss)	(616)	(6)	10	(4)	(616)

Supplemental combined statement of operations for the period January 1, 2006 through September 28, 2006

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Sales	2,827	875	—	3,702
Intercompany and sales to Philips companies	704	567	(1,203)	68
Total sales	3,531	1,442	(1,203)	3,770
Cost of sales	(2,206)	(1,299)	1,174	(2,331)
Gross margin	1,325	143	(29)	1,439
Selling expenses	(217)	(62)	4	(275)
General and administrative expenses	(243)	(64)	1	(306)
Research and development expenses	(475)	(286)	24	(737)
Other business income (loss)	(326)	344	—	18
Income (loss) from operations	64	75	—	139
Financial expense	(15)	(7)	—	(22)
Income (loss) before taxes	49	68	—	117
Income tax expense	(59)	(6)	—	(65)
Income (loss) after taxes	(10)	62	—	52
Results relating to unconsolidated companies	(26)	—	29	3
Minority interests	—	(50)	—	(50)
Net income (loss)	(36)	12	29	5

Supplemental combined statement of operations for the year ended December 31, 2005

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Sales	3,625	990	—	4,615
Intercompany and sales to Philips companies	847	761	(1,457)	151
Total sales	4,472	1,751	(1,457)	4,766
Cost of sales	(2,774)	(1,572)	1,413	(2,933)
Gross margin	1,698	179	(44)	1,833
Selling expenses	(274)	(39)	9	(304)
General and administrative expenses	(350)	(85)	—	(435)
Research and development expenses	(719)	(344)	35	(1,028)
Other business income (loss)	(356)	392	—	36
Income (loss) from operations	(1)	103	—	102
Financial expense	(51)	(12)	—	(63)
Income (loss) before taxes	(52)	91	—	39
Income tax expense	(69)	(32)	—	(101)
Income (loss) after taxes	(121)	59	—	(62)
Results relating to unconsolidated companies	(23)	—	18	(5)
Minority interests	—	(34)	—	(34)
Net income (loss)	(144)	25	18	(101)

Supplemental combined statement of operations for the year ended December 31, 2004

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Sales	3,634	975	—	4,609
Intercompany and sales to Philips companies	846	681	(1,313)	214
Total sales	4,480	1,656	(1,313)	4,823
Cost of sales	(2,714)	(1,521)	1,280	(2,955)
Gross margin	1,766	135	(33)	1,868
Selling expenses	(287)	(23)	13	(297)
General and administrative expenses	(417)	(20)	—	(437)
Research and development expenses	(705)	(294)	20	(979)
Other business income (loss)	(305)	384	—	79
Income (loss) from operations	52	182	—	234
Financial expense	(75)	(18)	—	(93)
Income (loss) before taxes	(23)	164	—	141
Income tax expense	(58)	(55)	—	(113)
Income (loss) after taxes	(81)	109	—	28
Results relating to unconsolidated companies	26	—	(14)	12
Minority interests	—	(26)	—	(26)
Net income (loss)	(55)	83	(14)	14

Supplemental condensed consolidated balance sheet at December 31, 2006

	SUCCESSOR				
	NXP B.V.	Guarantors	Non-guarantors	Eliminations/ reclassifications	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	613	161	165	—	939
Receivables	—	371	192	—	563
Intercompany accounts receivable	39	472	202	(713)	—
Inventories	—	568	78	—	646
Other current assets	22	49	54	—	125
Total current assets	674	1,621	691	(713)	2,273
Non-current assets:					
Investments in unconsolidated companies	43	1	—	—	44
Investments in affiliated companies	2,407	—	—	(2,407)	—
Other non-current financial assets	—	8	4	—	12
Other non-current assets	71	78	8	—	157
Property, plant and equipment:	394	1,135	755	—	2,284
Intangible assets excluding goodwill	3,012	46	7	—	3,065
Goodwill	2,032	—	—	—	2,032
Total non-current assets	7,959	1,268	774	(2,407)	7,594
Total assets	**8,633**	**2,889**	**1,465**	**(3,120)**	**9,867**
Liabilities and Shareholder's equity					
Current liabilities:					
Accounts and notes payable	—	391	98	—	489
Intercompany accounts payable	201	305	207	(713)	—
Accrued liabilities	85	254	146	—	485
Short-term provisions	—	36	18	—	54
Other current liabilities	—	25	20	—	45
Short-term debt	—	—	23	—	23
Intercompany financing	—	2,971	327	(3,298)	—
Total current liabilities	286	3,982	839	(4,011)	1,096
Non-current liabilities:					
Long-term debt	4,415	4	7	—	4,426
Long-term provisions	247	114	7	—	368
Other non-current liabilities	—	112	18	—	130
Total non-current liabilities	4,662	230	32	—	4,924
Minority interests	—	—	162	—	162
Shareholder's equity	3,685	(1,323)	432	891	3,685
Total liabilities and Shareholder's equity	**8,633**	**2,889**	**1,465**	**(3,120)**	**9,867**

Supplemental condensed combined balance sheet at December 31, 2005

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Assets				
Current assets:				
Cash and cash equivalents	—	110	—	110
Receivables	402	153	—	555
Accounts receivable from Philips and intercompany	200	106	(272)	34
Inventories	589	107	—	696
Other current assets	57	49	—	106
Total current assets	1,248	525	(272)	1,501
Non-current assets:				
Investments in unconsolidated companies	53	—	(5)	48
Other non-current financial assets	7	—	—	7
Other non-current assets	80	42	—	122
Property, plant and equipment	1,195	861	—	2,056
Intangible assets excluding goodwill	56	2	—	58
Goodwill	182	31	—	213
Total non-current assets	1,573	936	(5)	2,504
Total assets	2,821	1,461	(277)	4,005
Liabilities and Business' equity				
Current liabilities:				
Accounts and notes payable	326	89	—	415
Accounts payable to Philips companies and intercompany	136	191	(272)	55
Accrued liabilities	416	132	—	548
Short-term provisions	46	7	—	53
Other current liabilities	35	20	—	55
Short-term debt	17	130	—	147
Loans with Philips companies—current portion	610	—	—	610
Total current liabilities	1,586	569	(272)	1,883
Non-current liabilities:				
Long-term debt	145	79	—	224
Loans with Philips companies—non-current portion	502	—	—	502
Long-term provisions	62	26	—	88
Other non-current liabilities	9	—	—	9
Total non-current liabilities	718	105	—	823
Minority interests	—	173	—	173
Business' equity	517	614	(5)	1,126
Total liabilities and Business' equity	2,821	1,461	(277)	4,005

Supplemental condensed consolidated statements of cash flows for the period ended September 29, 2006 through December 31, 2006

	SUCCESSOR				
	NXP B.V.	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income (loss)	(616)	(6)	10	(4)	(616)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	660	80	71	—	811
Net gain on sale of assets	9	(1)	(12)	—	(4)
Results relating to unconsolidated companies	2	—	—	—	2
Minority interests	—	—	4	—	4
Decrease (increase) in receivables and other current assets	79	197	(10)	—	266
Decrease in inventories	130	23	15	—	168
Increase (decrease) in accounts payable, accrued and other liabilities	68	(82)	11	—	(3)
Decrease (increase) intercompany current accounts	162	(101)	(61)	—	—
Increase in non-current receivables/other assets	(71)	(11)	—	—	(82)
Increase (decrease) in provisions	(214)	11	(3)	—	(206)
Other items	(57)	5	—	4	(48)
Net cash provided by operating activities	152	115	25	—	292
Cash flows from investing activities:					
Purchase of intangible assets	—	(3)	(2)	—	(5)
Capital expenditures on property, plant and equipment	—	(60)	(51)	—	(111)
Proceeds from disposals of property, plant and equipment	—	6	16	—	22
Purchase of other non-current financial assets	—	(1)	(1)	—	(2)
Purchase of interest in businesses	(48)	—	(45)	—	(93)
Proceeds from sale of interests in unconsolidated businesses	—	—	5	—	5
Net cash used for investing activities	(48)	(58)	(78)	—	(184)

Cash flows from financing activities:					
Net decrease in debt	638	45	19	—	702
Net changes in intercompany financing	55	(35)	(20)	—	—
Net changes in intercompany equity	(166)	44	122	—	—
Net cash provided by financing activities	527	54	121	—	702
Effect of changes in exchange rates on cash positions	(24)	(3)	(3)	—	(30)
Increase in cash and cash equivalents	613	102	65	—	780
Cash and cash equivalents at beginning of period	—	59	100	—	159
Cash and cash equivalents at end of period	613	161	165	—	939

Supplemental condensed combined statement of cash flows for the period January 1, 2006 through September 28, 2006

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Cash flows from operating activities:				
Net income (loss)	(36)	12	29	5
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	297	174	—	471
Net gain on sale of assets	(6)	(1)	—	(7)
Results relating to unconsolidated companies	26	—	(29)	(3)
Minority interests	—	50	—	50
Increase in receivables and other current assets	(113)	(18)	—	(131)
Increase in inventories	(62)	(6)	—	(68)
Increase in accounts payable, accrued and other liabilities	144	10	—	154
Decrease (increase) in current accounts Phillips	(123)	98	—	(25)
Increase (decrease) in non-current receivables/other assets	(64)	40		(24)
Increase (decrease) in provisions	63	(30)	—	33
Other items	13	—	—	13
Net cash provided by operating activities	139	329	—	468

Cash flows from investing activities:				
Purchase of intangible assets	(10)	(2)	—	(12)
Capital expenditures on property, plant and equipment	(237)	(228)	—	(465)
Proceeds from disposals of property, plant and equipment	26	—	—	26
Purchase of other non-current financial assets	(1)	(2)	—	(3)
Purchase of interest in businesses	(3)	—	—	(3)
Proceeds from sale of interests in unconsolidated businesses	—	—	—	—
Net cash used for investing activities	(225)	(232)	—	(457)
Cash flows from financing activities:				
Net decrease in debt	(149)	(173)	—	(322)
Net repayments of loans to Philips Companies	(497)	—	—	(497)
Net transactions with Philips	794	73	—	867
Net cash (used for) provided by financing activities	148	(100)	—	48
Effect of changes in exchange rates on cash positions	(3)	(7)	—	(10)
Increase (decrease) in cash and cash equivalents	59	(10)	—	49
Cash and cash equivalents at beginning of period	—	110	—	110
Cash and cash equivalents at end of period	59	100	—	159

Supplemental condensed combined statement of cash flows for the year ended December 31, 2005

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Cash flows from operating activities:				
Net income (loss)	(144)	25	18	(101)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	526	292	—	818
Net gain on sale of assets	(15)	(2)	—	(17)
Results relating to unconsolidated companies	23	—	(18)	5
Minority interests	—	34	—	34
Increase in receivables and other current assets	(50)	(2)	—	(52)
(Increase) decrease in inventories	65	(36)	—	29
Increase (decrease) in accounts payable, accrued and other liabilities	115	(20)	—	95
Decrease (increase) in current accounts Phillips	12	3	—	15
Decrease (increase) in non-current receivables/ other assets	(21)	—	—	(21)
Decrease in provisions	(26)	(5)	—	(31)
Other items	16	2	—	18
Net cash provided by operating activities	501	291	—	792
Cash flows from investing activities:				
Purchase of intangible assets	(17)	(1)	—	(18)
Capital expenditures on property, plant and equipment	(263)	(107)	—	(370)
Proceeds from disposals of property, plant and equipment	50	—	—	50
Purchase of interest in businesses	(5)	(22)	—	(27)
Proceeds from sale of interests in unconsolidated businesses	6	1	—	7
Net cash used for investing activities	(229)	(129)	—	(358)

Cash flows from financing activities:				
Net decrease in debt	(4)	(115)	—	(119)
Net repayments of loans to Philips Companies	(38)	(1)	—	(39)
Net transactions with Philips	(278)	28	—	(250)
Net cash used for financing activities	(320)	(88)	—	(408)
Effect of changes in exchange rates on cash positions	1	8	—	9
Increase (decrease) in cash and cash equivalents	(47)	82	—	35
Cash and cash equivalents at beginning of year	47	28	—	75
Cash and cash equivalents at end of year	—	110	—	110

Supplemental condensed combined statement of cash flows for the year ended December 31, 2004

	PREDECESSOR			
	Guarantors	Non-guarantors	Eliminations	Combined
Cash flows from operating activities:				
Net income (loss)	(55)	83	(14)	14
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	587	262	—	849
Net gain on sale of assets	(23)	3	—	(20)
Results relating to unconsolidated companies	(17)	—	14	(3)
Minority interests	—	26	—	26
Decrease (increase) in receivables and other current assets	17	(49)	—	(32)
Increase in inventories	(36)	(11)	—	(47)
Increase in accounts payable, accrued and other liabilities	76	12	—	88
Decrease (increase) in current accounts Phillips	(63)	96	—	33
Decrease in non-current receivables/other assets	17	21	—	38
Increase in provisions	4	12	—	16
Other items	15	1	—	16
Net cash provided by operating activities	522	456	—	978

Cash flows from investing activities:				
Purchase of intangible assets	(20)	(1)	—	(21)
Capital expenditures on property, plant and equipment	(323)	(318)	—	(641)
Proceeds from disposals of property, plant and equipment	63	—	—	63
Proceeds from sale of interests in unconsolidated businesses	9	—	—	9
Net cash used for investing activities	(271)	(319)	—	(590)
Cash flows from financing activities:				
Net (decrease) increase in debt	5	(107)	—	(102)
Net borrowings (repayments) of loans to Philips Companies	14	(33)	—	(19)
Net transactions with Philips	(220)	(107)	—	(327)
Net cash used for financing activities	(201)	(247)	—	(448)
Effect of changes in consolidations on cash positions	—	117	—	117
Effect of changes in exchange rates on cash positions	(5)	(1)	—	(6)
Increase in cash and cash equivalents	45	6	—	51
Cash and cash equivalents at beginning of year	2	22	—	24
Cash and cash equivalents at end of year	47	28	—	75

34 Subsequent events

On January 16, 2007, the Company announced it will not extend its current cooperation in the Crolles2 alliance beyond the initial term expiring at the end of 2007. NXP will work together with the alliance partners in 2007 to complete the current program and effectively manage the transition.

On February 8, 2007, the Company announced the agreement to acquire the Cellular Communications Business of Silicon Laboratories Inc. for an amount of USD 285 million in cash. NXP may pay up to an additional USD 65 million contingent upon the achievement of certain milestones in the next three years. This acquisition will be completed on March 23, 2007.

On March 22, 2007, the Company announced the closure of the Böblingen operation in Germany and the reorganization of our back-end operations in the Philippines.


founded by Philips

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. Indemnification of Directors and Officers.

(a) . NXP B.V. and NXP Semiconductors Netherlands B.V. are each incorporated under the laws of The Netherlands.

Under Dutch law the following applies with respect to the liability of members of the managing board and possible indemnification by NXP B.V. and Philips Semiconductors B.V.

As a general rule, members of the managing board are not liable for obligations incurred by or on behalf of the company. Under certain circumstances, however, members of the managing board may be liable to the company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the company and to third parties for infringement of the articles of association or of certain provisions of the Dutch Civil Code. In certain circumstances, members of the managing board may also incur additional specific civil and criminal liabilities.

With respect to their liability with respect to the company the following applies. As a general rule, each director of the managing board must properly perform the duties assigned to him or her. Failure of a director in his duties does not automatically lead to liability. Liability is only incurred in case of severe reproach. The liability of directors towards the company can be waived by a discharge (*décharge*). Discharge is generally granted by the general meeting of shareholders. Such discharge in principle only releases directors from liability for actions which have been disclosed at or to the general meeting of shareholders or which appear from the annual accounts. A discharge does not affect the liability of the directors towards third parties or their liability to any trustee in bankruptcy.

With respect to directors' liability with respect to third parties, there are various statutory grounds pursuant to which a director of the managing board may be held liable, such as specific liability in bankruptcy, liability for tax debts, social security contributions and contributions to mandatory pension funds, liability based on tort, liability for misrepresentation in annual accounts and personal liability of directors under Dutch criminal law (including economic offenses).

The articles of association of NXP B.V. and NXP Semiconductors Netherlands B.V. stipulate that current and former members of the managing board and supervisory board are entitled to reimbursement of:

- costs of conducting a defence against claims based on acts or failures to act in the exercise of their duties or the exercise of any other duties currently or previously performed by them at the company's request;
- any damages or fines payable by them as a result of an act or failure to act as referred to above;
- costs of appearing in other legal proceedings in which they are involved as current or former members of the managing board or the supervisory board, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall, however, be no entitlement to reimbursement if and to the extent that:

- it has been established by a Dutch court in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless (i) Dutch law provides otherwise or (ii) this would be unacceptable in view of the requirements of reasonableness and fairness (*redelijkheid en billijkheid*) when taking into account the relevant circumstances; or

- the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss.

(b) . NXP Funding LLC and NXP Semiconductors USA Inc. are each incorporated under the laws of Delaware.

Section 145 of the Delaware General Corporation Law (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders of monetary damages for violations of the directors' fiduciary duty of care, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit.

In accordance with these provisions, the articles of incorporation of NXP Semiconductors USA Inc. provides that no director or officer of the company shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholder, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit.

Pursuant to Section 18-108 of the Delaware Limited Liability Company Act, subject to any standards and restrictions set forth in its LLC Agreement, NXP Funding LLC may indemnify, and shall have the power to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. The LLC Agreement has no such standards or restrictions and NXP has the capacity to, and may from time to time, enter into indemnity agreements with its members, managers or other persons.

(c) . NXP Semiconductors Germany GmbH is incorporated under the laws of Germany.

Under German law, a managing director (*Geschäftsführer*) of a German limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) who violates the standard of care of a prudent and conscientious businessman when acting for the limited liability company is liable to the company for damages. A managing director may also be held liable for damages to third parties, if he negligently violates certain statutory duties with respect to those third parties when acting for the company.

A GmbH may agree to indemnify its managing directors for such damages, unless (i) the managing director has acted with willful misconduct (*Vorsatz*), (ii) the managing director, in connection with a recapitalization of the limited liability company, has made false statements, or (iii) the managing director has caused harm to the company by any payment or other transaction (not on an arm's length basis) which led to a reduction of the net assets to an amount which did not exceed the statutory share capital of the company.

A limited liability company may enter into a directors' and officers' insurance for the benefit of its managing directors. There are no specific German law provisions in connection with insurance entered

into by a limited liability company. While the German corporate governance code recommends that a suitable deductible shall be agreed if a corporation obtains insurance for its management board, it should be noted that this applies only to listed German stock corporations (*Aktiengesellschaften*). No best practice exists for a D&O insurance for the managing directors of a GmbH.

(d) . NXP Semiconductors Taiwan Ltd. is incorporated under the laws of Taiwan.

NXP Semiconductors Taiwan Ltd. is a company limited by shares incorporated in accordance with the Company Act of the Republic of China ("ROC").

Under ROC law, there are no specific provisions that oblige or expressly require a company to indemnify, or purchase insurance for, its directors or officers with regard to any loss or liability which they may suffer or incur in connection with the performance of their corporate duties.

NXP Semiconductors Taiwan Ltd. does not provide any indemnification to its directors or officers in its articles of incorporation, by-laws, contract or other arrangements, although such directors and officers may benefit from customary directors' and officers' insurance coverage provided by NXP B.V.

(e) . NXP Semiconductors Philippines Inc. is incorporated under the laws of The Philippines.

The Corporation Code of The Philippines ("Code") does not contain any provision on indemnification of officers and directors of a corporation for any loss or liability which they may suffer in connection with the performance of their corporate functions. While directors and officers are generally not made personally liable for corporate obligations, Section 31 of the Code, however, enumerates circumstances when a director or officer becomes personally liable for corporate obligations, to wit: (a) when the director wilfully and knowingly votes for, or assents to, a patently unlawful act of the corporation; (b) when the director or officer is guilty of gross negligence or bad faith in directing the affairs of the corporation; or (c) when the director or officer is guilty of acts of disloyalty to the corporation. In case of acts of disloyalty, the Code gives the corporation and the stockholders a right of action for damages against the erring director or officer. There are also special laws, for example, social security law which hold the President, corporate officers and/or managing directors of a corporation liable in case the latter violates the provisions of said laws.

NXP Semiconductors Philippines Inc.'s Articles of Incorporation and By-Laws likewise do not provide for indemnification of corporate officers and directors for liabilities resulting from the performance of their duties as such.

(f) . NXP Semiconductors Hong Kong Limited is incorporated under the laws of Hong Kong.

Pursuant to Section 165(1) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the Companies Ordinance), any provision, whether contained in the articles of association of a company or in any contract with a company or otherwise, indemnifying any officer (which term is defined to include a director, manager or secretary) of the company or any person employed by the company as auditor against any liability to the company or a related company that by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company or related company shall be void. Notwithstanding the provision of Section 165(1) of the Companies Ordinance, Subsections 165(2) to 165(4) of the Companies Ordinance specifically provide that:

(a) a company is permitted to indemnify any officer of the company, or any person employed by the company as auditor, against any liability incurred by him:

(i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted; or

(ii) in connection with any application under Section 358 of the Companies Ordinance in which relief is granted to him by the relevant Hong Kong court;

(b) a company is permitted to purchase and maintain for any officer of the company, or any person employed by the company as auditor:

(i) insurance against any liability to the company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the company or a related company; and

(ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the company or a related company; and

(c) Section 165 of the Companies Ordinance shall not operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such prohibition was in force.

For the purpose of Section 165 of the Companies Ordinance, a related company is defined to mean, in relation to a company, any company that is the company's subsidiary or holding company or a subsidiary of that company's holding company. Section 358 of the Companies Ordinance provides, inter alia, that the relevant Hong Kong court may grant relief, either wholly or partly, from liability to any officer of a company or any person employed by the company as auditor where that person has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust upon his application to the relevant Hong Kong court for relief if that person has acted honestly and reasonably, and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust. In addition, the relevant Hong Kong court may, in any proceeding for negligence, default, breach of duty or breach of trust against any officer of a company or any person employed by the company as auditor where it appears to that court that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, relieve that person, either wholly or partly, from liability if that person has acted honestly and reasonably, and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust.

The articles of association of the company provide that every director, alternate director, auditor, secretary or other officer of the company shall be entitled to be indemnified by the company against all costs, charges, losses, expenses and liabilities incurred by him as such director, alternate director, auditor, secretary or other officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 358 of the Companies Ordinance in which relief is granted to him by the relevant Hong Kong court.

(g) . NXP Manufacturing (Thailand) Co., Ltd. is incorporated under the laws of Thailand.

Thai law does not require a limited Thai company to indemnify or purchase insurance for their directors or officers with regard to liabilities they could incur in performance of their duties. Under Thai law, directors generally are not personally liable to third parties for acts they perform in managing the company in accordance with their scope of authority. However, if a director takes an action which is outside the scope of his or her authority, as defined in the company's articles of association and the objectives stated in its memorandum of association, that director may be held personally liable to a third party who is injured by that action. Generally speaking, the directors have specific statutory duties which they must ensure are performed and also has a general duty to "apply the diligence of a careful businessman" in conducting the business of a company. If a director performs, or fails to perform, any acts which cause damage to the company, the company and its shareholders (who did not approve such acts) also has the right to claim damages against such a director.

(h) . NXP Semiconductors UK Limited is incorporated under the laws of England and Wales.

UK law does not permit a company to indemnify a director or an officer of the company against any liability which by virtue of any rule of law would otherwise attach to him or her in respect of negligence, default, breach of duty or breach of trust in relation to the company except (a) liability incurred by such director or officer in defending any legal proceeding (whether civil or criminal) in which judgment is given in his or her favour or in which he or she is acquitted; (b) in certain instances where, although he or she is liable, a court finds that such director or officer acted honestly and reasonably and that having regard to all the circumstances he or she ought fairly to be excused and relief is granted by the court; or (c) where the indemnity is a "qualifying third party indemnity provision" as defined in section 309B of the UK Companies Act 1985 (the "Act").

An indemnity is a qualifying third party indemnity provision only if it does not provide any indemnity against any liability incurred by the director (a) to the company or any associated company; (b) to pay a fine imposed in criminal proceedings or to pay a sum to a regulatory authority by way of penalty; (c) in defending any criminal proceedings in which he is convicted; (d) in defending any civil proceedings brought by the company, or an associated company, in which judgment is given against him or her; and (e) in an unsuccessful application for relief from liability under section 144(3) or (4) or section 727 of the Act.

Article 20 of the UK Guarantor's Articles of Association provides:

20.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified and kept indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

20.2 Without prejudice to any indemnity to which a director may otherwise be entitled (including, for the avoidance of doubt, any indemnity under or pursuant to these Articles), the directors shall, to the extent permitted by the Act, have the power to grant, on such terms as they see fit, to any director or other officer of the Company, an indemnity or indemnities out of the assets of the Company in respect of any liability incurred by him as such, and to amend, vary or extend the terms of such indemnity so granted, again on such terms as the directors see fit.

20.3 The directors shall have the power to purchase and maintain indemnity insurance for any director or auditor, as contemplated by sections 309A(5) and 310(3) of the Act, or other officer of the Company.

20.4 The directors shall have the power to make a loan to any director or otherwise do anything to enable a director to avoid incurring expenditure in defending any criminal or civil proceedings or in connection with any application under sections 144 [acquisition of shares by company's nominee] or 727 [power of court to grant relief in certain cases] of the Act, as contemplated by and subject to section 337A of the Act.

Under section 337A of the Act, a company may fund a directors' defence costs and costs of application for relief for liability under the Act as they are incurred, even if the action is brought by the company itself, although the director would still be liable to pay any damages awarded to the company and to repay costs to the company if his defence of application for relied were unsuccessful.

Under UK law, companies are permitted (but not required) to purchase and maintain insurance for the benefit of a director or officer or a director or officer of an associated company, including

against any liability attaching to the director in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company.

(i) . NXP Semiconductors Singapore Pte. Ltd. is incorporated under the laws of the Republic of Singapore.

The Singapore Companies Act provides that any provision, whether in the articles or in any contract with a company or otherwise, for exempting any officer or auditor of the company from, or indemnifying him against, any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company, shall be void.

The Singapore Companies Act however provides that a company is allowed to:

- purchase and maintain for any officer insurance against any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company; or
- indemnify such officer or auditor against any liability incurred by him:
- in defending any proceedings (whether civil or criminal) in which judgment is given in his favor or in which he is acquitted; or
- in connection with any application under section 76A(13) or 391 or any other provision of the Singapore Companies Act, in which relief is granted to him by the Court.

Section 391 of the Singapore Companies Act provides that if in any proceedings for negligence, default, breach of duty or breach of trust against a person to whom the section applies it appears to the Court before which the proceedings are taken that he is or may be liable in respect thereof but that he has acted honestly and reasonably and that, having regard to all the circumstances of the case including those connected with his appointment, he ought fairly to be excused for the negligence, default or breach the Court may relieve him either wholly or partly from his liability on such terms as the Court thinks fit.

The articles of association of NXP Semiconductors Singapore Pte. Ltd. provide that every director, managing director, agent, auditor, Secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Singapore Companies Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

(j) . Director's and Officer's Insurance.

NXP B.V. has obtained directors' and officers' liability insurance with customary terms and subject to customary exclusions, for the benefit of certain of its directors and officers, and certain directors and officers of its subsidiaries.

Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits

2.1 Stock Purchase Agreement, dated September 28, 2006 among Koninklijke Philips Electronics N.V., NXP B.V. and KASLION Acquisition B.V.

2.2 Subscription Agreement, dated September 28, 2006 among Koninklijke Philips Electronics N.V., KASLION Acquisition B.V., KASLION Holding B.V. and Stichting Management Co-Investment NXP

2.3	Local Business Transfer Agreement Template, dated August 15, 2006
3.1	Certificate of incorporation of NXP B.V.
3.2	Translation of articles of association of NXP B.V.(1)
3.3	Certificate of incorporation of NXP Semiconductors Netherlands B.V.
3.4	Translation of articles of association of NXP Semiconductors Netherlands B.V.(1)
3.5	Certificate of Formation of NXP Funding LLC
3.6	Limited Liability Company Agreement of NXP Funding LLC
3.7	Certificate of incorporation NXP Semiconductors USA Inc.
3.8	By-Laws NXP Semiconductors USA Inc.
3.9	Translation of Commercial Register Record of NXP Semiconductors Germany GmbH(1)
3.10	Translation of Articles of Association of NXP Semiconductors Germany GmbH(1)
3.11	Translation of Ministry of Economics Affairs Corporate Registration Card NXP Semiconductors Taiwan Ltd.(1)
3.12	Translation of Articles of Incorporation NXP Semiconductors Taiwan Ltd.(1)
3.13	Certificate and Articles of Incorporation and By-Laws NXP Semiconductors Philippines Inc.
3.14	Certificate of Incorporation NXP Semiconductors Hong Kong Ltd.
3.15	Memorandum and Articles of Association NXP Semiconductors Hong Kong Ltd.
3.16	Translation of Affidavit of incorporation, objectives, articles of association and amendment to the articles of association of NXP Manufacturing (Thailand) Co. Ltd.(1)
3.17	Memorandum and Articles of Association NXP Semiconductors UK Ltd.
3.18	Certificate of Incorporation and Memorandum and Articles of Association NXP Semiconductors Singapore Pte. Ltd.
4.1	Senior Secured Indenture, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein, Deutsche Bank Trust Company Americas as Trustee, Morgan Stanley Senior Funding Inc. as Global Collateral Agent and Mizuho Corporate Bank Ltd. as Taiwan Collateral Agent
4.2	Senior Unsecured Indenture, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein and Deutsche Bank Trust Company Americas as Trustee
4.3	Collateral Agency Agreement, dated September 29, 2006 among KASLION Acquisition B.V., NXP B.V., Guarantors named therein, Secured Parties as defined therein and from time to time parties thereto, Morgan Stanley Senior Funding Inc. as Global Collateral Agent and Mizuho Corporate Bank Ltd. as Taiwan Collateral Agent
4.4	Registration Rights Agreement, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein and Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Placement Agents
5.1	Opinion of Sullivan & Cromwell LLP, New York, New York, United States of America
5.2	Opinion of De Brauw Blackstone Westbroek N.V., Amsterdam, The Netherlands

5.3	Opinion of Sullivan & Cromwell LLP, Frankfurt, Germany
5.4	Opinion of Lee and Li, Taipei, Taiwan
5.5	Opinion of Poblador Bautista & Reyer Law Offices, Manila, The Philippines
5.6	Opinion of Allen & Overy, Hong Kong, Hong Kong
5.7	Opinion of Allen & Overy (Thailand) Co., Ltd., Bangkok, Thailand
5.8	Opinion of Sullivan & Cromwell LLP, London, United Kingdom
5.9	Opinion of Allen & Overy Shook Lin & Bok, Singapore, Singapore
10.1	Secured Revolving Credit Facility, dated September 29, 2006 among KASLION Acquisition B.V., NXP B.V. and NXP Funding LLC as Borrowers, the Lenders as defined therein and from time to time parties thereto, Morgan Stanley Senior Funding Inc. as Administrative Agent and Global Collateral Agent, Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Joint Lead Arrangers and Joint Bookrunners, Deutsche Bank AG, London Branch, as Syndication Agent and Merrill Lynch Capital Corporation as Documentation Agent
10.2	Shareholders Agreement, dated September 29, 2006 among Koninklijke Philips Electronics N.V., NXP B.V., KASLION Holding B.V., KASLION Acquisition B.V. and Stichting Management Co-Investment NXP
10.3	Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDN"(1)
10.4	Lease agreement, dated April 4, 2001, among Spronsen Vastgoed B.V. and Philips Semiconductors for the real property at the Bijsterhuizen 11-36, Nijmegen, The Netherlands(1)
10.5	Lease agreement, dated March 18, 2004, among Cortona Estates B.V. and Philips Semiconductors B.V. for the real property at Oostkanaaldijk 110, Nijmegen, The Netherlands(1)
10.6	Lease agreement, dated May 14, 2004, among Philips Electronics Nederland B.V. and Philips Semiconductors for 310 workplaces and associated facility management on the Philips Business Park in Eindhoven, The Netherlands(1)
10.7	Lease agreement, dated April 7, 2005, among Philips Electronics Nederland B.V. and Philips Semiconductors for 60 workplaces and associated facility management on the High Tech Campus Eindhoven (HTCE), Eindhoven, The Netherlands(1)
10.8	Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDE"(1)
10.9	Lease agreement, dated June 26, 2006, among the Freie und Hansestadt Hamburg and the Philips Semiconductors GmbH for the real property at Hamburg-Lokstedt, Flurstück 4014, der Gemarkung Lokstedt, Hamburg, Germany(1)
10.10	Lease agreement, dated September 8, 2006, among Philips GmbH and Philips Semiconductors Germany GmbH for the real property and associated facility management at the Philips Tower Hamburg, Lübeckertordamm 5, Hamburg, Germany(1)

10.11 Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDO"(1)

10.12 Contract for Custom-Built Lease Factory, dated March 29, 2002, among China-Singapore Suzhou Industrial Park Development Co. Ltd. and Philips Semiconductors (Suzhou) Co., Ltd. for the real property at the North of West Suhong Road within the Suzhou Industrial Park, Jiangsu Province, China(1)

10.13 Lease agreement, dated September 20, 2006, among Suzhou High and New Technology Innovation Service Center, and Philips Semiconductors (Shanghai) Co., Ltd. for the real property at Zhuyuan Road within the Suzhou Industrial Park, Jiangsu Province, China(1)

10.14 Lease agreement, dated November 25, 2003, among Jilin Sino-Microelectronics, Co. and Jilin Philips Seminconductors for the real property, premises and related facilities at Shenzhen Street, Jilin Province, China(1)

10.15 Lease agreement, dated October 28, 2004, among Yupengnian Management (Shenzhen) Co., Ltd. and Philips (China) Investment Co., Ltd. Shenzhen branch for the real property of the entire 35th floor and suites 3806-3809 of Building 35 at Pengnian Square on Jiabin Road, Luohu District, Shenzhen City, Guangdong Province, China(1)

10.16 Lease agreement, dated September 26, 2003, among Venture Introducing Company of Huangjiang Township of Dongwan City and Philips Semiconductors (Guandong) Co. Ltd. for the real property of Premises Nos. 1 and 2, Residence Building Nos. 1 and 2 and the underlying land at North District of the Tiankui Industrial Park, Huangjiang Township, Guangdong Province, China(1)

10.17 Lease agreement, dated May 12, 2000, among Export Development Park Management Office of Ministry of Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property and premises inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.18 Lease agreement, dated April 1, 2004, among Kaohsiung Fukuo Garment Co. and Philips Building Electronics Industries (Taiwan) Ltd. for the real property and premises at the South Inner Circle Road, Nantzu District, Kaohsiung, Taiwan(1)

10.19 Land Lease agreement, dated June 10, 2000, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.20 Land Lease agreement, dated October 12, 1998, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.21 Land Lease agreement, August 1, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.22 Land Lease agreement, dated August 16, 2005, among Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.23	Land Lease agreement, dated July 8, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.24	Land Lease agreement, dated July, 8, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.25	Land Lease agreement, dated August 16, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.26	Land Lease agreement, dated January 10, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.27	Land Lease agreement, dated December 20, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.28	Land Lease agreement, dated January 10, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.29	Land Lease agreement, dated May 20, 1999, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.30	Land Lease agreement, dated November 1, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.31	Lease agreement, dated September 5, 2006, among Thai Summit Tower Co., Ltd. and Philips Semi-conductor SMO (Thailand) Co., Ltd. for the real property at No. 1768 on New Phetburi Road, Khwaeng Bangkapi, Khet Houei Khwuang, Bangkok, Thailand (Thai Summit Tower)(1)
12.1	Computation of Ratio of Earnings to Fixed Charges
21.1	List of Subsidiaries
23.1	Consent of KPMG Accountants N.V.
23.2	Consent of Deloitte Accountants B.V.
23.3	Consent of Sullivan & Cromwell LLP, New York, New York, United States of America (included as part of its opinion filed as exhibit 5.1 hereto)
23.4	Consent of De Brauw Blackstone Westbroek N.V., Amsterdam, The Netherlands (included as part of its opinion filed as exhibit 5.2 hereto)

23.5	Consent of Sullivan & Cromwell LLP, Frankfurt, Germany (included as part of its opinion filed as exhibit 5.3 hereto)
23.6	Consent of Sullivan & Cromwell Lee and Li, Taipei, Taiwan (included as part of its opinion filed as exhibit 5.4 hereto)
23.7	Consent of Poblador Bautista & Reyer Law Offices, Manila, The Philippines (included as part of its opinion filed as exhibit 5.5 hereto)
23.8	Consent of Allen & Overy, Hong Kong, Hong Kong (included as part of its opinion filed as exhibit 5.6 hereto)
23.9	Consent of Allen & Overy (Thailand) Co., Ltd., Bangkok, Thailand (included as part of its opinion filed as exhibit 5.7 hereto)
23.10	Consent of Sullivan & Cromwell LLP, London, United Kingdom (included as part of its opinion filed as exhibit 5.8 hereto)
23.11	Consent of Allen & Overy Shook Lin & Bok, Singapore, Singapore (included as part of its opinion filed as exhibit 5.9 hereto)
24.1	Powers of attorney (included in the signature pages of this Registration Statement)
25.1	Form T-1 Statement of Trustee's Eligibility Under the Trust Indenture Act of 1939 (Secured Indenture)
25.2	Form T-1 Statement of Trustee's Eligibility Under the Trust Indenture Act of 1939 (Unsecured Indenture)

(1) English translation

(b) Financial Statement Schedules

Schedules for which provisions are made in the applicable accounting regulation of the Securities and Exchange Commission are not required or are inapplicable and therefore have been omitted, or the required information has been disclosed in the financial statements which form a part of this Registration Statement/Prospectus.

Item 22. Undertakings

The undersigned registrants hereby undertake:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of Form F-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(c) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eindhoven, on this 20th day of April 2007.

NXP B.V.
By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007.

Signature	Title	Date
/s/ SIR PETER BONFIELD	Chairman of the Supervisory Board	April 20, 2007
Sir Peter Bonfield		
/s/ FRANS VAN HOUTEN	President and Chief Executive Officer (Principal Executive Officer)	April 20, 2007
Frans van Houten		
/s/ PETER VAN BOMMEL	Executive Vice President—Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	April 20, 2007
Peter van Bommel		
	Member of the Supervisory Board	
Adam H. Clammer		
/s/ ERIC COUTINHO	Member of the Supervisory Board	April 20, 2007
Eric Coutinho		

	Member of the Supervisory Board	
Egon Durban		
/s/ JOHANNES P. HUTH	Member of the Supervisory Board	April 20, 2007
Johannes P. Huth		
	Member of the Supervisory Board	
Ian Loring		
/s/ MICHEL PLANTEVIN	Member of the Supervisory Board	April 20, 2007
Michel Plantevin		
/s/ CHRISTIAN REITBERGER	Member of the Supervisory Board	April 20, 2007
Christian Reitberger		
/s/ THEO CLAASEN	Executive Vice President—Strategy and Business Development and Member of the Board of Management	April 20, 2007
Theo Claasen		
/s/ HEIN VAN DER ZEEUW	Executive Vice President—Multimarket Semiconductors and Member of the Board of Management	April 20, 2007
Hein van der Zeeuw		
	Authorized Representative in the United States	
James N. Casey		

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eindhoven, on this 20th day of April 2007.

NXP FUNDING LLC

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP and Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007

Signature	Title	Date
/s/ PETER VAN BOMMEL		
Peter van Bommel	Officer	April 20, 2007
/s/ GUIDO DIERICK		
Guido Dierick	Officer	April 20, 2007
/s/ JEAN SCHREURS		
Jean Schreurs	Officer	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eindhoven, on this 20th day of April 2007.

NXP SEMICONDUCTORS NETHERLANDS B.V.

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP and Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007.

Signature	Title	Date
/s/ FRED RAUSCH Fred Rausch	Principal Executive Officer	April 20, 2007
/s/ PAUL DE KONING Paul De Koning	Principal Financial Officer	April 20, 2007
/s/ CHARLES SMIT Charles Smit	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hamburg, on this 20th day of April 2007.

NXP SEMICONDUCTORS GERMANY GMBH

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007

Signature	Title	Date
/s/ VOLKER KUCKERHERMANN Volker Kuckerhermann	Principal Executive Officer	April 20, 2007
/s/ WOLFGANG WEGGEN Wolfgang Weggen	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ MICHAEL HUMMEL Michael Hummel	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Taiwan, on this 20th day of April 2007.

NXP SEMICONDUCTORS TAIWAN LTD.

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP of Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007

Signature	Title	Date
/s/ H.C. LU H.C. Lu	Principal Executive Officer	April 20, 2007
/s/ MAYLING LIN MayLing Lin	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ J. J. WANG J. J. Wang	Director	April 20, 2007
/s/ CARLO VAN DEN AKKER Carlo van den Akker	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cabuyao, on this 20th day of April 2007.

NXP SEMICONDUCTORS PHILIPPINES INC.

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007.

Signature	Title	Date
/s/ MELBA A. CUYAHON Melba A. Cuyahon	Principal Executive Officer	April 20, 2007
/s/ CASTELLO OOI Castello Ooi	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ CARLO VAN DEN AKKER Carlo van den Akker	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, on this 20th day of April 2007.

NXP SEMICONDUCTORS USA INC.

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007, 2007.

Signature	Title	Date
/s/ RANDY MCMILLS		
Randy McMills	Principal Executive Officer	April 20, 2007
/s/ JIM WALLSTER	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
Jim Wallster		
/s/ JAMES N. CASEY		
James N. Casey	Director	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hong Kong, on this 20th day of April 2007.

NXP SEMICONDUCTORS HONG KONG LIMITED

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007, 2007.

Signature	Title	Date
/s/ PETER N. YATES Peter N. Yates	Principal Executive Officer	April 20, 2007
/s/ JULIANNA LEUNG Julianna Leung	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ DAVID SK KIANG David SK Kiang	Director	April 20, 2007
/s/ CARLO VAN DEN AKKER Carlo van den Akker	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bangkok, on this 20th day of April 2007.

NXP MANUFACTURING (THAILAND) CO., LTD.

By: /s/ THEO HALDERS

Name: Theo Halders
Title: VP and General Manager

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007, 2007.

Signature	Title	Date
/s/ DOUG SAMPSON Doug Sampson	Principal Executive Officer	April 20, 2007
/s/ KANOKRUD GLANKWAMDEE Kanokrud Glankwamdee	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ PHAISAL PROMMOMES Phaisal Prommomes	Director	April 20, 2007
Carlo van den Akker	Director	
James N. Casey	Authorized Representative in the United States	

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Southampton, on this 20th day of April 2007.

NXP SEMICONDUCTORS UK LIMITED

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007, 2007.

Signature	Title	Date
/s/ GARY MUNRO Gary Munro	Principal Executive Officer	April 20, 2007
/s/ MIKE GALLAGHER Mike Gallagher	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ MARCEL HULLEMAN Marcel Hulleman	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Singapore, on this 20th day of April 2007.

NXP SEMICONDUCTORS SINGAPORE PTE. LTD.

By: /s/ JEAN SCHREURS

Name: Jean Schreurs
Title: SVP & Senior Corporate Counsel

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Guido Dierick and Jean Schreurs, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities indicated on April 20th, 2007, 2007.

Signature	Title	Date
/s/ CARLO VAN DEN AKKER Carlo van den Akker	Principal Executive Officer	April 20, 2007
/s/ MICHEL BESSAU Michel Bessau	Principal Financial Officer and Principal Accounting Officer	April 20, 2007
/s/ SANDER HUBBERS Sander Hubbers	Director	April 20, 2007
/s/ JAMES N. CASEY James N. Casey	Authorized Representative in the United States	April 20, 2007

EXHIBIT INDEX

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated September 28, 2006 among Koninklijke Philips Electronics N.V., NXP B.V. and KASLION Acquisition B.V.
2.2	Subscription Agreement, dated September 28, 2006 among Koninklijke Philips Electronics N.V., KASLION Acquisition B.V., KASLION Holding B.V. and Stichting Management Co-Investment NXP
2.3	Local Business Transfer Agreement Template, dated August 15, 2006
3.1	Certificate of incorporation of NXP B.V.
3.2	Translation of articles of association of NXP B.V.(1)
3.3	Certificate of incorporation of NXP Semiconductors Netherlands B.V.
3.4	Translation of articles of association of NXP Semiconductors Netherlands B.V.(1)
3.5	Certificate of Formation of NXP Funding LLC
3.6	Limited Liability Company Agreement of NXP Funding LLC
3.7	Certificate of incorporation NXP Semiconductors USA Inc.
3.8	By-Laws NXP Semiconductors USA Inc.
3.9	Translation of Commercial Register Record of NXP Semiconductors Germany GmbH(1)
3.10	Translation of Articles of Association of NXP Semiconductors Germany GmbH(1)
3.11	Translation of Ministry of Economics Affairs Corporate Registration Card NXP Semiconductors Taiwan Ltd.(1)
3.12	Translation of Articles of Incorporation NXP Semiconductors Taiwan Ltd.(1)
3.13	Certificate and Articles of Incorporation and By-Laws NXP Semiconductors Philippines Inc.
3.14	Certificate of Incorporation NXP Semiconductors Hong Kong Ltd.
3.15	Memorandum and Articles of Association NXP Semiconductors Hong Kong Ltd.
3.16	Translation of Affidavit of incorporation, objectives, articles of association and amendment to the articles of association of NXP Manufacturing (Thailand) Co. Ltd.(1)
3.17	Memorandum and Articles of Association NXP Semiconductors UK Ltd.
3.18	Certificate of Incorporation and Memorandum and Articles of Association NXP Semiconductors Singapore Pte. Ltd.
4.1	Senior Secured Indenture, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein, Deutsche Bank Trust Company Americas as Trustee, Morgan Stanley Senior Funding Inc. as Global Collateral Agent and Mizuho Corporate Bank Ltd. as Taiwan Collateral Agent
4.2	Senior Unsecured Indenture, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein and Deutsche Bank Trust Company Americas as Trustee
4.3	Collateral Agency Agreement, dated September 29, 2006 among KASLION Acquisition B.V., NXP B.V., Guarantors named therein, Secured Parties as defined therein and from time to time parties thereto, Morgan Stanley Senior Funding Inc. as Global Collateral Agent and Mizuho Corporate Bank Ltd. as Taiwan Collateral Agent

4.4	Registration Rights Agreement, dated October 12, 2006 among NXP B.V., NXP Funding LLC, Guarantors named therein and Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Placement Agents
5.1	Opinion of Sullivan & Cromwell LLP, New York, New York, United States of America
5.2	Opinion of De Brauw Blackstone Westbroek N.V., Amsterdam, The Netherlands
5.3	Opinion of Sullivan & Cromwell LLP, Frankfurt, Germany
5.4	Opinion of Lee and Li, Taipei, Taiwan
5.5	Opinion of Poblador Bautista & Reyer Law Offices, Manila, The Philippines
5.6	Opinion of Allen & Overy, Hong Kong, Hong Kong
5.7	Opinion of Allen & Overy (Thailand) Co., Ltd., Bangkok, Thailand
5.8	Opinion of Sullivan & Cromwell LLP, London, United Kingdom
5.9	Opinion of Allen & Overy Shook Lin & Bok, Singapore, Singapore
10.1	Secured Revolving Credit Facility, dated September 29, 2006 among KASLION Acquisition B.V., NXP B.V. and NXP Funding LLC as Borrowers, the Lenders as defined therein and from time to time parties thereto, Morgan Stanley Senior Funding Inc. as Administrative Agent and Global Collateral Agent, Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Joint Lead Arrangers and Joint Bookrunners, Deutsche Bank AG, London Branch, as Syndication Agent and Merrill Lynch Capital Corporation as Documentation Agent
10.2	Shareholders Agreement, dated September 29, 2006 among Koninklijke Philips Electronics N.V., NXP B.V., KASLION Holding B.V., KASLION Acquisition B.V. and Stichting Management Co-Investment NXP
10.3	Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDN"(1)
10.4	Lease agreement, dated April 4, 2001, among Spronsen Vastgoed B.V. and Philips Semiconductors for the real property at the Bijsterhuizen 11-36, Nijmegen, The Netherlands(1)
10.5	Lease agreement, dated March 18, 2004, among Cortona Estates B.V. and Philips Semiconductors B.V. for the real property at Oostkanaaldijk 110, Nijmegen, The Netherlands(1)
10.6	Lease agreement, dated May 14, 2004, among Philips Electronics Nederland B.V. and Philips Semiconductors for 310 workplaces and associated facility management on the Philips Business Park in Eindhoven, The Netherlands(1)
10.7	Lease agreement, dated April 7, 2005, among Philips Electronics Nederland B.V. and Philips Semiconductors for 60 workplaces and associated facility management on the High Tech Campus Eindhoven (HTCE), Eindhoven, The Netherlands(1)
10.8	Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDE"(1)

10.9	Lease agreement, dated June 26, 2006, among the Freie und Hansestadt Hamburg and the Philips Semiconductors GmbH for the real property at Hamburg-Lokstedt, Flurstück 4014, der Gemarkung Lokstedt, Hamburg, Germany(1)
10.10	Lease agreement, dated September 8, 2006, among Philips GmbH and Philips Semiconductors Germany GmbH for the real property and associated facility management at the Philips Tower Hamburg, Lübeckertordamm 5, Hamburg, Germany(1)
10.11	Lease agreement, dated September 26, 2002, among Philips Electronics Nederland B.V. and Philips Semiconductors B.V. for the real property at the Prof. Holstlaan in Eindhoven, The Netherlands, building "WDO"(1)
10.12	Contract for Custom-Built Lease Factory, dated March 29, 2002, among China-Singapore Suzhou Industrial Park Development Co. Ltd. and Philips Semiconductors (Suzhou) Co., Ltd. for the real property at the North of West Suhong Road within the Suzhou Industrial Park, Jiangsu Province, China(1)
10.13	Lease agreement, dated September 20, 2006, among Suzhou High and New Technology Innovation Service Center, and Philips Semiconductors (Shanghai) Co., Ltd. for the real property at Zhuyuan Road within the Suzhou Industrial Park, Jiangsu Province, China(1)
10.14	Lease agreement, dated November 25, 2003, among Jilin Sino-Microelectronics, Co. and Jilin Philips Seminconductors for the real property, premises and related facilities at Shenzhen Street, Jilin Province, China(1)
10.15	Lease agreement, dated October 28, 2004, among Yupengnian Management (Shenzhen) Co., Ltd. and Philips (China) Investment Co., Ltd. Shenzhen branch for the real property of the entire 35th floor and suites 3806-3809 of Building 35 at Pengnian Square on Jiabin Road, Luohu District, Shenzhen City, Guangdong Province, China(1)
10.16	Lease agreement, dated September 26, 2003, among Venture Introducing Company of Huangjiang Township of Dongwan City and Philips Semiconductors (Guandong) Co. Ltd. for the real property of Premises Nos. 1 and 2, Residence Building Nos. 1 and 2 and the underlying land at North District of the Tiankui Industrial Park, Huangjiang Township, Guangdong Province, China(1)
10.17	Lease agreement, dated May 12, 2000, among Export Development Park Management Office of Ministry of Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property and premises inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.18	Lease agreement, dated April 1, 2004, among Kaohsiung Fukuo Garment Co. and Philips Building Electronics Industries (Taiwan) Ltd. for the real property and premises at the South Inner Circle Road, Nantzu District, Kaohsiung, Taiwan(1)
10.19	Land Lease agreement, dated June 10, 2000, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.20	Land Lease agreement, dated October 12, 1998, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.21	Land Lease agreement, August 1, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)

10.22	Land Lease agreement, dated August 16, 2005, among Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.23	Land Lease agreement, dated July 8, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.24	Land Lease agreement, dated July, 8, 2004, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.25	Land Lease agreement, dated August 16, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.26	Land Lease agreement, dated January 10, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.27	Land Lease agreement, dated December 20, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.28	Land Lease agreement, dated January 10, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.29	Land Lease agreement, dated May 20, 1999, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.30	Land Lease agreement, dated November 1, 2005, among Manufacturing and Export Zone Administrative Department, Ministry of the Economy and Philips Building Electronics Industries (Taiwan) Ltd. for the real property inside the Nantzu Industrial District, Kaohsiung, Taiwan(1)
10.31	Lease agreement, dated September 5, 2006, among Thai Summit Tower Co., Ltd. and Philips Semi-conductor SMO (Thailand) Co., Ltd. for the real property at No. 1768 on New Phetburi Road, Khwaeng Bangkapi, Khet Houei Khwuang, Bangkok, Thailand (Thai Summit Tower)(1)
12.1	Computation of Ratio of Earnings to Fixed Charges
21.1	List of Subsidiaries
23.1	Consent of KPMG Accountants N.V.
23.2	Consent of Deloitte Accountants B.V.
23.3	Consent of Sullivan & Cromwell LLP, New York, New York, United States of America (included as part of its opinion filed as exhibit 5.1 hereto)

23.4	Consent of De Brauw Blackstone Westbroek N.V., Amsterdam, The Netherlands (included as part of its opinion filed as exhibit 5.2 hereto)
23.5	Consent of Sullivan & Cromwell LLP, Frankfurt, Germany (included as part of its opinion filed as exhibit 5.3 hereto)
23.6	Consent of Sullivan & Cromwell Lee and Li, Taipei, Taiwan (included as part of its opinion filed as exhibit 5.4 hereto)
23.7	Consent of Poblador Bautista & Reyer Law Offices, Manila, The Philippines (included as part of its opinion filed as exhibit 5.5 hereto)
23.8	Consent of Allen & Overy, Hong Kong, Hong Kong (included as part of its opinion filed as exhibit 5.6 hereto)
23.9	Consent of Allen & Overy (Thailand) Co., Ltd., Bangkok, Thailand (included as part of its opinion filed as exhibit 5.7 hereto)
23.10	Consent of Sullivan & Cromwell LLP, London, United Kingdom (included as part of its opinion filed as exhibit 5.8 hereto)
23.11	Consent of Allen & Overy Shook Lin & Bok, Singapore, Singapore (included as part of its opinion filed as exhibit 5.9 hereto)
24.1	Powers of attorney (included in the signature pages of this Registration Statement)
25.1	Form T-1 Secured Indenture
25.2	Form T-1 Unsecured Indenture

(1) English translation

QuickLinks

Exhibit 2.1

Execution Version

STOCK PURCHASE AGREEMENT

among

Koninklijke Philips Electronics N.V.,

Philips Semiconductors International B.V.
(currently being renamed NXP B.V.)

and

KASLION Acquisition B.V.

Dated as of September 28, 2006

TABLE OF CONTENTS

ARTICLE X
MISCELLANEOUS

EXHIBITS AND SCHEDULES

EXHIBITS

SCHEDULES

* Incorporated by reference to the corresponding schedule to the draft of this Agreement attached to the Offer Letter.

STOCK PURCHASE AGREEMENT, dated as of September 28, 2006, among Koninklijke Philips Electronics N.V., a limited liability company incorporated under the laws of The Netherlands ("Philips"), Philips Semiconductors International B.V. (currently being renamed NXP B.V.), a limited liability company incorporated under the laws of The Netherlands (the "Company") and KASLION Acquisition B.V., a limited liability company incorporated under the laws of The Netherlands ("Newco").

WITNESETH:

WHEREAS, Philips owns all of the issued and outstanding shares, par value €455 per share (the "Company Shares"), of the Company;

WHEREAS, Philips is engaged worldwide in the business of developing, designing, manufacturing, assembling, selling and distributing semiconductors and certain other components for applications primarily in the home, mobile and personal, and automotive and identification markets as well as multi-market

semiconductors, and certain related software licensing activities, all of which, as of the Closing, will be conducted through the Company and the Company Subsidiaries as more fully described in the Disentanglement Schedule (the "Business") and reflected in the Audited Financial Statements;

WHEREAS, Philips desires to sell to Newco and Newco desires to purchase from Philips the Company Shares upon the terms and conditions set forth in this Agreement;

WHEREAS, Philips, the Company and Newco desire to make certain representations, warranties, covenants and agreements in connection with this Agreement;

WHEREAS, Philips and the Company have received the Debt Commitment Letter from the Financing Banks, confirming the Financing Banks' commitment to provide the Company with the Debt Financing;

WHEREAS, Philips and its Affiliates (excluding the Company and the Company Subsidiaries), on the one hand, and the Company and the Company Subsidiaries, on the other hand, have entered or shall enter, at or prior to Closing, into the Ancillary Agreements governing their relationship in the period following the Closing; and

WHEREAS, the Investors have executed and delivered to each of Newco and Philips the equity commitment letters attached hereto as Schedule 5.8 (the "Investor Equity Commitment Letters") and Philips has executed and delivered to Newco and the Investors the equity commitment letter attached hereto as Schedule 3.7 (the "Philips Equity Commitment Letter" and, together with the Investor Equity Commitment Letters, the "Equity Commitment Letters");

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and undertakings contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS AND TERMS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the meanings set forth below:

"Adjustment Amount" has the meaning set forth in Section 2.7(e).

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made, provided that, with respect to Philips, in respect of any period commencing at or after the Closing, Affiliate shall not include the Company and the Company Subsidiaries. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement" means this Stock Purchase Agreement, including all Schedules and Exhibits thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Amsterdam Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in Amsterdam are open for normal business.

"Ancillary Agreements" means the agreements listed in Exhibit 1.1(a), which will be effective prior to or as of the Closing Date.

"Antitrust Approvals" means the approvals listed in Schedule 1.1(b).

"Antitrust Laws" means the Laws identified in Schedule 1.1(b).

"Assets" means all assets, both tangible and intangible, of every kind, nature and description.

"Audited EBIT Statement" has the meaning set forth in Section 4.6.

"Audited Financial Statements" has the meaning set forth in Section 4.6.

"Audited Net Operating Capital Statement" has the meaning set forth in Section 4.6.

"Benefit Plans" has the meaning set forth in Section 4.11(a)(i).

"Business" has the meaning set forth in the Preamble.

"Business Day" means each day that is an Amsterdam Business Day and a New York Business Day.

"Claim Notice" has the meaning set forth in Section 8.4(a).

"Closing" has the meaning set forth in Section 2.3.

"Closing Conditions" has the meaning set forth in Section 2.3.

"Closing Date" has the meaning set forth in Section 2.3.

"Closing Date Financial Statements" has the meaning set forth in Section 2.7(a).

"Closing Date Net Cash Position" has the meaning set forth in Section 2.7(a).

"Closing Date Net Cash Statement" has the meaning set forth in Section 2.7(a).

"Closing Date Net Working Capital" has the meaning set forth in Section 2.7(a).

"Closing Date Net Working Capital Statement" has the meaning set forth in Section 2.7(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the Preamble.

"Company Premises" means all Owned Real Property, Leased Real Property, buildings and adjuncts of the Company and the Company Subsidiaries at which the Business is carried out.

"Company Securities" means any shares of capital stock or other equity interests in, or securities of, the Company or any Company Subsidiary or any securities, rights or obligations convertible into, exchangeable for or exercisable to acquire any securities of the Company or any Company Subsidiary.

"Company Shares" has the meaning set forth in the Preamble.

"Company Subsidiary" means, as of any date, any Subsidiary of the Company and, in respect of any period ending prior to the Closing, any Subsidiary of Philips carrying on any part of the Business at the relevant time.

"Company X" has the meaning set forth in Section 8.2(a).

"Company X Claims" has the meaning set forth in Section 8.2(a).

"Company X Losses" has the meaning set forth in Section 8.2(a).

"Consent" means any consent, approval, clearance, compliance, exemption, authorization, order, filing, registration or qualification of or with any Person, including any waiver of unilateral termination or similar rights upon a change of control of any Person.

"Debt Commitment Letter" has the meaning set forth in Section 4.20.

"Debt Financing" means the debt financing for the Debt Financing Amount set forth in the Debt Commitment Letter (which, for the avoidance of doubt, excludes the Revolving Credit Facility).

"Debt Financing Amount" means an amount in euros equal to €4,500,000,000.

"Deferred Closing Date" has the meaning set forth in Section 2.6(b).

"Disentanglement" means the transfer by Philips, either directly or through its Affiliates (excluding the Company and the Company Subsidiaries), to the Company or one or more of the Company Subsidiaries of certain Assets and Liabilities relating to the Business and the Employees, as more fully described in the Disentanglement Schedule.

"Disentanglement Schedule" means Schedule 1.1(c).

"Due Diligence Information" means any information which could reasonably be expected to be apparent from a prima facie review of the following: (a) the information contained in the Virtual Data Room on July 26, 2006, (b) the documents and written information provided to the Investors and their representatives and advisors during and pursuant to question and answer sessions and (c) the documents and written information provided to the Investors and their representatives and advisors in the management presentations held on July 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24 and 25, 2006, as listed in Exhibit 1.1(b), all of which are electronically stored on the DVDs previously delivered by Philips to Newco.

"Employees" means all Persons who immediately prior to the Closing will be employed by Philips or any Affiliate of Philips exclusively in the Business, including,

in each case, those who are on short-term disability as of the Closing and any other corporate or administrative employees that are intended to be transferred as agreed between Philips and Newco pursuant to the Disentanglement Schedule.

"Encumbrance" means any lien, pledge, charge, claim, encumbrance, security interest, option, mortgage, easement, or other restriction of any kind.

"Environmental Law" means any Law and any Governmental Authorization concerning the protection of the environment and health and safety (including air, surface water, groundwater, drinking water supply, and surface or subsurface land or structures), or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, management, release or disposal of, any hazardous substance or waste material.

"Equity Commitment Letters" has the meaning set forth in the Preamble.

"EU" means the European Union.

"EURIBOR" means the six-month interbank offered rate with respect to deposits in Euros which appears on the Moneyline Telerate page 248 as of 11:00 a.m., London time, on the day that is two Business Days preceding the Closing.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Exhibits" means the Exhibits listed under "Exhibits and Schedules" and attached to this Agreement.

"Financing Banks" means Morgan Stanley Senior Funding Inc., Morgan Stanley Bank International Limited, Deutsche Bank Securities Inc., Deutsche Bank AG London Branch, Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, Merrill Lynch, Pierce Fenner & Smith Incorporated and Merrill Lynch Capital Corporation.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any federal, state or local court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction.

"Governmental Authorizations" means all licenses, permits, certificates and other authorizations and approvals issued by or obtained from a Governmental Authority or Self-Regulatory Organization.

"Governmental Order" means any order, writ, judgment, injunction, decree, declaration, stipulation, determination or award entered by or with any Governmental Authority.

"Indebtedness" means (a) all liabilities for borrowed money, whether current or funded, secured or unsecured, all obligations evidenced by bonds, debentures, notes or similar instruments, and all liabilities in respect of mandatorily redeemable or purchasable capital stock or securities convertible into capital stock; (b) all liabilities for the deferred purchase price of property; (c) all liabilities in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which liabilities are required to be classified and accounted for under GAAP as capital leases and (d) all liabilities for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction securing obligations of a type described in clauses (a), (b) or (c) above to the extent of the obligation secured, and all liabilities as obligor, guarantor, or otherwise, to the extent of the obligation secured.

"Indemnified Parties" has the meaning set forth in Section 8.4(a).

"Indemnifying Party" has the meaning set forth in Section 8.4(a).

"Independent Accountant" means the Amsterdam office of PricewaterhouseCoopers or such other firm of independent certified public accountants as to which Philips and Newco shall mutually agree.

"Initial Closing Antitrust Approvals" means the approvals identified in Schedule 1.1(b) as Initial Closing Antitrust Approvals.

"Initial Closing Antitrust Laws" means the Laws identified in Schedule 1.1(b) in relation to the Initial Closing Antitrust Approvals.

"Intellectual Property" has the meaning set forth in the Intellectual Property Transfer and License Agreement.

"Intellectual Property Transfer and License Agreement" means the Intellectual Property Transfer and License Agreement between Philips and the Company, substantially in the form of Exhibit 1.1(c), which will be effective prior to or as of the Closing Date.

"Intercompany Accounts" means all balances related to Indebtedness, excluding trade receivables and trade payables, between Philips and its Subsidiaries (other than the Company and the Company Subsidiaries) on the one hand, and the Company and the Company Subsidiaries, on the other hand.

"Intercompany Loans" has the meaning set forth in Section 6.10(c).

"Investor Equity Commitment Letters" has the meaning set forth in the Preamble.

"Investors" means KKR European Fund II, Limited Partnership, KKR Millenium Fund (Overseas), Limited Partnership, Silver Lake Partners II, Cayman, L.P. and Alplnvest CS Investments 2006 C.V.

"Ji-Lin" has the meaning set forth in Section 2.6.

"Knowledge" or any similar phrase means the actual knowledge, after reasonable inquiry, of, in the case of Philips, the individuals named in Schedule 1.1(d), in the case of the Company, the individuals named in Schedule 1.1(e) and, in the case of Newco, the individuals named in Schedule 1.1(f).

"Law" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Governmental Authority or Self-Regulatory Organization.

"Leased Real Property" has the meaning set forth in Section 4.13(b).

"Leases" has the meaning set forth in Section 4.13(b).

"Legal Proceeding" means a civil, criminal or administrative action, suit, proceeding, claim, arbitration, hearing or investigation, including any final judgment, order or decree resulting therefrom.

"Liabilities" means any and all debts, liabilities, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (whether arising out of any contract or tort based on negligence or strict liability) and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

"Losses" means all damages, losses, costs (including reasonable legal fees and expenses and reasonable experts' and consultants' fees), charges and expenses assessed in accordance with Article 6:96 et. seq. of the Dutch Civil Code, but excluding any loss of profit, loss of revenue, loss of goodwill and any other indirect or consequential losses, provided that the aforesaid exclusion shall not extend to any loss of profit, loss of revenue, loss of goodwill or any indirect or consequential losses suffered by customers, suppliers or other contract parties for which the Company or a Company Subsidiary is or becomes liable, it being understood that for the purposes of calculating the quantum of such Losses suffered by Newco, Newco's Losses shall be deemed to include the amount required to put the Company and/or relevant Subsidiary in the position it would have been in had there been no breach of the relevant provision of this Agreement, provided, however, that any such amounts shall be calculated as aforesaid

and, without limitation, shall exclude any loss of profit, loss of revenue, loss of goodwill or any indirect or consequential losses.

"Material Contracts" has the meaning set forth in Section 4.16.

"Mitigation Actions" has the meaning set forth in Section 8.8.

"Net Cash Position" means, as of any date, an amount equal to the sum of the cash and debt items of the Company or any Company Subsidiary, calculated on a consolidated basis, to the extent such items are included in the line items set out in the form of the Net Cash Statement, attached hereto as Schedule 2.7(a)(i).

"Net Debt Financing Amount" means €3,765,970,000, being the Debt Financing Amount minus the sum of (a) an amount of €130,030,000 representing the agreed amount of the commissions, fees and expenses to be paid in connection with the Debt Financing and the agreed amount of the commissions, fees and expenses paid or payable as of the Closing Date in connection with the Revolving Credit Facility (which has been determined as set forth in Exhibit 1.1(d)) and (b) an amount of €604,000,000 to be retained by the Company.

"Net Working Capital" means the sum of the working capital items of the Company and the Company Subsidiaries, calculated on a consolidated basis, to the extent such items are included in the line items set out in the form of the Net Working Capital Statement, attached hereto as Schedule 2.7(a)(ii).

"New York Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are authorized or obligated by Law or executive order to close.

"Newco" has the meaning set forth in the Preamble.

"Newco Material Adverse Effect" means an effect that is materially adverse to the ability of Newco to consummate the Transaction, either at all or on the time schedule contemplated by this Agreement.

"Newco's Objection" has the meaning set forth in Section 2.7(b).

"Notary" means Jean Schoonbrood or another notary of De Brauw Blackstone Westbroek N.V., or, in each case, his or her substitute.

"Notice Period" has the meaning set forth in Section 8.4(a).

"Offer Letter" means the letter agreement, dated August 3, 2006, among Philips, Newco and KASLION Holding B.V., a limited liability company organized under the laws of The Netherlands.

"Ordinary Course" or "Ordinary Course of Business" means the conduct of the Business in accordance with normal day-to-day customs, practices and procedures and consistent with past practice.

"Organizational Documents" means with respect to any corporation, its articles or certificate of incorporation and by-laws, and with respect to any other type of entity, its organizational documents.

"Owned Real Property" has the meaning set forth in Section 4.13(a).

"Parties" means each of Philips, the Company and Newco.

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a Governmental Authority, a trust or other entity or organization.

"Philips" has the meaning set forth in the Preamble.

"Philips Equity Commitment Letter" has the meaning set forth in the Preamble.

"Philips Intellectual Property" has the meaning set forth in the Intellectual Property Transfer and License Agreement.

"Philips Material Adverse Effect" means a change, effect, circumstance or development that is materially adverse to the financial condition, properties, assets, liabilities, business or results of operations of the Business, taken as a whole; provided that none of the following (or the results thereof), in and of themselves, shall be deemed to give rise to a Philips Material Adverse Effect: (a) any change after the date hereof in Law or generally accepted accounting principles, or interpretations thereof, applicable to the Business, (b) any change in economic conditions or financial markets generally, (c) any change in business conditions or industry-wide factors generally affecting the semiconductor industry, (d) any acts of war, declared or undeclared, armed hostilities, sabotage or terrorism, (e) any loss of, or adverse change in the relationship with, employees, customers or suppliers of the Business proximately caused by the pendency or the announcement of the Transaction or the other transactions contemplated by this Agreement, (f) any failure to meet any estimates of revenues or earnings for the Business for any period ending on or after the date of this Agreement and prior to the Closing, provided that the exception in this clause (f) shall not prevent or otherwise affect a determination that any change, effect, circumstance or development underlying such a failure has resulted in a Philips Material Adverse Effect or (g) the receipt by the Company of the Debt Financing Amount and the payment by the Company of the Net Debt Financing Amount to Philips in accordance with Section 6.10(c); and provided, further, that with respect to clauses (b), (c) and (d), such change, effect, circumstance or development does not (i) primarily relate only to (or have the effect of primarily relating

only to) the Business or (ii) disproportionately adversely affect the Business compared to other companies of similar size operating in the semiconductor industry.

"Post-Closing Tax Period" has the meaning set forth in Section 6.9(a)(iii).

"Pre-Closing Tax Period" has the meaning set forth in Section 6.9(a)(iii).

"Purchase" has the meaning set forth in Section 2.1

"Purchase Price" has the meaning set forth in Section 2.2.

"Reference Net Cash Position" means €146 million.

"Reference Net Working Capital" means €491 million.

"Registered Intellectual Property" has the meaning set forth in the Intellectual Property Transfer and License Agreement.

"Related Claims" has the meaning set forth in Section 8.4(f).

"Relevant Third Party Consent Entity" has the meaning set forth in Section 2.6(a).

"Remaining Disagreements" has the meaning set forth in Section 2.7(c).

"Revolving Credit Facility" means the €500 million revolving credit facility set forth in the Debt Commitment Letter.

"Schedules" means the Schedules listed under "Exhibits and Schedules" and attached to this Agreement.

"Self-Regulatory Organization" means the National Association of Securities Dealers, Inc., the American Stock Exchange, the National Futures Association, the Chicago Board of Trade, the New York Stock Exchange, any national securities exchange (as defined in the Exchange Act), any other securities exchange, futures exchange, contract market, any other exchange or corporation or similar self-regulatory body or organization.

"Straddle Tax Period" has the meaning set forth in Section 6.9(a)(iii).

"Subsidiary" means with respect to any Person (other than a natural Person) any other Person of which (i) the first mentioned Person or any Subsidiary thereof is a general partner, (ii) voting power to elect a majority of the board of directors or others performing similar functions with respect to such other Person is held by the first mentioned Person and/or by any one or more of its Subsidiaries, or (iii) at least 50%

of the equity interests of such other Person is, directly or indirectly, owned or controlled by such first mentioned Person and/or by any one or more of its Subsidiaries.

"Subscription Agreement" means the Subscription Agreement, dated as of the date hereof, among Newco, KASLION Holding B.V., Philips and Stichting Management Co-Investment NXP.

"Tax Returns" means all reports and returns required to be filed with respect to Taxes.

"Taxes" means all forms of taxation, whether direct or indirect, including income, gross receipts, windfall profits, value added, severance, property, production, sales, use, duty, license, excise, franchise, employment, withholding or similar taxes, (including social security contributions and any other payroll taxes), together with any interest, additions or penalties with respect thereto imposed by any governmental, taxing or other authority responsible for the imposition, administration or collection of any Tax (a "Taxing Authority") and any interest in respect of such additions or penalties.

"Taxing Authority" has the meaning set forth in the definition of Taxes in this Section 1.1.

"Tax Matter" has the meaning set forth in Section 6.9(e).

"Third Party Claim" has the meaning set forth in Section 8.4(a).

"Third Party Consent Entity" has the meaning set forth in Section 2.6.

"Transaction" means the purchase and sale of the Company Shares pursuant to, and the other transactions contemplated by or referred to in, this Agreement, including the Disentanglement.

"Virtual Data Room" means the electronic data room created for purposes of the Transaction contemplated hereby and maintained by IntraLinks, Inc.

Section 1.2 Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

Section 1.3 Other Definitional Provisions. Unless the express context otherwise requires:

(a) Unless otherwise specifically indicated, the word "day" means "calendar day";

(b) the words "hereof", "herein", "hereunder" and "hereby" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(c) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;

(d) the terms "Dollars" and "$" mean U.S. Dollars;

(e) the terms "euros" and "€" mean Euros;

(f) references in this Agreement to a specific Section, Subsection or Schedule shall refer, respectively, to Sections, Subsections or Schedules of this Agreement;

(g) wherever the word "include," "includes," or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation";

(h) references in this Agreement or in any Exhibit or Schedule to "North" shall refer to Philips and to "Lion" shall refer to the Company;

(i) references in this Agreement to any gender include each other gender; and

(j) references in this Agreement to "the date hereof", "the date of this Agreement" and similar references shall refer to August 3, 2006, being the date of the Offer Letter.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale of Shares. Upon the terms and subject to the conditions set forth in this Agreement, Philips agrees to sell and transfer the Company Shares to Newco, and Newco agrees to purchase the Company Shares from Philips, free and clear of all Encumbrances (the "Purchase").

Section 2.2 Consideration. Upon the terms and subject to the conditions of this Agreement, at the Closing, in consideration for the Company Shares, Newco shall pay to Philips an amount in cash equal to €4,305,030,000, being €4,175,000,000 plus an additional amount of €130,030,000 representing the agreed amount of the commissions, fees and expenses to be paid in connection with the Debt Financing and the agreed amount of the commissions, fees and expenses paid or payable as of the Closing Date in connection with the Revolving Credit Facility (which has been determined as set forth in Exhibit 1.1(d)) (together, the "Purchase Price", subject to adjustment for the Adjustment Amount as provided in Section 2.7. €854,313,000 of the Purchase Price shall be paid by way of a set-off against the Philips Subscription Price (as defined in the Subscription Agreement).

Section 2.3 Closing. The closing of the Purchase (the "Closing") shall take place at the offices of De Brauw Blackstone Westbroek N.V., Tripolis, Burgerweeshuispad 301, 1076 HR Amsterdam, The Netherlands, on the fifth Business Day following the satisfaction or waiver of such conditions or, in Philips' discretion, on the last Business Day of the monthly reporting period of Philips in which such satisfaction or waiver occurred (other than with respect to

those conditions that by their nature are to be satisfied at the Closing but subject to the satisfaction or waiver of such conditions) (the "Closing Conditions") or at such other place and time as the Parties may agree. Philips shall provide Newco with written notice of its election pursuant to the preceding sentence at least five Business Days prior to the Closing Date. The Parties agree that time is of the essence in causing the Closing to occur and shall use their reasonable efforts to cause the Closing to occur as promptly as possible. The date on which Closing occurs is referred to in this Agreement as the "Closing Date". At the Closing, Philips shall transfer the Company Shares to Newco and Newco shall accept the Company Shares from Philips and acknowledge the transfer. The transfer, acceptance and acknowledgment shall be affected before the Notary by way of a notarial deed substantially in the form set forth as Schedule 2.3.

Section 2.4 Deliveries by Philips and the Company. At the Closing, Philips and the Company shall deliver, or cause to be delivered, to Newco the following:

(a) the certificate to be delivered pursuant to Section 7.2(c);

(b) such other customary instruments of transfer, assumptions, filings or documents, in form and substance reasonably satisfactory to Newco, as may be required to give effect to this Agreement; and

(c) at the election of Philips, either a written assignment of all of the rights of Philips and any of its Affiliates under all of the confidentiality agreements concluded in the context of the process leading up to this Transaction as well as all the alternative options referred to in Section 4.7 or a written undertaking by Philips to enforce same at Newco's sole direction and expense.

Section 2.5 Deliveries by Newco. At the Closing, Newco shall deliver to Philips the following:

(a) the certificate to be delivered pursuant to Section 7.3(c); and

(b) such other customary instruments of transfer, assumptions, filings or documents, in form and substance reasonably satisfactory to Philips, as may be required to give effect to this Agreement.

Section 2.6 Deferred Closing. In the event that any Person whose Consent is required to effect the transfer of Philips' direct and indirect interests in Advanced Semiconductor Manufacturing Corporation Limited or Philips Ji-Lin Semiconductors Co.

Ltd. ("Ji-Lin", and each, a "Third Party Consent Entity") from Philips and its Affiliates to the Company or one of the Company Subsidiaries has not given such consent:

(a) The Closing shall proceed as described in Section 2.3, except that the Closing shall be deferred with respect to any Third Party Consent Entity for which not all Persons whose Consent is required to effect the transfer of such Third Party Consent Entity have given such consent at or before the Closing (each, a "Relevant Third Party Consent Entity").

(b) The Closing in respect of each Relevant Third Party Consent Entity shall take place at the offices of De Brauw Blackstone Westbroek N.V., Tripolis, Burgerweeshuispad 301, 1076 HR Amsterdam, The Netherlands, on the first Business Day of the month following the month in which all relevant Consents for the transfer of such Relevant Third Party Consent Entity have been obtained (the "Deferred Closing Date") or at such other place and time as the Parties may agree.

(c) If any Consents with respect to any Relevant Third Party Consent Entity remain outstanding at June 30, 2007, this Agreement shall cease to apply in respect of such Relevant Third Party Consent Entity as if such Relevant Third Party Consent Entity was never included in the Transaction, whereupon Philips shall pay to Newco the amount of cash corresponding to such Relevant Third Party Consent Entity as set forth in Schedule 2.6(c).

(d) The Parties shall cooperate to ensure that, until Closing occurs in respect of each Relevant Third Party Consent Entity, all commercial relations and contracts between, on the one hand, that portion of the Business in respect of which Closing takes place as scheduled in Section 2.3, and, on the other hand, the Relevant Third Party Consent Entity, are maintained in the Ordinary Course of Business and, for the avoidance of doubt, the provisions of the last sentence of Section 6.11 shall apply to any Relevant Third Party Consent Entity.

Section 2.7 Post-Closing Adjustment.

(a) Preparation of Closing Date Net Cash Statement and Net Working Capital Statement. Philips shall as soon as practicable, and in no event later than ninety (90) days after the Closing Date, prepare or cause to be prepared (i) a consolidated net cash statement for the Company and the Company Subsidiaries as of the Closing Date substantially in the form set forth in Schedule 2.7(a)(i) (the "Closing Date Net Cash Statement") and (ii) a consolidated net working capital statement for the Company and the Company Subsidiaries as of the Closing Date substantially in the form set forth in Schedule 2.7(a) (the "Closing Date Net Working Capital Statement" and, together with the Closing Date Net Cash Statement, the "Closing Date Financial Statements"). The Closing Date Financial Statements shall be prepared in accordance with (i) the accounting methods, policies, practices and procedures set forth on Schedule 2.7(a)(iii), (ii) to the extent supplemental guidance is required, the past accounting methods,

policies, practices and procedures of Philips and the Company and in the same manner, with consistent classification and estimation methodology, as the Audited Net Operating Capital Statement, and (iii) to the extent further supplemental guidance is required, GAAP. Upon completion of the Closing Date Financial Statements, Philips shall derive from the Closing Date Net Cash Statement the Net Cash Position as of the Closing Date (the "Closing Date Net Cash Position") and from the Closing Date Net Working Capital Statement the Net Working Capital as of the Closing Date (the "Closing Date Net Working Capital") and deliver each such statement along with such amounts to Newco.

(b) Review of Closing Date Financial Statements. Newco shall complete its review of the Closing Date Financial Statements within thirty (30) days after delivery thereof by Philips. In the event that Newco determines that the Closing Date Financial Statements have not been prepared on the basis set forth in Section 2.7(a), Newco shall, on or before the last day of such 30-day period, so inform Philips in writing (such writing, "Newco's Objection"), setting forth a detailed description of the basis of Newco's determination and the adjustments to the Closing Date Financial Statements that Newco believes should be made; provided, however, that (i) no item of dispute shall be the subject of Newco's Objection unless the amount proposed by Newco for such item differs from the amount of such item for purposes of the preparation of the Closing Date Financial Statements delivered pursuant to Section 2.7(a) by more than €250,000 and the aggregate amount of Newco's adjustments would cause the Closing Date Financial Statements (if accepted in accordance with the succeeding paragraph) to differ from the Closing Date Financial Statements delivered pursuant to Section 2.7(a) by more than €10 million, in which case the entire amounts and not just the excess over €250,000 or €10 million, as the case may be, may be proposed; (ii) unless a proposal is made based on a consistent application of the accounting methods, policies, practices and procedures set forth in Section 2.7(a), no item of dispute shall be the subject of Newco's Objection that is based on developments after the Closing Date or involves a judgment as to the future prospects of the Business or similar matters that are forward-looking in nature; and (iii) no adjustments shall be permitted to the extent they relate to (A) the specific indemnity rights set out in this Agreement relating to Company X Claims, Company X Losses or Related Claims, (B) the specific Tax indemnities set out in Section 6.9 (but for the avoidance of doubt it being understood that if a particular Tax Liability is included in the definition of Closing Date Net Working Capital, nothing shall prevent Newco from proposing adjustments for such items and if and to the extent such items result in an adjustment of the Purchase Price there shall be no double claim under Section 6.9) or (C) matters that are the subject of a settled indemnification claim already notified under this Agreement. In connection with, and as a condition to, the resolution of Newco's Objection, Philips and Newco shall enter into an agreement stating that such resolution shall foreclose any right to indemnification with respect to the matters at issue to the extent they would otherwise also have been recoverable pursuant to Section 8.2. If no Newco's Objection is received by Philips on or before the last day of such 30-day period, then the Closing Date Net Cash Position and the Closing Date Net Working Capital derived from the Closing Date Net Financial Statements delivered by Philips to Newco shall be final.

(c) Determination by Independent Accountant. Philips shall have thirty (30) days from its receipt of Newco's Objection to review and respond to Newco's Objection. If Philips and Newco are unable to resolve all of their disagreements with respect to the proposed adjustments set forth in Newco's Objection within fifteen (15) days following the completion of Philips' review of Newco's Objection, each of them shall have the right to refer any remaining disagreements (the "Remaining Disagreements") to the Independent Accountant which, acting as experts and not as arbitrators, shall determine, on the basis set forth in and in accordance with Section 2.7(a), and only with respect to the Remaining Disagreements so submitted, whether and to what extent, if any, the Closing Date Net Cash Statement, the Closing Date Net Working Capital Statement, the Closing Date Net Cash Position and/or the Closing Date Net Working Capital require adjustment. Newco and Philips shall instruct the Independent Accountant to deliver its written determination to Newco and Philips no later than thirty (30) days after the Remaining Disagreements are referred to the Independent Accountant. The Independent Accountant's determination shall be conclusive and binding upon Newco and Philips and their respective Affiliates, absent manifest error. The fees and disbursements of the Independent Accountant shall be borne by Philips and Newco in the proportion that the aggregate value of those Remaining Disagreements that the Independent Accountant determines require adjustment bears to the aggregate value of those Remaining Disagreements that the Independent Accountant determines not to require adjustment. Philips and Newco shall make readily available to the Independent Accountant all relevant books and records and any work papers (including those of the Parties' respective accountants, subject to customary hold-harmless agreements) relating to the Closing Date Financial Statements and Newco's Objection and all other items reasonably requested by the Independent Accountant in connection therewith.

(d) Cooperation. Newco and the Company shall provide to Philips and its accountants full access to the books and records of the Company and the Company Subsidiaries and to any other information, including work papers of its accountants (subject to customary hold harmless covenants), and to any employees during regular business hours and on reasonable advance notice, to the extent necessary for Philips to prepare the Closing Date Financial Statements, to respond to Newco's Objection and to prepare materials for presentation to the Independent Accountant in connection with Section 2.7(c). Newco and its accountants shall be provided full access to all information used by Philips in preparing the Closing Date Financial Statements, including the work papers of its accountants (subject to customary hold harmless covenants).

(e) Payment of Adjustment Amount. If the sum (the "Adjustment Amount") of (i) the result of the Closing Date Net Cash Position minus the Reference Net Cash Position and (ii) the result of the Closing Date Net Working Capital minus the Reference Net Working Capital is a positive number, Newco shall promptly (and in any event within five Business Days) after the final determination thereof pay to Philips the Adjustment Amount, and, if the Adjustment Amount is a negative number, Philips shall promptly (and in any event within five Business Days) after the final determination thereof pay to Newco the absolute value of the Adjustment Amount, in each case, plus

interest from the Closing Date to, but not including, the date of payment at EURIBOR calculated based on (i) the actual number of days between the Closing Date and the date of payment of the Adjustment Amount, divided by (ii) 365, in Euros by wire transfer of immediately available funds to an account designated by Philips or Newco, as the case may be. For purposes of calculating the Closing Date Net Cash Position and the Closing Date Net Working Capital, any amounts in currencies other than Euros shall be translated into Euros using the applicable exchange rates prevailing on the Closing Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES REGARDING PHILIPS

Subject to the exceptions set forth in the Schedules, Philips represents and warrants to Newco as follows:

Section 3.1 Corporate Status. Philips is a limited liability company duly organized and validly existing under the laws of The Netherlands. Each Affiliate of Philips that is party to an Ancillary Agreement is a limited liability company duly organized, validly existing and, if applicable, in good standing under the laws of its jurisdiction of organization.

Section 3.2 Due Authorization, Execution and Delivery; Enforceability. Philips has full corporate power and authority to execute and deliver this Agreement and to perform its obligations thereunder. This Agreement has been duly authorized, executed and delivered by Philips and constitutes a valid and legally binding agreement of Philips, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Philips and each Affiliate of Philips has full corporate power and authority to execute and deliver each Ancillary Agreement to which it is a party and to perform its obligations thereunder. Each Ancillary

Agreement to which Philips or an Affiliate of Philips is a party has been duly authorized, executed and delivered by Philips or such Affiliate, as the case may be, and constitutes a valid and legally binding agreement of Philips or such Affiliate, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 3.3 No Conflicts. The execution, delivery and performance by Philips of this Agreement and the consummation of the Transaction do not and will not, and the execution, delivery and performance by Philips and each Affiliate of Philips of each Ancillary Agreement to which Philips or such Affiliate is a party will not (i) violate any provision of the Organizational Documents of Philips or such Affiliate or (ii) assuming the receipt of all Consents referred to in Section 3.4, to Philips' Knowledge, violate or result in a breach of or constitute a default under any Law to which Philips or such Affiliate is subject, other than violations, breaches or defaults that would not reasonably

be expected to prevent, materially delay or materially impair the ability of Philips or such Affiliate to consummate the Transaction.

Section 3.4 Consents. No material Consent of or with any Governmental Authority or other Person is required to be obtained, made or effected by Philips or any Affiliate of Philips (excluding the Company and the Company Subsidiaries) in connection with the execution and delivery of this Agreement by Philips or any Affiliate of Philips (excluding the Company and the Company Subsidiaries) or the performance of their respective obligations under this Agreement or any Ancillary Agreement, except for the Antitrust Approvals.

Section 3.5 Ownership of Company Shares. Philips has good and valid title to the Company Shares, free and clear of all Encumbrances, and, upon delivery of the Company Shares and payment therefor pursuant to this Agreement, good and valid title to the Company Shares, free and clear of all Encumbrances, will pass to Newco.

Section 3.6 Litigation and Claims. There are no Legal Proceedings pending or, to Philips' Knowledge, threatened against Philips or any Affiliate of Philips, that question the validity of this Agreement or that would reasonably be expected to prevent, materially delay or materially impair the ability of Philips or any Affiliate of Philips to consummate the Transaction.

Section 3.7 Philips Equity Commitment Letter. Schedule 3.7 contains a true and correct copy of the Philips Equity Commitment Letter.

Section 3.8 Finders' Fees. Except for Morgan Stanley & Co International Ltd., whose fees will be borne by Philips, and except for fees and commissions to be paid by the Company to the Financing Banks in connection with the Debt Financing, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Philips, the Company or any Company Subsidiary who might be entitled to any fee or commission from Philips, the Company or any Company Subsidiary in connection with the Transaction.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

Subject (other than as to the representations and warranties set out in Section 4.8, Section 4.9, Section 4.14 and Section 4.15) to exceptions set forth in the Due Diligence Information, the Schedules or the Exhibits, each of Philips and the Company represents and warrants to Newco as follows, provided that all such representations and warranties that pertain to or are made with respect to any Company Subsidiary not yet incorporated as of the date hereof are made as of the Closing and not as of the date hereof:

Section 4.1 Corporate Status.

(a) Organization. Schedule 4.1(a) lists all of the Company Subsidiaries, their respective jurisdictions of organization and the number and percentage of the shares of capital stock or other equity securities of each Company Subsidiary that will be owned directly or indirectly by the Company as of the Closing. The Company is, and each Company Subsidiary as of the Closing will be, duly organized and validly existing under the laws of its respective jurisdiction of organization, has or will have all requisite power and authority to own or lease and operate its properties and assets and to carry on the Business (or, in the case of a Company Subsidiary, the relevant portion thereof) as presently conducted or as contemplated in the Disentanglement Schedule, and is or at the Closing Date will be duly qualified or licensed to do business and, if applicable, is or at the Closing Date will be in good standing in each jurisdiction where the ownership, lease or operation of its assets or properties or conduct of its business requires or will require such qualification or license, and neither the Company nor any Company Subsidiary has filed for or been granted a moratorium of payment or has been declared bankrupt, is insolvent or unable to pay its debts within the meaning of applicable insolvency Laws, except where the failure to be so organized, qualified, licensed or in good standing, or to have such power or authority has not had or resulted and would not be reasonably likely to have or result in a Philips Material Adverse Effect.

(b) Organizational Documents. Schedule 4.1(b) sets forth complete and correct copies of the Organizational Documents of the Company, as they will be in effect as of the Closing. Philips prior to the Closing will furnish to Newco complete and correct copies of the Organizational Documents of each Company Subsidiary, in each case as then in effect. All such Organizational Documents will be in full force and effect as of the Closing, and no other organizational documents will be applicable to or binding upon the Company or any Company Subsidiary.

Section 4.2 Due Authorization, Execution and Delivery; Enforceability. The Company has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. The Company and each Company Subsidiary has or prior to the Closing will have full corporate power and authority to execute and deliver each Ancillary Agreement to which it is a party and to perform its obligations thereunder. Each Ancillary Agreement to which the Company or a Company Subsidiary is a party has been duly authorized, executed and delivered by the Company or such Company Subsidiary, as the case may be, and constitutes a valid and legally binding agreement of the Company or such Company Subsidiary, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 4.3 No Conflicts. The execution, delivery and performance by the Company of this Agreement and the consummation of the Transaction do not and will not, and the execution, delivery and performance by the Company and each Company Subsidiary of each Ancillary Agreement to which the Company or such Company Subsidiary is a party do not and will not (i) violate any provision of the Organizational Documents of the Company or such Company Subsidiary and (ii) assuming the receipt of all Consents referred to in Section 4.4, to the Knowledge of Philips or the Company, violate or result in a breach of or constitute a default under any Law to which the Company or such Company Subsidiary, is subject, other than violations, breaches or defaults that would not reasonably be expected to prevent, materially delay or materially impair the ability of the Company or such Company Subsidiary to consummate the Transaction.

Section 4.4 Consents. No material Consent of or with any Governmental Authority or other Person is required to be obtained, made or effected by the Company or any Company Subsidiary in connection with the execution and delivery of this Agreement or any Ancillary Agreement by the Company or any Company Subsidiary or the performance of their respective obligations under this Agreement or any Ancillary Agreement, except for the Antitrust Approvals.

Section 4.5 Capitalization.

(a) The Company. As of the Closing, the authorized capital stock of the Company will consist of 40 shares, par value €455 per share, of which 40 shares, which constitute the Company Shares, will be issued and outstanding. The Company Shares will constitute the only issued and outstanding shares of capital stock of the Company, will have been duly and validly authorized and issued and will be fully paid and nonassessable. There will be no issued and outstanding securities, rights or obligations that are convertible into, exchangeable for, or exercisable to acquire, any capital stock or other equity securities of the Company.

(b) Company Subsidiaries. All issued and outstanding shares of capital stock or other equity securities of the Company Subsidiaries as of the Closing will have been duly and validly authorized and issued and will be fully paid and nonassessable, and each of the Persons who will own such shares or other securities will have good and valid title to the shares or other securities so owned by it, free and clear of all Encumbrances. All of the outstanding shares of capital stock or other equity interests of each Company Subsidiary indicated on Schedule 4.1(a) as being owned, directly or indirectly, by the Company (the term "Company Subsidiary" for purposes of this paragraph and the next succeeding paragraph only to include each of Sunext Technology Co. Ltd., Beijing T3G Technology Company Limited and Advanced Semiconductor Manufacturing Corporation Limited) as of the Closing will be owned, directly or indirectly, by the Company. As of the Closing there will be no issued and outstanding securities, rights or obligations which are or will be convertible into, exchangeable for, or exercisable to acquire, any capital stock or other equity securities of any Company Subsidiary.

(c) Agreements with Respect to Company Securities. As of the Closing there will be no, and neither the Company nor any Company Subsidiary will be bound by or subject to any (i) preemptive or other outstanding rights, subscriptions, options, warrants, conversion, put, call, exchange or other rights, agreements, commitments, arrangements or understandings of any kind pursuant to which the Company or any Company Subsidiary, contingently or otherwise, will be or may become obligated to offer, issue, sell, purchase, return or redeem, or cause to be offered, issued, sold, purchased, returned or redeemed, any Company Securities, (ii) stockholder agreements, voting trusts, proxies or other agreements or understandings to which the Company or any Company Subsidiary will be a party or by which the Company or any Company Subsidiary will be bound relating to the holding, voting, sale, purchase, redemption or other acquisition of Company Securities or (iii) agreements, commitments, arrangements, understandings or other obligations to declare, make or pay any dividends or distributions, whether current or accumulated, or due or payable, on any Company Securities. As of the Closing, neither the Company nor any Company Subsidiary will be, or will be obligated to become, a party to any Contract for the sale of or will be otherwise obligated to sell, transfer or otherwise dispose of any Company Securities.

(d) No Equity Interests or Other Outstanding Investment Obligations. Except with respect to the ownership of capital stock of the Company Subsidiaries and the minority interests listed on Schedule 4.5(d), the Company and the Company Subsidiaries as of the Closing will not own, directly or indirectly, beneficially or of record, any capital stock of or other equity or voting securities or interests in any other Person. The Company directly or indirectly has good and valid title to all shares of capital stock or other equity securities of the entities listed on Schedule 4.5(d) held directly or indirectly by the Company. Except as contemplated by the Disentanglement Schedule or as may be incurred in the Ordinary Course of Business, as of the Closing there will be no outstanding obligations of the Company or any Company Subsidiary to make any investment in or provide funds (whether in the form of a loan, capital contribution or otherwise), and neither the Company nor any Company Subsidiary as of the Closing will have outstanding any such investment or provision of funds, to any other Person. No Person as of the Closing will be in default with respect to such Person's obligation to repay any loan to the Company or any Company Subsidiary. Neither the Company nor any Company Subsidiary as of the Closing will have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company or any Company Subsidiary on any matter.

Section 4.6 Financial Statements. Set forth in Schedule 4.6 is a copy of (a) the audited combined statement of net operating capital of the Business at December 31, 2005 (the "Audited Net Operating Capital Statement") and (b) the audited combined statement of earnings before interest and tax for the year ended December 31, 2005 (the "Audited EBIT Statement" and, together with the Audited Net Operating Capital Statement, the "Audited Financial Statements"). Except as described in the notes thereto, the Audited Financial Statements have been specially prepared for purposes of this

Agreement and present fairly, in all material respects, the net operating capital of the Business as of December 31, 2005 and the earnings before interest and tax of the Business for the year ended December 31, 2005, in all cases in conformity with GAAP.

Section 4.7 Events Subsequent to Financial Statements. Since December 31, 2005 and other than in connection with the Transaction and any alternative options that were considered (none of which have actually been implemented) by Philips for the disposal of the Business in an initial public offering or a negotiated transaction to one or more buyers and other than the Debt Financing arrangements referred to herein, (a) the Business has been conducted in the Ordinary Course consistent with past practice and (b) there has been no change, development or effect or combination of changes,

developments or effects that have had or resulted in or would be reasonably likely to have or result in a Philips Material Adverse Effect, taking into account Philips' announcements of its intention to sell, and the fact that it is selling, the Company. Since December 31, 2005, neither the Company nor any Company Subsidiary has declared, set aside or paid any dividends or distributions on, or made any other distributions in respect of, any Company Securities (other than, in each case, cash dividends or distributions by the Company or a Company Subsidiary to Philips or its Subsidiaries).

Section 4.8 Tax Matters. Except as have not had or resulted and would not be reasonably likely to have or result in a Philips Material Adverse Effect:

(a) All Tax Returns that are required to be filed on or before the Closing Date by or with respect to the Company or any Company Subsidiary have been or will be timely filed on or before the Closing Date, and all amounts shown to be due and owing thereon have been or will have been duly and timely paid or adequately provided for as of the Closing Date.

(b) All Taxes which the Company or any Company Subsidiary have been required to collect or withhold have been duly collected or withheld and, to the extent required when due, have been or shall be duly and timely paid to the proper Taxing Authority (whether or not shown to be due and payable on any Tax Return).

(c) There is no lien for Taxes upon any of the Assets of the Company or any Company Subsidiary nor, to the Knowledge of Philips or the Company, is any Taxing Authority in the process of imposing any lien for Taxes on any of the Assets of the Company or any Company Subsidiary, other than liens for Taxes that are not yet due and payable or for Taxes the validity or amount of which is being contested by Philips, the Company or any Company Subsidiary in good faith by appropriate action.

(d) No issues that have been raised by a Taxing Authority in connection with any examination of the Tax Returns referred to in paragraph (a) of this Section 4.8 are currently pending, and all deficiencies asserted or assessments made, if any, as a result of such examinations have been paid in full, unless the validity or amount thereof is being contested by Philips or one of its Affiliates in good faith by appropriate action.

(e) None of the Company or any Company Subsidiary is a party to, or otherwise bound by or subject to, any Tax sharing, allocation or indemnification or similar agreement, provision or arrangement (whether or not written) pursuant to which it will have any obligation to make any payments to any Person after the Closing.

Section 4.9 Litigation. (a) There are no Legal Proceedings pending, or to the Knowledge of Philips or the Company threatened, against or relating to the Business, other than where the amount claimed against or in relation to the Business does not exceed €25 million.

(b) There are no Legal Proceedings pending or, to the knowledge of Philips or the Company threatened, against or relating to the Business asserting claims in relation to the red phosphorus molding compound supplied to the Business by Sumitomo Corporation (or any of its Affiliates, agents or intermediaries) as raised by the Company X Claims.

Section 4.10 Compliance with Laws. The Business has been for the period beginning January 1, 2005 and currently is being conducted in compliance with all applicable Laws, other than failures to comply that have not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect and (b) no investigation by any Governmental Authority with respect to the Business is pending or, to the Knowledge of Philips or the Company, threatened, other than those the outcome of which have not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect and (c) the Business has all Governmental Authorizations necessary for the conduct of the Business as currently conducted, other than those the absence of which have not had or resulted in and would not be reasonably like to have or result in a Philips Material Adverse Effect; it being understood that nothing in this representation is intended to address any compliance issue that is specifically addressed by any other representation or warranty set forth in this Agreement.

Section 4.11 Employee Benefits. Except as have not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect:

(a) All material Benefit Plans have been disclosed to Newco in the Virtual Data Room.

(i) All benefit and compensation plans, contracts, policies, agreements or arrangements maintained for the benefit of the Employees including plans providing benefits on retirement, early retirement, death, termination of employment (whether voluntary or not), or during periods of sickness or disablement, or any welfare, medical, stock or stock-related award plans, including "jubilee" benefits and retirement and termination indemnity arrangements (such plans, contracts, agreements, policies and arrangements hereinafter being referred to as "Benefit Plans") have been administered in

accordance with their terms and are in compliance with applicable Laws and contracts. To the Knowledge of Philips or the Company and except as set forth in the Disentanglement Schedule, no proposal has been announced to establish any new material Benefit Plan that would result in an increase in the liability for employment or other benefit obligations with respect to the Employees. All required filings for all Benefit Plans have been made on time and with the appropriate Governmental Authority. As of the date hereof, there is no pending or, to the Knowledge of Philips or the Company, threatened material litigation relating to Benefit Plans.

(ii) With respect to the Employees, the Company (A) is in compliance with all applicable Laws respecting employment, employment practices, terms and conditions of employment, occupational health, safety, wages and hours, (B) has withheld all amounts required by applicable Laws, collective bargaining agreements or the Benefit Plans to be withheld from the wages, salaries or other payments to the Employees and former employees in the Business and (C) is not liable for any payment to any trust or other fund or to any Governmental Authority with respect to unemployment compensation benefits, workers compensation, social security or other benefits for Employees or former employees in the Business for any amounts other than payments not yet due, in each case under any applicable provisions of Benefit Plans and any applicable Laws.

(iii) All contributions required to be made to any Benefit Plan in respect of the period prior to the date of this Agreement have been timely made.

(b) Except as may be provided under the terms of the Benefit Plans or the Laws of a Governmental Authority or as may be contemplated by this Agreement, the execution of this Agreement and the consummation of the transactions contemplated hereby will not alone or together with a related event (i) entitle any of the Employees, to severance pay or any increase in severance pay by the Company or the Company Subsidiaries upon any termination of employment after the date hereof or (ii) other than as expressly provided in this Agreement, accelerate the time of payment or vesting, or require any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable under, any of the Benefit Plans in respect of any Employee.

(c) With respect to the Employees, all social security payments, including payments to any public pension scheme, compulsory retirement insurance, unemployment insurance, compulsory long term care insurance, compulsory occupational disability insurance, and compulsory health and safety insurance required to be made have been timely and properly made.

Section 4.12 Labor. (a) Neither the Company nor any Company Subsidiary is or as of the Closing will be a party to or bound by any material labor agreement, union

contract or collective bargaining agreement other than omnibus agreements covering substantially all employees in a particular jurisdiction pursuant to the Laws or customary practice of that jurisdiction respecting the Employees.

(b) The Company and each Company Subsidiary as of the Closing will be in compliance in all material respects with all labor Laws applicable to the Business and the Employees, and are not engaged in any unfair labor practices, as defined in the National Labor Relations Act or other Law applicable to the Employees.

(c) Except as has not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect, there is no pending, or to the Knowledge of Philips or the Company, threatened strike, walkout or other work stoppage or any union organizing effort by any of the Employees.

Section 4.13 Real Property. (a) Schedule 4.13(a) lists all material real property which is or as of the Closing will be owned by the Company and the Company Subsidiaries (the "Owned Real Property"). Except as has not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect, the Company or a Company Subsidiary has or as of the Closing will have good and marketable title to, and is or will be the record owner of, the Owned Real Property.

(b) Schedule 4.13(b) lists all material real property leases and subleases which are or as of the Closing will be held by the Company and the Company Subsidiaries (the "Leased Real Property") and any and all material ancillary documents pertaining thereto to which the Company or any Company Subsidiary is or will be a party or is or will be bound (the "Leases"). Except as has not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect, each of the Leases (including any option to purchase contained therein) is or as of the Closing will be valid and legally binding and, to the Knowledge of Philips or the Company, is or will be enforceable against the landlord which is party thereto in accordance with its terms, and there is or will exist no material default or event of default (or any event that with notice or lapse of time or both would become a material default or event of default) on the part of the Company or any Company Subsidiary under any such Lease.

(c) The ownership, occupancy, use and operation of the Owned Real Property and the Leased Real Property complies in all material respects with all Laws and Governmental Authorizations, except for failures to comply that have not had or resulted in or would not be reasonably likely to have or result in a Philips Material Adverse Effect, and does not violate in any material respect any instrument of record or agreement affecting such property.

(d) There are no pending, or to the Knowledge of Philips or the Company threatened, appropriation, condemnation, eminent domain or like proceedings relating to the Owned Real Property or the Leased Real Property. To the Knowledge of Philips and the Company, there is no Encumbrance affecting any Owned Real Property or Leased

Real Property that materially interferes with its current use or the conduct of the Business as currently conducted.

(e) None of the Owned Real Property or the Leased Real Property has suffered any material damage by fire or other casualty which has not been or will not prior to the Closing have been repaired and restored in all material respects, except for damage that would not, individually or in the aggregate, materially impair the conduct of the Business.

Section 4.14 Intellectual Property. Except as stipulated in the Intellectual Property Transfer and License Agreement (other than Section 11.1 thereof):

(a) As of the Closing, Philips will have assigned to the Company all of the Registered Intellectual Property, free and clear of all Encumbrances (excluding licenses granted to Third Parties prior to the date hereof and contractual obligations related to funding by Governmental Authorities or technology collaborations). To the Knowledge of Philips or the Company, the Registered Intellectual Property is valid, subsisting and enforceable in all material respects, and the Intellectual Property is not subject to any outstanding order, judgment, decree or agreement materially and adversely affecting the use thereof by the Company or any Company Subsidiary or their rights thereto. The Company and the Company Subsidiaries have or as of the Closing will have the right to use pursuant to license, sublicense, agreement or permission, all Philips Intellectual Property used in the Business in all material respects as presently conducted.

(b) To the Knowledge of Philips or the Company, neither the Business nor the Company or any Company Subsidiary has or as of the Closing will have infringed or otherwise violated any Intellectual Property of any third party in any material respect, nor have either of them or Philips or any Affiliate of

Philips received during the three years prior to the Closing any material claims of third parties to that effect with respect to the Business, the Company or any Company Subsidiary.

(c) There is no material litigation, opposition, cancellation, proceeding, objection or claim pending, asserted or threatened concerning the ownership, validity, registerability, enforceability, infringement, use or licensed right to use any Registered Intellectual Property.

Section 4.15 Environmental Matters. Except as has not had or resulted in and would not be reasonably likely to have or result in a Philips Material Adverse Effect:

(a) To the Knowledge of Philips or the Company, the Business is in compliance with all applicable Environmental Laws.

(b) To the Knowledge of Philips or the Company, the Business as of the Closing will have all permits, licenses, registrations, identification numbers,

authorizations and approvals required under Environmental Laws for the operation of the Business as presently conducted.

(c) To the Knowledge of Philips or the Company, no notices, demands, claims, letters or requests for information, relating to any material violation or alleged material violation of, or any material Liability under, any Environmental Law applicable to the Business have been received by any Person during the past three years, except for matters that have been resolved or are no longer outstanding.

(d) There are no writs, injunctions, decrees, orders or judgments outstanding, or any actions, suits, proceedings or investigations pending or, to the Knowledge of Philips or the Company, threatened, relating to compliance by the Business with or Liability under any applicable Environmental Law, except for matters that have been resolved or are no longer outstanding.

(e) Notwithstanding any of the other representations in Article III, the representations in this Section 4.15 constitute the sole representations and warranties relating to any Environmental Law concerning the Business, the Owned Real Property or the Leased Real Property.

Section 4.16 Contracts. To the Knowledge of Philips or the Company, all of the contracts listed on Schedule 4.16 (the "Material Contracts") are in full force and effect and are enforceable against each party thereto in accordance with the express terms thereof. There does not exist under any Material Contract any material violation, breach or event of default, or alleged violation, breach or event of default, or event or condition that, following the Closing and after notice or lapse of time or both, would constitute a material violation, breach or event of default thereunder on the part of the Company or, to the Knowledge of Philips or the Company, any other party thereto, except as set forth in Schedule 4.16. There are no material disputes pending or threatened under any Material Contract.

Section 4.17 Territorial Restrictions. Neither of the Company nor any Company Subsidiary is or as of the Closing will be restricted by any agreement with any Person from carrying on the Business anywhere in the world or from expanding the Business in any way or entering into any new businesses, except for such restrictions that would not be material to the Business or that would not apply to the Business or Newco following the Closing.

Section 4.18 Insurance. Schedule 4.18 lists all material insurance policies covering the properties, assets, employees and operations of the Company and the Company Subsidiaries (including policies providing property, casualty, liability, and workers' compensation coverage). All of such policies or renewals thereof are in full force and effect and to the Knowledge of Philips or the Company, except as set forth in Schedule 4.18 or in the Disentanglement Schedule, will continue in full force and effect with respect to the properties, assets, employees and operations of the Company and the

Company Subsidiaries immediately following the Closing. For the avoidance of doubt, certain material insurance policies covering employees are set forth in Schedule 4.11(a) and not in Schedule 4.18.

Section 4.19 Sufficiency of Assets. Except as otherwise set forth in this Agreement and except for the assets, properties and rights listed in Schedule 4.19, the assets, properties and rights of the Company and the Company Subsidiaries as of the Closing, when taken together with the services to be provided (and the assets, properties and rights of Philips and its Affiliates to be used in providing such services) and the assets, properties and rights to be leased or licensed by Philips and its Affiliates under the Ancillary Agreements and the benefits to be made available to the Company or the relevant Company Subsidiary pursuant to Section 6.11, constitute all the assets, property and rights necessary for the Company and the Company Subsidiaries to conduct the Business in all material respects as conducted on the date hereof.

Section 4.20 Debt Financing Commitment. The Company has received from the Financing Banks a signed commitment letter (the "Debt Commitment Letter"), a true and correct copy of which is set forth in Schedule 4.20.

Section 4.21 No Other Representations or Warranties. Except for the representations and warranties contained in Article III and this Article IV, neither Philips nor the Company nor any other Person makes any other express or implied representation or warranty on behalf of Philips or the Company.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF NEWCO

Subject to exceptions set forth in the Schedules, Newco represents and warrants to Philips as follows:

Section 5.1 Corporate Status. Newco is a limited liability company duly organized and validly existing under the laws of The Netherlands.

Section 5.2 Due Authorization, Execution and Delivery; Enforceability. Newco has full corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Newco and constitutes a valid and legally binding agreement of Newco, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

Section 5.3 No Conflicts. The execution, delivery and performance by Newco of this Agreement and the consummation of the Transaction do not and will not (i) violate any provision of the Organizational Documents of Newco or (ii) assuming the receipt of all Consents referred to in Section 5.4, to Newco's Knowledge, violate or result

in a breach of or constitute a default under any Law to which Newco is subject, other than violations, breaches or defaults that would not reasonably be expected to prevent, materially delay or materially impair the ability of Newco to consummate the Transaction.

Section 5.4 Consents. No material Consent of or with any Governmental Authority or other Person is required to be obtained, made or effected by Newco in connection with the execution and delivery of this Agreement by Newco or the performance of its obligations under this Agreement, except for the Antitrust Approvals.

Section 5.5 Litigation and Claims. There are no Legal Proceedings pending or, to Newco's knowledge, threatened against Newco, that question the validity of this Agreement or that would reasonably be expected to prevent, materially delay or materially impair the ability of Newco to consummate the Transaction.

Section 5.6 Financial Sophistication. Newco will serve as the vehicle pursuant to which the Investors will acquire an indirect interest in the Company. Newco has received assurances from each of the Investors that: (a) the Investor has such knowledge and experience in financial and investment matters and in such other business matters that the Investor is capable of evaluating the merits and risks of the investment contemplated herein and in the Subscription Agreement, (b) the Investor, together with its advisors, has been given the opportunity to perform due diligence and to receive such information and materials as the Investor may reasonably have requested with respect to the Company in order to evaluate the merits and risks of such investment and (c) the Investor is not relying on Philips or its advisors with respect to the economic, financial or tax considerations involved in such investment.

Section 5.7 Finders' Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Newco who might be entitled to any fee or commission from Newco in connection with the Transaction.

Section 5.8 Investor Equity Commitment Letters. Schedule 5.8 contains true and correct copies of the Investor Equity Commitment Letters.

Section 5.9 No Other Representations or Warranties. Except for the representations and warranties contained in this Article V, neither Newco nor any other Person makes any other express or implied representation or warranty on behalf of Newco.

ARTICLE VI
COVENANTS

Section 6.1 Access and Information. From the date hereof until the Closing, subject to reasonable rules and regulations of Philips and any applicable Laws, Philips

shall (a) afford Newco and its representatives (including representatives of entities providing or arranging financing for Newco) access, during regular business hours and upon reasonable advance notice, to any information and documents reasonably requested by Newco primarily relating to the Business, (b) furnish, or cause to be furnished, to Newco any financial and operating data and other information about the Business as Newco from time to time reasonably requests and (c) instruct relevant personnel, and its counsel, accountants and financial advisors to cooperate with Newco in its investigation of the Business; provided, however, that in no event shall Newco have access to any information that (y) based on advice of Philips' counsel, would create any potential Liability under applicable Laws, including Antitrust Laws, or would destroy any legal privilege or (z) in the reasonable judgment of Philips, would (i) result in the disclosure of any trade secrets of third parties or (ii) violate any obligation of Philips, any Affiliate of Philips, including the Company or any Company Subsidiary, with respect to confidentiality so long as, with respect to confidentiality, Philips has made reasonable efforts to obtain a waiver regarding the possible disclosure from the third party to whom it owes an obligation of confidentiality; and it being further understood that Newco shall reimburse Philips promptly for any expenses it incurs in complying with any such request by or on behalf of Newco. All requests for information made pursuant to this section shall be directed to an executive officer of Philips or such Person or Persons as may be designated by Philips. Following the Closing, upon the request of the other Party, Philips and Newco shall, to the extent permitted by Law and confidentiality obligations existing as of the Closing Date, grant to the other Party and its representatives during regular business hours and subject to reasonable rules and regulations of the granting Party, the right, at the expense of the non-granting Party, to inspect and copy the books, records and other documents in the granting Party's possession pertaining to the operation of the Business prior to the Closing (including books of account, records, files, invoices, correspondence and memoranda, customer and supplier lists, data, specifications, insurance policies, operating history information and inventory records). In no event shall either Party have access to the Tax Returns of the other Party.

Section 6.2 Conduct of the Business. (a) During the period from the date hereof to the Closing, except as otherwise contemplated by this Agreement, including the Disentanglement Schedule, or as Newco otherwise agrees in writing in advance, Philips shall, and to the extent applicable shall cause the Company and the Company Subsidiaries to, conduct the Business in the Ordinary Course and use commercially reasonable efforts to preserve intact the Business and its relationship with customers, suppliers, creditors and employees.

(b) During the period from the date hereof to the Closing, except as otherwise contemplated by this Agreement, including the Disentanglement Schedule, or as set forth in Schedule 6.2(b) or as Newco shall otherwise consent (which consent shall not be unreasonably withheld), Philips shall not take any of the following actions with respect to the Business and, to the extent applicable, shall cause the Company and the Company Subsidiaries not to:

(i) (A) incur any additional Indebtedness, except in the Ordinary Course of Business, or issue any debt securities or assume, guarantee or endorse any material obligations of any other Person, except pursuant to the Debt Commitment Letter, or (B) make any material loans, advances or capital contributions to, or investments in, any other Person (other than customary loans or advances to employees in amounts not material to the maker of such loan or advance), except for the payment by the Company of the Net Debt Financing Amount to Philips in accordance with Section 6.10(c);

(ii) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or any equity interest therein, except that the Company may, directly or indirectly, acquire or agree to acquire additional shares of Systems on Silicon Manufacturing Co. Pte. Ltd.;

(iii) (A) sell, assign, lease, transfer, license, or otherwise dispose of, or extend or exercise any option to sell, assign, lease, transfer, license, or otherwise dispose of, any Assets, other than in the Ordinary Course of Business or (B) mortgage or pledge any Assets, other than in the Ordinary Course of Business;

(iv) terminate or materially extend or materially modify any Material Contract;

(v) enter into any contract, arrangement or commitment or amend any contract, arrangement or commitment, other than in the Ordinary Course of Business;

(vi) materially increase, amend or grant any employee benefits in any material manner, except in the Ordinary Course of Business;

(vii) settle any Legal Proceedings or other disputes (A) that would result in Philips, or to the extent applicable the Company and the Company Subsidiaries, being enjoined in any respect material to the Transaction or the Business or (B) for an amount, in the aggregate, exceeding €5 million;

(viii) accelerate the delivery or sale of products or the incurrence of capital expenditures, or offer discounts on sale of products or premiums on purchase of raw materials, except in the Ordinary Course of Business;

(ix) do any other act which would cause any representation or warranty of Philips in this Agreement to be or become untrue in any material respect or intentionally omit to take any action necessary to prevent any such representation or warranty from being untrue in any material respect at such time; or

(x) authorize or enter into any agreement or commitment with respect to any of the foregoing.

Section 6.3 Disentanglement. Philips shall use its commercially reasonable efforts to complete in all material respects, as soon as reasonably practicable after the date hereof, the Disentanglement, as set forth in the Disentanglement Schedule and in accordance with the Ancillary Agreements. Philips shall not, and shall procure that its Subsidiaries shall not, amend the terms of any of the Ancillary Agreements in a manner materially adverse to Newco, the Company or any Company Subsidiary without the prior consent of Newco, which consent shall not be unreasonably withheld. Philips shall periodically inform Newco of the progress being made with respect to the Disentanglement and provide Newco with such information as it may reasonably request with respect thereto. The Disentanglement Schedule and related documentation will be finalised in good faith and on reasonable commercial arm's length terms to procure the successful separation of the Company, Company Subsidiaries and the Business from the existing Philips Group, it being understood that this will not entitle the Parties to require the amendment of items to the extent agreed prior to the date hereof. The Parties acknowledge and agree that the Disentanglement Schedule in the form in which it is annexed to this Agreement is the Disentanglement Schedule as it existed on August 3, 2006 and that such Disentanglement Schedule remains a work in progress. Since August 3, 2006, several meetings and discussions have taken place between various representatives of the Parties with a view to finalizing the Disentanglement Schedule and the Ancillary Agreements. The signing of this Agreement is without prejudice to that process and ongoing discussions since August 3, 2006.

Section 6.4 Debt Financing. Philips and the Company shall not make or agree to any material changes to the terms and conditions of the Debt Financing as set forth in the Debt Commitment Letter that are adverse to Newco or the Company without the written consent of Newco.

Section 6.5 Retention of Records. (a) Newco shall retain for a period of five years after the Closing, or such longer period as may be prescribed by Law, all books, records and other documents relating to the Business that are at the Company Premises at the Closing and, to the extent reasonably required by Philips, shall grant Philips, upon reasonable notice, access during normal office hours to such books, records and other information, including the right to inspect and take copies at Philips' expense.

(b) Philips shall retain for a period of five years after the Closing, or such longer period as may be prescribed by Law, all books, records and other documents relating to the Business that are not held at the Company Premises at the Closing and, to the extent reasonably required by Newco, shall grant Newco, upon reasonable notice, access during normal office hours to such books, records and other information, including the right to inspect and take copies at Newco's expense.

Section 6.6 Reasonable Best Efforts. Philips and Newco shall cooperate and use their respective commercially reasonable best efforts to fulfill as promptly as practicable the conditions precedent to their and the other Party's obligations under this Agreement, including securing as promptly as practicable all Consents required hereunder, other than in connection with the Antitrust Approvals, provided that Philips need not request a Consent from any third party if

such Consent is not material to the Business. To the extent that, as an accommodation to Newco and with Newco's prior written consent, Philips incurs costs that Newco otherwise would have to incur in order to secure any Consent, other than in connection with the Antitrust Approvals, Newco shall promptly reimburse Philips for any such costs that are invoiced by Philips to Newco.

Section 6.7 Antitrust. (a) As soon as practicable, and in any event not later than five (5) Business Days after the date hereof, Newco shall make all filings and submissions necessary or desirable to obtain the Antitrust Approvals or as otherwise required by the Antitrust Laws.

(b) As promptly as practicable following the receipt of a request by a Governmental Authority for additional information or documentary material in connection with a filing made pursuant to Section 6.7(a), Newco shall file such additional information or documentary material with such Governmental Authority.

(c) Newco shall use its reasonable best efforts to cause the expiration or termination of any applicable waiting period under any Antitrust Law and the satisfaction (whether explicit or implicit) of all requirements to obtain the Antitrust Approvals as soon as practicable, including by agreeing to (i) take any action that may be required in order to obtain an unconditional first phase clearance (including by agreeing to dispose of any assets or businesses that may be required by any Governmental Authority pursuant to an Antitrust Law) or (ii) duly and promptly comply with any condition that any Governmental Authority may impose to clear this Agreement and the Transaction pursuant to an Antitrust Law.

(d) Newco shall bear all filing fees and other costs in relating to any filings (including submissions of additional information or documentary material) made pursuant to this Section 6.7, along with any and all costs, penalties and fines resulting from the failure to make a filing (including a submission of additional information or documentary material) required in order to obtain an Antitrust Approval, to the extent such failure is attributable to Newco.

(e) Philips and Newco shall cooperate with each other and shall furnish to the other Party all information necessary or desirable in connection with making any filing under any the Antitrust Laws, and in connection with resolving any investigation or other inquiry by any Governmental Authority under any of the Antitrust Laws with respect to the Transaction. Each of the Parties shall promptly inform the other Party of any communication with, and any proposed understanding, undertaking or agreement with, any Governmental Authority in connection with any such filings or any such transaction.

Neither Philips nor Newco shall participate in any meeting or conversation with any Governmental Authority in connection with of any such filings, investigation or other inquiry without giving the other Party prior notice of the meeting or conversation (as applicable) and reasonable opportunity to participate in such meeting or conversation. The Parties will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions filings, notifications and proposals made or submitted by or on behalf of any Party in connection with all meetings, actions and proceedings under or relating to the Antitrust Laws, provided that Newco shall not make any written filing, including submitting any additional information or documentary material requested by a Governmental Authority in connection with obtaining the Antitrust Approvals or as otherwise required under the Antitrust Laws, without the prior written approval of Philips, which approval shall not be unreasonably withheld.

Section 6.8 Employee Matters. (a) During the period commencing on the Closing Date and ending on the first anniversary thereof, Newco shall cause the Company and the Company Subsidiaries to: (i) provide employee benefits that are the same as, or in the aggregate substantially comparable to, the employee benefits currently provided to the Employees and (ii) honor, pay, perform and satisfy any and all Liabilities, obligations and responsibilities to or in respect to each current Employee or former employee in the Business under the terms of each Benefit Plan or applicable Law and each between the Company and such Employee or former employee, in each case, as in effect immediately prior to the Closing Date, provided, however, that nothing in this Agreement shall limit Newco, or the Company or any Company Subsidiary, from exercising after the Closing any reserved right to amend, modify, suspend or terminate any Benefit Plan or other employee compensation or benefit arrangement. Newco shall cause each employee benefit plan or arrangement maintained or contributed to by Newco, the Company or any Company Subsidiary and in which an Employee participates or will participate to recognize all service of such Employee with the Company or any Company Subsidiary (to the extent such credit was given by the comparable Benefit Plan) for purposes of eligibility and vesting (but not for purposes of determining the amount of benefits or contributions) and, if applicable, to waive any exclusions for preexisting conditions under applicable group health plans (to the extent such conditions were covered under the applicable Benefit Plan). For so long as any Employee participates in any Benefit Plan of Philips or any Affiliate of Philips, Newco shall not, and shall cause the Company and the Company Subsidiaries not to, take any action that would be reasonably likely to have or result in material adverse effect on Philips with respect to such Benefit Plan, and Newco shall, and shall cause the Company and the Company Subsidiaries to, cooperate with Philips in connection with administering any such Benefit Plan.

(b) Reference is made to paragraph 8 of the Disentanglement Schedule. To the extent that defined benefit pension plans and/or termination indemnities of Philips as disclosed by Philips in the Virtual Data Room are funded externally through a separate Philips pension fund or an insurance contract between Philips and a pension insurer,

Philips shall procure a bundled transfer of liabilities to any funding vehicle appointed by Newco and shall also procure that such transfer will be combined with a transfer of assets which, at the transfer date, equals the greater of (i) the accumulated benefit obligations (ABO) value of the transferred liabilities as calculated on the basis of actuarial and economic assumptions consistently applied by Philips for the purpose of its annual accounts in accordance with the past accounting methods, policies, practices and procedures of Philips or (ii) the level required to fund the transferred liabilities (including for the avoidance of doubt the required reserves), in compliance with applicable regulatory requirements (as determined by the Dutch Central Bank or any other Governmental Authority supervising such transfers). Such compliance will be determined (i) in accordance with the valuation principles of the Philips pension fund from which they will be transferred and (ii) for The Netherlands, based on the assumption that the investment policy of the funding vehicle appointed by Newco will be equal to the investment policy of the Philips pension fund in the Netherlands regarding the plan assets of the relevant Benefit Plan at the designated transfer dale (the "Transfer Date"). Philips' obligation to procure such transfers of assets and liabilities will only apply if the possibility of such transfer of assets and liabilities is either approved by the board of trustees of the relevant Philips pension fund or permitted by the relevant insurance contract and, if and when legally required, to the extent that the particular employees agree to (i) a transfer of their accrued rights under the conditions as referred to above and (ii) any other condition as determined by the board of trustees of the relevant pension fund or as permitted by the terms and conditions of the relevant insurance contract. If and to the extent that any transfer will be completed after the Transfer Date, the asset transfer will equal the transfer value as per the Transfer Date plus any interest accrued on that transfer value on the basis of 6-month EURIBOR between the Transfer Date and the date the liabilities actually transfer.

(c) In addition, the arrangements set out in Schedule 6.8(c) will apply.

Section 6.9 Tax Matters.

(a) Preparation and Filing of Tax Returns.

(i) Philips shall prepare and timely file (including extensions) in proper form with the appropriate Taxing Authority all income Tax Returns of the Company or a Company Subsidiary or which include or relate to the Company or the Company Subsidiaries for Pre-Closing Tax Periods ending on or before the Closing Date. Philips shall timely pay or shall cause to be timely paid any and all Taxes due with respect to such Tax Returns allocable to Philips under Section 6.9(b). Philips and its Affiliates shall have the exclusive authority and obligation to prepare all Tax Returns of the Company and the Company Subsidiaries or which include the Company or any Company Subsidiary described in the preceding sentence that are due with respect to any Pre-Closing Tax Period. Such authority shall include the determination of the manner in which any items of income, gain, deduction, loss or credit arising out of the income, properties and

operations of the Company and the Company Subsidiaries shall be reported or disclosed in such Tax Returns; provided, however, that such Tax Returns shall be prepared by treating items on such Tax Returns in a manner consistent with past practices with respect to such items, unless otherwise required by Law. Philips shall provide Newco drafts of such Tax Returns at least thirty (30) days prior to the due date for the filing of such Tax Returns (including extensions). At least fifteen (15) days prior to the due date for the filing of such Tax Returns (including extensions), Newco shall notify Philips in writing of any objections to any items set forth on such draft Tax Returns. Philips and Newco agree to consult and resolve in good faith any such objection.

(ii) Newco shall prepare and file in proper form with the appropriate Taxing Authority or shall cause the Company or one or more Company Subsidiaries to prepare and file in proper form with the appropriate Taxing Authority all Tax Returns of the Company or a Company Subsidiary or which include the Company or any Company Subsidiary for Tax Periods for which Philips is not responsible pursuant to Section 6.9(a)(i) and shall pay or shall cause to be paid any and all Taxes due with respect to such Tax Returns. If any portion of the Taxes due with respect to such Tax Returns is allocable to Philips, and Philips is liable for such Taxes, under Section 6.9(b), Newco shall provide Philips with written notice of the amount at least thirty (30) days prior to the date on which the relevant Tax Return is required to be filed by Newco or payment of such Taxes is otherwise due, and Philips shall pay such amount to Newco no later than five Business Days before such Taxes are due and payable. For 60 days after Closing, the requirements of the preceding sentence shall be applied in a manner that reasonably and in good faith reflects Newco's ability to assume the administrative responsibilities described in the preceding two sentences.

(iii) For purposes of this Agreement, (A) the term "Pre-Closing Tax Period" means a Tax period or portion thereof that ends on or prior to the Closing Date; if a Tax period begins on or prior to the Closing Date and ends after the Closing Date, then the portion of the Tax period that ends on and includes the Closing Date shall constitute a Pre-Closing Tax Period, (B) the term "Post-Closing Tax Period" means any Tax period that begins after the Closing Date; if a Tax period begins on or prior to the Closing Date and ends after the Closing Date, then the portion of the Tax period that begins immediately after the Closing Date shall constitute a Post-Closing Tax Period and (C) the term "Straddle Tax Period" means any Tax period that begins before the Closing Date and ends after the Closing Date.

(b) Apportionment and Allocation of Taxes. All Taxes and Tax Liabilities with respect to the income, property or operations of the Company or the Company Subsidiaries that relate to a Straddle Tax Period shall be apportioned to the Pre-Closing Tax Period as follows: (i) in the case of Taxes that are either (A) based upon or related to income or receipts, capital or net worth or (B) imposed in connection with any sale or

other transfer or assignment of property (real or personal, tangible or intangible) (other than conveyances pursuant to this Agreement, as provided under Section 6.9(g)), such Taxes shall be deemed equal to the amount which would be payable if the Tax year ended with the Closing Date (provided, however, that exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, shall be apportioned on a time basis) and (ii) in the case of Taxes imposed on a periodic basis other than those described in clause (i), including property Taxes and similar ad valorem obligations, such Taxes shall be deemed to be the amount of such Taxes for the entire Straddle Tax Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period. Subject to Section 6.9(f), (i) Philips shall be liable for all Taxes of the Company and any Company Subsidiary that are attributable to any Pre-Closing Tax Period, whether shown on any original Tax Return or amended Tax Return for the period therein, if such Taxes exceed, in the aggregate, €10 million (and then for the entire such amount and not just the amount in excess of €10 million) and are not attributable to a timing item as defined in Section 6.9(f)(iii) and (ii) Newco shall be liable for all Taxes that are attributable to any Post-Closing Tax Period; provided, however, Philips shall pay or cause to be paid any Tax or Tax liability apportioned or allocated to Philips pursuant to the preceding sentence that is due to be paid with respect to any original Tax Return filed after the date of this Agreement. Philips shall pay Newco as amount equal to any amount of Tax for which Philips is liable pursuant to this Section 6.9(b) no later than three Business Days before such Taxes are due and payable.

(c) Refunds. Newco shall pay or cause to be paid to Philips any refunds of Taxes attributable to any Tax Returns filed prior to the date of this Agreement with respect to any Pre-Closing Tax Period that exceed the amounts reserved for such refunds, net of any costs attributable to the receipt of such refund, within thirty (30) days after the receipt of such refund. All refunds of Taxes that (i) do not exceed the amounts reserved for refunds or (ii) are attributable to any Tax Returns filed on or after the date of this Agreement or to any Post-Closing Tax Period, and that are received by Newco, the Company or any Company Subsidiary shall be for the benefit of Newco.

(d) Cooperation; Audits. In connection with the preparation of Tax Returns, audit examinations, and any administrative or judicial proceedings relating to the Taxes, Newco, the Company and the Company Subsidiaries, on the one hand, and Philips, on the other hand, shall cooperate fully with each other, including the furnishing or making available during normal business hours of records, personnel (as reasonably required and at no cost to the other Party), books of account, powers of attorney or other materials necessary or helpful for the preparation of such Tax Returns, the conduct of audit examinations

or the defense of claims by Taxing Authorities as to the imposition of Taxes. Philips, Newco, the Company and the Company Subsidiaries shall retain all Tax Returns, schedules and work papers and all material records or other documents relating to all Taxes of the Company and the Company Subsidiaries for the Tax period first

ending after the Closing Date and for all prior Tax periods until the later of (i) the expiration of the statute of limitations of the Tax periods to which such Tax Returns and other documents relate, including any extension or (ii) seven years following the due date for such Tax Returns, and each of Philips and Newco shall maintain such Tax Returns, schedules, work papers, records and documents in the same manner and with the same care it uses in maintaining its Tax Returns, schedules, work papers, records and documents. Philips, on the one hand, and each of Newco, the Company and the Company Subsidiaries, on the other hand, shall give the other Party reasonable written notice prior to destroying or discarding any such books or records and, if the other Party so requests, the other Party shall take possession of such books and records prior to the destruction thereof. Any information obtained under this Section 6.9(d) shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(e) Controversies. Newco shall notify Philips in writing, and in reasonable detail (taking into account the information then available), within thirty (30) days of the receipt by Newco or any Affiliate of Newco (including the Company or any Company Subsidiary after the Closing Date) of written notice of any inquiries, claims, assessments, audits or similar events with respect to Taxes relating to a Pre-Closing Tax Period for which Philips may be liable under Section 6.9(b) and Section 6.9(f) (any such inquiry, claim, assessment, audit or similar event, a "Tax Matter"); provided, however, that delay or failure to give such notification shall not affect the indemnification provided in Section 6.9(f) except to the extent Philips shall have been actually prejudiced as a result of such delay or failure. For Tax Matters relating solely to a Pre-Closing Tax Period for which Philips acknowledges without reservation its obligation to indemnify Newco therefore according to Section 6.9(b) and Section 6.9(f), Philips, at its own expense, shall have the exclusive authority to represent the interests of the Company and the Company Subsidiaries with respect to any Tax Matter before the U.S. Internal Revenue Service, any other Taxing Authority, any other governmental agency or authority or any court and shall have the sole right to extend or waive the statute of limitations with respect to a Tax Matter, including responding to inquiries, filing Tax Returns and settling audits or lawsuits; provided, however, that Philips shall not enter into any settlement of or otherwise compromise any Tax Matter that affects or may affect the Tax Liability of Newco, the Company or any Company Subsidiary for any Post-Closing Tax Period, including any Straddle Tax Period, without the prior written consent of Newco, which consent shall not be unreasonably withheld. Philips shall keep Newco fully and timely informed with respect to the commencement, status and nature of any Tax Matter. Philips and Newco shall jointly represent the interests of the Company and the Company Subsidiaries with respect to all Tax Matters relating to a Straddle Tax Period or relating to both a Pre-Closing Tax Period and a Post-Closing Tax Period. Philips shall, in good faith, allow Newco or Newco's counsel to consult with it regarding the conduct of or positions taken in any such proceeding.

(f) Indemnification.

(i) If in excess of, in the aggregate, €10 million (and then for the entire such amount and not just the amount in excess of €10 million) and subject to Section 6.9(f)(iii) and (iv), Philips shall indemnify Newco in the form of an adjustment to the Purchase Price against (A) any Taxes for any Pre-Closing Tax Period resulting from, arising out of, relating to or caused by any Liability or obligation of the Company or any Company Subsidiary for Taxes of any person other than the Company or any Company Subsidiary and all Losses relating to such Taxes, (B) any Taxes and any Losses in respect of such Taxes imposed on the Company or any Company Subsidiary as a result of the failure of any member of the Philips Group to discharge such member's obligation in respect of such Taxes (unless such Taxes relate to a Post-Closing Period and the Company or any of its Subsidiaries is primarily liable for such Taxes), (C) any Losses to Newco, the Company or any Company Subsidiary resulting from a breach of any representation or warranty contained in Section 4.8 or any covenant in this Section 6.9, (D) any Taxes and any Losses relating to such Taxes imposed on Newco, the Company or any Company Subsidiary directly or indirectly as a result of the Transaction (including any Taxes incurred as a result of the application of Section 179 of the Taxation of Capital Gains Act 1992 (United Kingdom) or similar provisions of state, local or foreign Law) and (E) any Taxes and any Losses relating to such Taxes imposed on the Company or any Company Subsidiary for any Pre-Closing Tax Period. Philips shall discharge its obligation to indemnify Newco against such Pre-Closing Tax Period Tax by paying to Newco an amount equal to the amount of such Tax or Loss relating to such Tax. In determining (A) whether any representation or warranty contained in Section 4.8 was true and correct as of any particular date and (B) the amount of any Losses in respect of the failure of any such representation or warranty to be true and correct as of any particular date, any materiality standard applying to or contained in such representation or warranty shall be disregarded.

(ii) Newco shall indemnify Philips from and against (A) any Taxes and any Losses relating to such Taxes paid by Philips or any Affiliate of Philips (other than the Company or a Company Subsidiary) imposed on Newco, the Company, any Company Subsidiary or any Affiliate of Newco for any Post-Closing Tax Period and (B) any breach of any covenant in this Section 6.9 by Newco or any of its Affiliates. Newco shall discharge its obligation to indemnify Philips against such Post-Closing Tax Period Tax by paying to Philips an amount equal to the amount of such Tax.

(iii) Notwithstanding Section 6.9(f)(i), Philips' indemnity shall not apply to any Tax or Loss attributable to the adverse treatment of a timing item in any Pre-Closing Tax Period. For this purpose, an "adverse treatment of a timing item" shall mean any deduction, loss or credit of an item properly claimed or deducted in the normal course applying normal fiscal principles but disallowed by the Taxing Authorities to the extent the adverse tax treatment of such item in a Pre-Closing Tax Period gives rise to an equivalent amount of deduction, loss, or

credit, as the case may be, actually realized in any Post-Closing Tax Period. For purposes of illustration, and without limiting the foregoing, the capitalization of an amount that has been deducted in a Pre-Closing Tax Period amounts to an adverse treatment of a timing item to the extent that the

amount capitalized actually results in depreciation or amortization deductions in a Post-Closing Tax Period. The value of any such timing item shall be calculated in the same manner as a "net Tax benefit" pursuant to Section 8.5(c).

(iv) Notwithstanding Section 6.9(f)(i), Philips' indemnity shall not apply to the extent that (A) a provision or reserve in respect of that Tax or Loss has been made in the Closing Date Net Working Capital Statement or (B) the Tax or Loss would not have arisen but for, or is increased by, a transaction, action or omission (including a failure or omission to make any claim for relief) carried out or effected by Newco, the Company or a Company Subsidiary, including directors, employees, advisors, agents or successors in title, at any time after the Closing Date.

(v) In the event that an indemnified Loss is incurred by the Company or any Company Subsidiary, Philips shall make the payment required hereunder directly to the Company or such Company Subsidiary (unless such payment would create adverse tax consequences for Philips, in which case the payment shall be made to Newco).

(g) Conveyance and Transfer Taxes.

(i) Each of Newco and Philips shall pay when due one-half of all transfer, documentary, sales, use, stamp, registration and other such Taxes, and one-half of all conveyance fees, recording charges and other fees and charges (including penalties and interest) arising from the purchase of the Company Shares.

(ii) Philips shall indemnify Newco in the form of an adjustment of the Purchase Price, for all transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including penalties and interest) arising from Disentanglement for which Newco, the Company or any such Company Subsidiary is liable (for the avoidance of doubt, other than the purchase by Newco of the Company Shares).

(iii) The Party that has the primary obligation to do so shall, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges described in the preceding sentence, and, if required by applicable Law, Philips or Newco, as the case may be shall, and shall cause its Affiliates to, join in the execution of any such Tax Returns and other documentation. To the extent that any Taxes described in the second preceding sentence are required to be collected by Philips and remitted to any

Taxing Authority, Newco shall pay an amount equal to one-half of such Taxes to Philips, and Philips shall remit such Taxes to the Taxing Authority.

(iv) For the avoidance of doubt, this subsection (g) shall have priority over any other provision of this Section 6.9, and Losses relating to conveyance and transfer taxes referred to in Section 6.9(g)(ii) shall be subject to Section 8.5.

(h) Limitations. The obligations of Philips pursuant to this Section 6.9 are not limited by the provisions of Section 8.1 or Section 8.2 of this Agreement.

Section 6.10 Release of Obligations. (a) Each Party shall procure that any trade receivables and trade payables owed between Philips and its Affiliates (excluding the Company and the Company Subsidiaries) on the one hand and the Company and the Company Subsidiaries on the other hand, that remain outstanding at the Closing, will be settled in cash in accordance with the usual terms and conditions of trading between such entities or, if there are no such terms and conditions, within thirty (30) days of receipt of an invoice.

(b) At the Closing, except with respect to liabilities referred to in Section 6.10(a) and Liabilities pursuant to ongoing commercial arrangements, (i) Philips shall, on behalf of itself and each of its Affiliates (excluding the Company and the Company Subsidiaries), execute and deliver to Newco, for the benefit of the Company and the Company Subsidiaries, a general release and discharge, in form and substance reasonably satisfactory to Newco, releasing and discharging the Company and the Company Subsidiaries from any and all Liabilities to Philips or its Affiliates (excluding the Company and the Company Subsidiaries) in relation to the Business, including any Liabilities arising from the representations and warranties given by the Company pursuant to Article IV hereof (but otherwise excluding any Liabilities covered by this Agreement or any Ancillary Agreement) and (ii) Newco shall, on behalf of itself and each of its Affiliates, execute and deliver to Philips, for the benefit of Philips and its Affiliates (excluding the Company and the Company Subsidiaries), a general release and discharge, in form and substance reasonably satisfactory to Philips, releasing and discharging Philips and its Affiliates (excluding the Company and the Company Subsidiaries) from any and all Liabilities to Newco or its Affiliates in relation to the Business (other than any Liabilities covered by this Agreement or any Ancillary Agreement). Newco may elect that the release and discharge referred to in this Section 6.10(b) may be effected by way of an assignment or assumption of balances.

(c) The Parties agree that the Company shall use reasonable efforts to use the Net Debt Financing Amount for the payment of the purchase price owed by the Company or any Company Subsidiary under any Local Business Transfer Agreement or Local Share Transfer Agreement and any intercompany loans extended by Philips to the Company or any Company Subsidiary in connection with the Company's acquisition of the Business from Philips, other than trade receivables and payables (collectively, the

"Intercompany Loans"). If the Net Debt Financing Amount is less than the aggregate amount of the Intercompany Loans, the balance shall be subject to the release and discharge referred to in this Section 6.10(b)(i), provided that Newco shall have the right to require Philips to effect such release and discharge by way of an assignment of such balance to Newco. If the Net Debt Financing Amount is greater than the aggregate amount of the Intercompany Loans, the balance shall be treated as the extension of a loan from the Company to Philips, which shall be subject to the release and discharge referred to in this Section 6.10(b)(ii), provided that Newco shall have the right to require Philips to effect such release and discharge by way of an assumption of such balance by Newco.

Section 6.11 Further Assurances. From time to time after the Closing Date, each Party promptly shall, and shall cause its Affiliates to, execute, acknowledge and deliver any other assurances or documents or instruments of transfer reasonably requested by the other Party and necessary for the requesting

party to satisfy its obligations under this Agreement or to obtain the benefits of the Transaction. Without limiting the generality of the foregoing, to the extent that Newco or Philips discover following Closing that any asset (except as specifically contemplated by Section 2.6) that was intended to be transferred pursuant to this Agreement was not transferred at the Closing, Philips shall use its reasonable best efforts to, or to cause its Affiliates promptly to, assign and transfer to the Company or the relevant Company Subsidiary all right, title and interest in such asset. Furthermore, to the extent that any Antitrust Approval is not obtained or any applicable waiting period under any Antitrust Law has not expired or been terminated as of the Closing, Newco shall continue to use its reasonable best efforts to obtain such Antitrust Approval or to cause the expiration or termination of any applicable waiting period under any Antitrust Law as soon as practicable. During the period from the Closing to the date of transfer of such asset or the receipt of such Antitrust Approval or the expiration or termination of any applicable waiting period under any Antitrust Law, Philips shall, to the extent permitted by applicable Antitrust Law, use its reasonable best efforts to, or to cause its Affiliates to (a) operate the relevant asset or entity in accordance with instructions received from the Company, provided that any costs and expenses incurred in connection therewith shall be borne by the Company and (b) as promptly as practicable make available to the Company or the relevant Company Subsidiary any dividends paid and other distributions made by and any other economic benefits generated by the relevant asset or entity, provided that the Company shall be responsible for the obligations relating to and costs of ownership and operation of any such asset or entity.

Section 6.12 Non-Solicit. (a) Philips agrees that, for a period of one (1) year from and after the Closing Date, it shall not, and shall cause its Affiliates not to, without the prior written consent of Newco, directly or indirectly, (i) hire, (ii) enter into a consulting agreement with or (iii) solicit, encourage or induce to terminate an existing employment or consulting relationship with any Employee holding a managerial position at the Closing. The foregoing restrictions shall not preclude Philips or its Affiliates from hiring or entering into a consulting agreement with any Employee who (i) initiated discussions with Philips or its Affiliates that ultimately lead to the hiring of or entering

into a consulting agreement with such Employee without being directly or indirectly solicited to do so by Philips or its Affiliates, (ii) approached Philips or its Affiliates in response to a general solicitation in newspapers or other media not targeted toward Employees or (iii) was terminated by the Company or any Company Subsidiary prior to the commencement of discussions with Philips or its Affiliates.

(b) Newco agrees that for a period of one (1) year from and after the Closing Date, it shall not, and shall cause its Affiliates not to, without the prior written consent of Philips, directly or indirectly, (i) hire, (ii) enter into a consulting agreement with or (iii) solicit, encourage or induce to terminate an existing employment or consulting relationship with any employee of Philips or an Affiliate of Philips holding a managerial position at the Closing. The foregoing restrictions shall not preclude Newco or its Affiliates from hiring or entering into a consulting agreement with any such employee who (i) initiated discussions with Newco or its Affiliates that ultimately lead to the hiring of or entering into a consulting agreement with such employee without being directly or indirectly solicited to do so by Newco or its Affiliates, (ii) approached Newco or its Affiliates in response to a general solicitation in newspapers or other media not targeted towards employees of Philips or Affiliates of Philips or (iii) was terminated by Philips or any Affiliate of Philips prior to the commencement of discussions with Newco or its Affiliates.

Section 6.13 Confidentiality. (a) Philips shall, and shall cause each of its Affiliates to, treat as confidential and shall safeguard any and all information, knowledge and data relating to the Business, in each case by using the same degree of care, but no less than a reasonable standard of care, to prevent the unauthorized use, dissemination or disclosure of such information, knowledge and data as Philips or its Affiliates used with respect thereto prior to the execution of this Agreement.

(b) Newco shall treat as confidential and shall safeguard any and all information, knowledge or data included in any information relating to the business of Philips and its Affiliates other than the Business that becomes known to Newco as a result of the Transaction except as otherwise agreed to by Philips in writing; provided, however, that nothing in this Section 6.13(b) shall prevent the disclosure of any such information, knowledge or data to any directors, officers or employees of Newco to whom such disclosure is necessary or desirable in the conduct of the Business if such Persons are informed by Newco of the confidential nature of such information and are directed by Newco to comply with the provisions of this Section 6.13(b).

(c) Newco and Philips acknowledge that the confidentiality obligations set forth in this Agreement shall not extend to information, knowledge and data that is publicly available or becomes publicly available through no act or omission of the Party owing a duly of confidentiality, or becomes available on a non-confidential basis from a source other than the Party owing a duty of confidentiality so long as such source is not known by such Party to be bound by a confidentiality agreement with or other obligations of secrecy to the other Party.

(d) In the event of a breach of the obligations under this Agreement by Newco or Philips, the other Party, in addition to all other available remedies, will be entitled to injunctive relief to enforce the provisions of this Section 6.13 in any court of competent jurisdiction.

Section 6.14 Dividends. Philips shall deliver to Newco on the Closing Date a statement summarizing all cash dividends paid and distributions made by the Company or any Company Subsidiary during the period from January 1, 2006 to the Closing Date.

Section 6.15 Ancillary Agreements. Philips shall not and shall procure that none of its Subsidiaries shall claim from or pursue a claim against the Company or any of its Subsidiaries under any Ancillary Agreement in the event that the fact or circumstance giving rise to such claim is the subject of an indemnification claim under the body of this Agreement for which Philips is liable, it being further agreed that, in the event of Philips being found liable under the body of this Agreement after the claim has been satisfied under the relevant Ancillary Agreement, Philips shall procure that the Company or the relevant Subsidiary of the Company is reimbursed with the amount paid to Philips or its relevant Subsidiary by the Company or its relevant Subsidiary in respect of the relevant claim under the relevant Ancillary Agreement. For the avoidance of doubt, the exclusion of representations, warranties and indemnities set out in the various Ancillary Agreements will be entirely without prejudice to the representations, warranties and indemnities set out in the main body of this Agreement.

ARTICLE VII
CONDITIONS TO CLOSING

Section 7.1 Conditions to the Obligations of Newco and Philips. The obligations of Philips and Newco to effect the Closing shall be subject to the satisfaction or waiver by Philips and Newco on or prior to the Closing Date of each of the following conditions:

(a) Antitrust. The Initial Closing Antitrust Approvals shall have been obtained or, alternatively, any waiting periods under the Initial Closing Antitrust Laws shall have expired or been terminated.

(b) No Violation of Laws and Governmental Orders. No Governmental Order shall have been entered and remain in effect, and no Law shall have been enacted, entered, enforced or promulgated by any Governmental Authority and be in effect, which in either case would restrain, enjoin or otherwise prevent the performance of this Agreement or the consummation of the Transaction in accordance with the terms of this Agreement.

(c) Disentanglement; Sufficiency. The Disentanglement shall have been completed in all material respects in accordance with the Disentanglement Schedule and, except as otherwise set forth in this Agreement, the assets, properties and rights of the

Company and the Company Subsidiaries as of the Closing, when taken together with the services to be provided (and the assets, properties and rights of Philips and its Affiliates to be used in providing such services), and the assets, properties and rights to be leased or licensed, to the Company and the Company Subsidiaries by Philips and its Affiliates pursuant to the Ancillary Agreements and the benefits to be made available to the Company and the Company Subsidiaries pursuant to Section 6.11, shall constitute all the assets, property and rights necessary for the Company and the Company Subsidiaries to conduct the Business in all material respect as conducted immediately prior to the Closing by the Company and the Company Subsidiaries.

(d) Debt Financing. Philips shall have received the Net Debt Financing Amount from the Company in accordance with Section 6.10(c), with the Debt Financing Amount having been received by the Company on terms and conditions which, taken as a whole, are no less favorable to the Company in any material respect than those set out in the Debt Commitment Letter, no material conditions to the Debt Financing Commitment shall have been waived without the prior written consent of Newco (such consent not to be unreasonably withheld).

Section 7.2 Conditions to the Obligations of Newco. The obligation of Newco to effect the Closing shall be subject to the satisfaction (or waiver by Newco) on or prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of each of Philips and the Company contained in this Agreement that is qualified by a Philips Material Adverse Effect and each of the representations contained in Section 3.1, Section 3.2, Section 3.5, Section 4.1(a) (insofar as the Company is concerned) and Section 4.2 shall be true and correct as of the date hereof and as of the Closing as if made on and as of the Closing (except for such representations and warranties that are made as of a specific date which shall speak only as of such date) and each of the representations and warranties of Philips contained in this Agreement that is not qualified by a Philips Material Adverse Effect, except for the representations contained in Section 3.1, Section 3.2, Section 3.5, Section 4.1(a) (insofar as the Company is concerned) and Section 4.2, shall be true and correct with only such exceptions as have not had or resulted in or would not be reasonably likely to have or result in a Philips Material Adverse Effect as of the date hereof and as of the Closing as if made on and as of the Closing (except for such representations and warranties as are made as of a specific date which shall speak only as of such date).

(b) Covenants. Philips and the Company shall have duly performed and complied in all material respects with all covenants and agreements contained in this Agreement that are required to be performed or complied with by them at or before the Closing.

(c) Certificate. Newco shall have received a certificate, signed by a duly authorized officer of each of Philips and the Company and dated the Closing Date, to the

effect that the conditions set forth in Section 7.2(a) and Section 7.2(b) have been satisfied.

Section 7.3 Conditions to the Obligations of Philips. The obligation of Philips to effect the Closing is subject to the satisfaction (or waiver by Philips) on or prior to the Closing Dale of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Newco contained in this Agreement that is qualified by a Newco Material Adverse Effect and each of the representations contained in Section 5.1 and Section 5.2 shall be true and correct as of the date hereof and as of the Closing as if made on and as of the Closing (except for such representations and warranties that are made as of a specific date which shall speak only as of such date) and each of the representations and warranties of Newco contained in this Agreement that is not qualified by a Newco Material Adverse Effect, except for the representations contained in Section 5.1 and Section 5.2, shall be true and correct with only such exceptions as have not had or resulted in or would not be reasonably likely to have or result in a Newco Material Adverse Effect as of the date hereof and as of the Closing as if made on and as of the Closing (except for such representations and warranties as are made as of a specific date which shall speak only as of such date).

(b) Covenants. Each of the covenants and agreements of Newco to be performed on or prior to the Closing shall have been duly performed in all material respects.

(c) Certificate. Philips shall have received a certificate, signed by a duly authorized officer of Newco and dated the Closing Date, to the effect that the conditions set forth in Section 7.3(a) and Section 7.3(b) have been satisfied.

ARTICLE VIII
SURVIVAL; INDEMNIFICATION; CERTAIN REMEDIES

Section 8.1 Survival. The representations and warranties of Philips and Newco contained in this Agreement shall survive the Closing for the period set forth in this Section 8.1. All representations and warranties contained in this Agreement and all claims with respect thereto shall terminate upon the expiration of one year after the Closing Date, except that (i) the representations and warranties contained in Section 3.1, Section 3.2, Section 3.5, Section 4.1(a), Section 4.2, Section 4.5(b), Section 5.1 and Section 5.2 shall survive until the expiration of the applicable statute of limitations and (ii) the representations and warranties contained in Section 4.8, Section 4.11 and Section 4.14 shall terminate upon the expiration of two years after the Closing Date.

Section 8.2 Indemnification by Philips. (a) Philips hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Newco from, against and in respect of any Losses suffered by Newco, the Company or any Company

Subsidiary resulting from (i) any breach of any representation or warranty made by Philips contained in this Agreement for the period such representation or warranty survives (other than those in Section 4.8, which shall be subject solely to the provisions of Section 6.9(f)) (it being understood that for purposes of this Section 8.2(a) any qualifications relating to a Philips Material Adverse Effect contained in such representation or warranty (other than in Section 4.4) shall be disregarded for purposes of determining whether such representation or warranty was breached), (ii) the claims raised by Company X ("Company X") as summarized in Section 4.9 of the Disclosure Letter as well as any related claims raised by Company X or any of its Affiliates prior or following the Date of this Agreement (together the "Company X Claims") (any Losses relating to such claims, the "Company X Losses") or (iii) any breach of any covenant or agreement of Philips contained in this Agreement. In the event that an indemnified Loss is incurred by the Company or any Company Subsidiary, Philips shall make the payment required hereunder directly to the Company or such Company Subsidiary (unless such payment would create adverse tax consequences for Philips, in which case the payment shall be made to Newco).

(b) Notwithstanding Section 8.2(a), Philips shall not be liable to Newco for any Losses (other than any Company X Losses, for which Philips shall be liable in their entirety, provided that Newco has complied with its obligations pursuant to Section 8.4(f)) unless such Losses exceed (i) an amount equal to €1 million with respect to each individual indemnification claim or series of related claims arising out of the same facts or circumstances or (ii) an aggregate amount equal to two percent (2%) of the Purchase Price, and then for the total and not only for Losses in excess of that amount and up to an aggregate amount equal to ten percent (10%) of the Purchase Price, provided that the limitations hereunder shall not apply in respect of any liability of Philips under Section 6.3 (provided, however, that Philips shall not be liable to Newco for any Losses resulting from a breach by Philips of Section 6.3, unless such Losses exceed in the aggregate €10 million) or a breach of the representations and warranties set out in Section 3.1, Section 3.2, Section 3.5, Section 4.1(a), Section 4.2 and Section 4.5(b).

Section 8.3 Indemnification by Newco. Newco hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Philips from, against and in respect of any Losses suffered by Philips resulting from (a) any breach of any representation or warranty made by Newco contained in this Agreement for the period such representation or warranty survives or (b) any breach of a covenant or agreement of Newco contained in this Agreement.

Section 8.4 Third Party Claim Indemnification Procedures. (a) In the event that any written claim or demand for which an indemnifying party (an "Indemnifying Party") may have liability to any Party entitled to indemnification under Section 8.2 or Section 8.3 (an "Indemnified Party") is asserted against or sought to be collected from any Indemnified Party by a third party (a "Third Party Claim"), such Indemnified Party shall promptly, but in no event more than ten days following such Indemnified Party's receipt of a Third Party Claim, notify the Indemnifying Party in writing of such Third

Party Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto (a "Claim Notice"); provided, however, that the failure timely to give a Claim Notice shall affect the rights of an Indemnified Party under this Agreement only to the extent that such failure has a material prejudicial effect on the amount of Losses or on the defenses or other rights available to the Indemnifying Party with respect to such Third Party Claim. The Indemnifying Party shall have thirty (30) days (or such lesser number of days set forth in the Claim Notice as may be required by court proceeding in the event of a litigated matter) after receipt of the Claim Notice (the "Notice Period") to notify the Indemnified Party that it desires to defend the Indemnified Party against such Third Party Claim.

(b) In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against a Third Party Claim, the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense at its expense. Once the Indemnifying Party has duly assumed the defense of a Third Party Claim, the Indemnified Party shall have the right, but not the obligation, to participate in any such defense and to employ separate counsel of its choosing. The Indemnified Party shall participate in any such defense at its expense unless (i) the Indemnifying Party and the Indemnified Party are both named parties to the proceedings and the Indemnified Party shall have reasonably concluded that representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (ii) the Indemnified Party assumes the defense of a Third Party Claim after the Indemnifying Party has failed to diligently pursue a Third Party Claim it has assumed, as provided in the first sentence of Section 8.4(c). The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any Third Party Claim on a basis that would result in (i) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any of its Affiliates, (ii) a finding or admission of a violation of Law or violation of the rights of any Person by the Indemnified Party or any of its Affiliates, (iii) a finding or admission that would have an adverse effect on other claims made or threatened against the Indemnified Party or any of its Affiliates or (iv) any monetary liability of the Indemnified Party that will not be promptly paid or reimbursed by the Indemnifying Party.

(c) If the Indemnifying Party (i) elects not to defend the Indemnified Party against a Third Party Claim, whether by not giving the Indemnified Party timely notice of its desire to so defend or otherwise or (ii) after assuming the defense of a Third Party Claim, fails to take reasonable steps necessary to defend diligently such Third Party Claim within ten days after receiving written notice from the Indemnified Party to the effect that the Indemnifying Party has so failed, the Indemnified Party shall have the right but not the obligation to assume its own defense; it being understood that the Indemnified

Party's right to indemnification for a Third Party Claim shall not be adversely affected by assuming the defense of such Third Party Claim. The Indemnified Party shall not settle a Third Party Claim without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(d) The Indemnified Party and the Indemnifying Party shall cooperate in order to ensure the proper and adequate defense of a Third Party Claim, including by providing access to each other's relevant business records and other documents, and employees; it being understood that the costs and expenses of the Indemnified Party relating thereto shall be Losses.

(e) The Indemnified Party and the Indemnifying Party shall use reasonable best efforts to avoid production of confidential information (consistent with applicable Law), and to cause all communications among employees, counsel and others representing any party to a Third Party Claim to be made so as to preserve any applicable attorney-client or work-product privileges.

(f) Notwithstanding anything in Article VIII to the contrary but subject to this Section 8.4(f), the Parties agree that from the date hereof Philips shall have the sole right to defend and/or settle the Company X Claims as well as any claims by which recourse is sought against any suppliers of the red phosphorus molding compound (or any of their Affiliates, agents or intermediaries) (collectively, the "Related Claims") and the sole power to direct and control such defense and/or settlement at its cost. Philips undertakes to keep Newco informed on all material developments concerning the Company X Claims and the Related Claims. Newco shall, and shall cause the Company and the Company Subsidiaries to, cooperate in all commercially reasonable ways with Philips and at Philips' cost and expense (except as set forth below) in connection with the defense and/or settlement of the Company X Claims and any Related Claims, including without limitation by (i) furnishing promptly all information requested by Philips that may be necessary or desirable in connection with such defense and/or settlement or that otherwise relates to the Company X Claims or any Related Claims, (ii) providing personnel (including, but not limited to, Guido Dierick, Koen van Holten, Eef Bagerman, Wouter Schuddeboom, Alain Andres, Francois Quinones, Lennart Nilsson and Mikael Gustafsson, all of whom shall cooperate in relation to the Company X Claims and any Related Claims in the same manner as prior to the date hereof) as requested by and at no cost to Philips (other than for reasonable out of pocket expenses) and (iii) consulting and cooperating with Philips in the preparation of analyses, appearances, presentations, memoranda, briefs, arguments, opinions, filings, notifications and proposals made or submitted by Philips in connection with the Company X Claims or any Related Claims. In addition, Newco shall, and shall cause the Company and the Company Subsidiaries to, take all actions reasonably requested by Philips to facilitate resolution of the Company X Claims and any Related Claims provided that (i) such actions are not unduly disruptive to the Business and (ii) Philips reimburses Newco, the Company and the Company Subsidiaries for all costs and expenses associated with such actions (including costs and expenses in the form of discounts granted by the Company on future purchases to be

made by Company X as part of any settlement, which costs and expenses shall be set off against any benefits to the Company that may arise in the context of such settlement). The final sentence of Section 8.4(b) shall apply equally to this Section 8.4(f).

Section 8.5 Adjustments to Losses.

(a) Insurance. In calculating the amount of any Loss, the proceeds actually received by the Indemnified Party or any of its Affiliates under any insurance policy or pursuant to any claim, recovery, settlement or payment by or against any other Person, net of any actual costs, expenses or premiums incurred in connection with securing or obtaining such proceeds, shall be deducted.

(b) Purchase Price Adjustment. In calculating the amount of any Loss for which Newco is entitled to indemnification under this Agreement, the amount of any reserve reflected in the Closing Date Financial Statements specifically related to such Loss shall be deducted. Newco shall not be indemnified to the extent the matter in question has been resolved and resulted in a Purchase Price Adjustment pursuant to Section 2.7.

(c) Taxes. In calculating the amount of any Loss, there shall be deducted an amount equal to any net Tax benefit actually realized (including the utilization of a Tax loss or Tax credit carried forward) as a result of such Loss by the Party claiming such Loss, and there shall be added an amount equal to any Tax imposed on the receipt of any indemnity payment with respect thereto. The amount of a net Tax benefit shall be the present value of the Tax benefit as of the date of any indemnification payment (using the interest rate calculation of Section 6621(a)(2) of the Code and assuming the Indemnified Party has sufficient Taxable income or other Tax attributes to permit the utilization of such Tax benefit at the earliest possible time) multiplied by (i) the combined applicable effective corporate tax rates in effect at the time of the indemnity payment or (ii) in the case of a credit, 100%.

(d) Reimbursement. If an Indemnified Party recovers an amount from a third party in respect of a Loss that is the subject of indemnification under this Agreement after all or a portion of such Loss has been paid by an Indemnifying Party pursuant to this Article VIII, the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (i) the amount paid by the Indemnifying Party in respect of such Loss, plus the amount received from the third party in respect thereof, less (ii) the full amount of Loss.

Section 8.6 Payments. The Indemnifying Party shall pay all amounts payable pursuant to this Article VIII, by wire transfer of immediately available funds, promptly following receipt from an Indemnified Party of a bill, together with all accompanying reasonably detailed back-up documentation, for a Loss that is the subject of indemnification under this Agreement, unless the Indemnifying Party in good faith disputes the Loss, in which event it shall so notify the Indemnified Party. In any event,

the Indemnifying Party shall pay to the Indemnified Party, by wire transfer of immediately available funds, the amount of any Loss for which it is liable under this Agreement no later than three days following any final determination of such Loss and the Indemnifying Party's liability therefore. A "final determination" shall exist when (a) the parties to the dispute have reached an agreement in writing, (b) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment, or (c) an arbitration or like panel shall have rendered a final non-appealable determination with respect to disputes the Parties have agreed to submit thereto.

Section 8.7 Characterization of Indemnification Payments. All payments made by an Indemnifying Party to an Indemnified Party in respect of any claim pursuant to Section 8.2 and Section 8.3 shall be treated as adjustments to the Purchase Price for Tax purposes.

Section 8.8 Mitigation. (a) Each Indemnified Party shall use its commercially reasonable efforts to mitigate any indemnifiable Loss. In the event an Indemnified Party fails to so mitigate an indemnifiable Loss, the Indemnifying Party shall have no liability for any portion of such Loss that could reasonably have been avoided had the Indemnified Person made such efforts. Without limiting the foregoing, after Newco acquires knowledge of any fact or circumstance that results in or reasonably would be expected to result in an indemnified Loss or Third Party Claim under this Agreement, Newco shall notify Philips promptly and implement such reasonable actions as Philips shall request in writing for the purposes of mitigating the possible Losses arising therefrom (such actions, "Mitigation Actions"). In determining whether a proposed Mitigation Action is reasonable, the Parties will take into account, among other relevant factors, (i) the requirements of Law, (ii) what is reasonably advisable in order to avoid a material potential liability, (iii) the industry standards and practices in respect of similar facts and circumstances, (iv) the economic, regulatory, legal, administrative and other costs and benefits of such action (as opposed to no action or alternative possible actions) to Newco and its Affiliates (without regard to the existence of any indemnification obligation of Philips under this Article VIII) and (v) the interest of the Company and the Company Subsidiaries in maintaining good commercial relationships with its employees, customers and suppliers.

Section 8.9 Remedies. Following the Closing the rights and remedies of Philips and Newco under this Article VIII shall be exclusive and in lieu of any and all other rights and remedies which Philips and Newco may have under this Agreement or otherwise against each other with respect to the Purchase for monetary relief with respect to any breach of any representation or warranty or any failure to perform any covenant or agreement set forth in this Agreement, and Newco and Philips each expressly waives any and all other rights or causes of action it or its Affiliates may have against the other Party or its Affiliates now or in the future under any Law with respect to the subject matter hereof. In the event the Closing contemplated hereunder does not occur, Philips acknowledges that its recourse against Newco, the Investors and others as set forth in the Investor Equity Commitment Letter is limited by the arrangements in the Investor Equity

Commitment Letter, and Newco acknowledges that its recourse against Philips is limited by the arrangements in the Philips Equity Commitment Letter.

Section 8.10 Waiver. As of the Closing, Philips shall waive any and all claims against any Employees in connection with their employment by Philips or any Affiliate of Philips or in connection with their involvement in the preparation of this Agreement or any Ancillary Agreements, except for claims based on willful misconduct or fraud.

ARTICLE IX
TERMINATION

Section 9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by written agreement of Newco and Philips; or

(b) by either Newco or Philips, by giving written notice of such termination to the other Party, if the Closing shall not have occurred on or prior to March 31, 2007 so long as the terminating Party is not in material breach of its obligations under this Agreement.

Section 9.2 Effect of Termination. In the event of the termination of this Agreement in accordance with Section 9.1, this Agreement shall thereafter become void and have no effect, and no Party shall have any liability to the other Party hereto or their respective Affiliates, or their respective directors, officers or employees, except for the obligations of the Parties contained in this Section 9.2 and in Section 10.1, Section 10.4, Section 10.6, Section 10.7, Section 10.8, Section 10.9, Section 10.10, Section 10.11 and Section 10.12 (and any related definitional provisions set forth in Article I), and except that nothing in this Section 9.2 shall relieve any Party from liability for any breach of this Agreement that arose prior to such termination, for which liability the provisions of Article VIII shall remain in effect in accordance with the provisions and limitations of such Article.

ARTICLE X
MISCELLANEOUS

Section 10.1 Notices. All notices and communications under this Agreement shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by telecopier or email, provided that the telecopy or email is promptly confirmed by telephone confirmation thereof, to the person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such person:

To Newco:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

With a copy to:

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens

London
SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London WIJ8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

To the Company:

Philips Semiconductors International B.V.
High Tech Campus
Professor Holstlaan 4
Buidling HTC — 60
5656 AA Eindhoven
The Netherlands
Telephone: (31) 40 272-2041
Telecopy: (31) 40 272-4005
Email: guido.dierick@nxp.com
Attn: Guido Dierick

With a copy to:

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square

7 Carlton Gardens
London

United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

To Philips:

Koninklijke Philips Electronics N.V.
Breitner Center
Amstelplein 2
1096 BC Amsterdam
The Netherlands
Telephone: (31) 20 597-7232
Telecopy: (31) 20 597-7150
Email: eric.coutinho@philips.com
Attn: Eric Coutinho

With a copy to:

Sullivan & Cromwell LLP
1 New Fetter Lane
London EC4A 1AN
United Kingdom
Telephone: (44) 20 7959-8900
Telecopy: (44) 20 7959-8950
Email: brayg@sullcrom.com
Attn: Garth W. Bray

and

De Brauw Blackstone Westbroek N.V.
Tripolis
Burgerweeshuispad 301
1076 HR Amsterdam
Telephone: (31) 20 577-1421
Telecopy: (31) 20 577-1874
Email: arne.grimme@debrauw.com
Attn: Arne Grimme

Each such notice, request or communication shall be effective when received or, if given by mail, when delivered at the address or addresses specified in this Section or on the fifth Business Day following the date on which such communication is posted, whichever occurs first.

Section 10.2 Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Newco and Philips, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. By virtue of effecting the Closing, Newco shall not, and shall not be deemed to, have waived any of its rights to claim under any of the provisions of this Agreement. The rights and remedies in this Agreement provided shall be cumulative and not exclusive of any rights or remedies provided by Law, except as otherwise specifically provided in Article VIII hereof.

Section 10.3 No Assignment or Benefit to Third Parties. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns. None of the Parties may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Law or otherwise, without the prior written consent of the other Party, except as provided in Section 10.5 and except that each of Newco and Philips may assign any and all of its rights under this Agreement or any Ancillary Agreement to one or more of its wholly owned subsidiaries (but no such assignment shall relieve Newco or Philips, as applicable, of any of its obligations under this Agreement). Nothing in this Agreement, express or implied, is intended to confer upon any Person other than Newco, Philips, the Indemnified Parties and their respective successors, legal representatives and permitted assigns, any rights or remedies under or by reason of this Agreement.

Section 10.4 Entire Agreement. This Agreement (including all Schedules and Exhibits) and the Ancillary Agreements contain the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 10.5 Fulfillment of Obligations. Any obligation of any party to any other party under this Agreement, or any of the Ancillary Agreements, which obligation is performed, satisfied or fulfilled completely by an Affiliate of such party, shall be deemed to have been performed, satisfied or fulfilled by such party.

Section 10.6 Public Disclosure. Notwithstanding anything to the contrary contained in this Agreement, except as may be required to comply with the requirements of any applicable Law and the rules and regulations of any stock exchange upon which the securities of one of the Parties is listed, from and after the date hereof, no press

release or similar public announcement or communication shall be made or caused to be made relating to this Agreement unless specifically approved in advance by both Parties.

Section 10.7 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the Purchase is consummated, all costs and expenses incurred in connection with this Agreement and the Purchase shall be borne by the Party incurring such costs and expenses. From and after Closing, the Company will pay all transaction costs relating to the Debt Financing and the Revolving Credit Facility incurred by Philips or by Newco or any of its direct or indirect shareholders, or by any of Philips' and Newco's respective managers or advisors, including, in each case, the commissions, fees and expenses of any external advisers related thereto.

Section 10.8 Due Diligence Information; Schedules. The disclosure of any matter in the Due Diligence Information or any Schedule shall be deemed to be a disclosure for all purposes of this Agreement to which such matter could reasonably be expected to be pertinent, but shall not be deemed to constitute an admission by Philips or Newco or to otherwise imply that any such matter is material for the purposes of this Agreement.

Section 10.9 Governing Law; Submission to Jurisdiction; Selection of Forum. This Agreement and any agreements to be entered into pursuant to it, save as expressly otherwise provided therein, shall be governed by and construed in accordance with the laws of The Netherlands. Except for the dispute resolution mechanism provided for in Section 2.7, Philips and Newco irrevocably agree that all disputes which may arise out of or in connection with this Agreement and the existence and validity thereof, shall be exclusively resolved by the district court of Amsterdam, The Netherlands.

Section 10.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section 10.11 Headings. The heading references in this Agreement and the table of contents hereof are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 10.12 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the

validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

Philips Semiconductors International B.V.

By: _____
Name:
Title:

KASLION Acquisition B.V.

By: _____
Name:
Title:

/s/ E.M.J. Thyssen
E.M.J. Thyssen
Managing Partner

By its managing director AlpInvest Partners 2006 B.V., in its turn represented by its managing director AlpInvest Partners N.V., by

/s/ C.P. de Ru
C.P. de Ru
Senior Legal Counsel

[Stock Purchase Agreement Signature Page]

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

Philips Semiconductors International B.V.

By: _____
Name:

Title:

KASLION Acquisition B.V.

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title:

[Stock Purchase Agreement Signature Page]

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

Philips Semiconductors International B.V.

By: _____
Name:
Title:

KASLION Acquisition B.V.

By: /s/ [ILLEGIBLE]
Name:
Title:

[Stock Purchase Agreement Signature Page]

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

Koninklijke Philips Electronics N.V.

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title: General Secretary

Philips Semiconductors International B.V.

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title: General Councel

KASLION Acquisition B.V.

By: _____
Name:
Title:

[Stock Purchase Agreement Signature Page]

Exhibit 2.2

Execution Version

SUBSCRIPTION AGREEMENT

among

KASLION Acquisition B.V.,

KASLION Holding B.V.,

Koninklijke Philips Electronics N.V.,

and

Stichting Management Co-Investment NXP

Dated as of September 28, 2006

This SUBSCRIPTION AGREEMENT, is made as of the 28th day of September 2006 among KASLION Acquisition B.V., a limited liability company organized under the laws of The Netherlands (the "Company"), KASLION Holding B.V., a limited liability company organized under the laws of The Netherlands ("Investor"), Koninklijke Philips Electronics N.V., a limited liability company organized under the laws of The Netherlands ("Philips") and Stichting Management Co-Investment NXP, a foundation organized under the laws of The Netherlands (the "Management Trust").

WHEREAS, prior to the date hereof, the Company has been duly organized by Investor as a limited liability company organized under the laws of The Netherlands, and in connection therewith Investor has contributed to the ordinary share capital of the Company an amount of cash equal to €18,000;

WHEREAS, Investor wishes to contribute to the Company an amount of cash equal to €70,470,000 in exchange for 70.488% of the ordinary shares (taking into account the ownership interest issued to Investor in connection with the initial capitalization of the Company) and an amount of cash equal to €3,368,229,000 in exchange for 80.1% of the cumulative preferred shares issued by the Company, Philips wishes to contribute to the Company an amount of cash equal to €17,512,000 in exchange for 17.512% of the ordinary shares and an amount of cash equal to €836,801,000 in exchange for 19.9% of the cumulative preferred shares issued by the Company, and the Management Trust wishes to contribute to the Company an amount of cash equal to €12,000,000 in exchange for 12.0% of the ordinary shares issued by the Company and in respect of which the Management Trust will issue depositary receipts to the Investor as part of a management equity incentive program;

WHEREAS, accordingly, on the terms and subject to the conditions set forth below, Investor wishes to subscribe for, and the Company wishes to issue and deliver to Investor, that number and class of ordinary and cumulative preferred shares in the capital of the Company set out in Schedule 1 (the "Investor Shares"), Philips wishes to subscribe for, and the Company wishes to issue and deliver to Philips, that number and class of ordinary and cumulative preferred shares in the capital of the Company set out in Schedule 1 (the "Philips Shares"), and the Management Trust wishes to subscribe for, and the Company wishes to issue and deliver to the Management Trust, that number and class of ordinary shares in the capital of the Company set out in Schedule 1 (the "Management Trust Shares" and, together with the Investor Shares and the Philips Shares, the "Subscription Shares") and the Investor wishes to subscribe for, and the Management Trust wishes to issue and deliver to the Investor, that number and class of depositary receipts for the Management Trust Shares set out in Schedule 1 (the "Depositary Receipts"); and

WHEREAS, the Company wishes to use the proceeds from the issuance of the Subscription Shares to Investor, Philips and the Management Trust for purposes of acquiring all of the equity securities of Philips Semiconductors International B.V. (currently being renamed NXP B.V.), a limited liability company organized under the

---

laws of The Netherlands ("Lion"), pursuant to a Stock Purchase Agreement dated as of the date hereof (the "Stock Purchase Agreement") among Philips, Lion and the Company (the "Acquisition");

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, and for other valuable consideration, the parties hereto hereby agree as follows:

ARTICLE I
ISSUANCE AND SUBSCRIPTION

Section 1.1 Initial Investor Contribution. Investor hereby represents and warrants that (a) the Company has been duly organized as a limited liability company under the laws of The Netherlands and (b) at the time of the organization of the Company, Investor paid to the Company €18,000 against issuance and delivery by the Company to Investor of 18 ordinary shares in the capital of the Company, each ordinary share having a nominal value of €1,000 (the "Existing Shares").

Section 1.2 Amendment of the Articles of Association of the Company. At or before the Closing, Investor shall amend the articles of association of the Company (the "Articles of Association") so that they are in accordance with the agreed form reflected in Schedule 2, which will include converting the Existing Shares into 18,000 ordinary shares in the capital of the Company, each ordinary share having a nominal value of €1.00.

Section 1.3 Issuance of Subscription Shares. Subject to the terms of this Agreement including satisfaction or waiver of the conditions set forth in Section 2.1, (a) Investor hereby irrevocably agrees to subscribe for, and the Company hereby agrees to issue and deliver to Investor, the Investor Shares, free and clear of all liens, claims and encumbrances, (b) Philips hereby irrevocably agrees to subscribe for, and the Company hereby agrees to issue and deliver to Philips, the Philips Shares, in each case free and clear of all liens, claims and encumbrances and (c) the Management Trust hereby irrevocably agrees to subscribe for, and the Company hereby agrees to issue and deliver to the Management Trust, the Management Trust Shares, free and clear of all liens, claims and encumbrances and (d) Investor hereby irrevocably agrees to subscribe for, and the Management Trust hereby agrees to issue and deliver to Investor, the Depositary Receipts on the terms and conditions set out in the Management Trust's conditions of administration. The terms and conditions of each class of Subscription Shares are set forth in the Articles of Association.

Section 1.4 Payment of Subscription Price. The subscription price payable by Investor to the Company for the Investor Shares shall be €3,438,699,000 (the "Investor Subscription Price"); the aggregate subscription price payable by Philips to the Company for the Philips Shares shall be €854,313,000 (the "Philips Subscription Price"); the aggregate subscription price payable by the Management Trust to the Company for the Management Trust Shares shall be €12,000,000 (the "Management Trust Subscription

Price") and the aggregate subscription price payable by Investor to the Management Trust for the Depositary Receipts shall be €12,000,000 (the "Depositary Receipts Subscription Price"). The Philips Subscription Price shall be paid by way of a set-off against the Purchase Price (as defined in the Stock Purchase Agreement).

Section 1.5 Additional Capital Calls. To the extent that the Adjustment Amount (as defined in the Stock Purchase Agreement) or any other amount (other than the Purchase Price (as defined in the Stock Purchase Agreement)) is or may from time to time become payable by the Company to Philips under the Stock Purchase Agreement, the Company shall have the right to: (a) issue such number of cumulative preferred shares, each with a nominal value of €1.00, at a total price per share equal to €1,000 as may be necessary to raise an aggregate amount of cash equal to the amount so payable (such shares hereinafter being referred to as the "Capital Call Shares") and (b) require the Investor to subscribe and pay for 80.1% of such Capital Call Shares and Philips to subscribe and pay for 19.9% of such Capital Call Shares, all within such timeframe and in such manner as may be necessary for the Company to make full and timely payment of such amount to Philips in accordance with the Stock Purchase Agreement.

ARTICLE II
CLOSING

Section 2.1 Closing. Subject to (a) the terms of this Agreement, (b) the satisfaction or waiver of the conditions to the closing of the Acquisition set forth in Article VII of the Stock Purchase Agreement and (c), in the case of Philips, delivery by the Company, Lion, Investor and the Management Trust of a copy of a shareholders agreement in the form attached hereto as Schedule 3 executed by the Company, Lion, Investor and the Management Trust (the "Shareholders Agreement"), the closing of the subscription for the Subscription Shares and the Depositary Receipts (the "Closing") shall take place simultaneously with the closing of the Acquisition pursuant to Section 2.3 of the Stock Purchase Agreement. The Closing shall be held at the offices of De Brauw Blackstone Westbroek N.V., Tripolis, Burgerweeshuispad 301, 1076 HR Amsterdam, The Netherlands, or at such other place as the parties hereto may agree.

Section 2.2 Deliveries at Closing. At the Closing, (a) Investor shall (i) pay to the Management Trust, or cause to be paid to the Management Trust, an amount equal to the Depositary Receipts Subscription Price, (ii) pay to the Company, or cause to be paid to the Company, an amount equal to the Investor Subscription Price and (iii) deliver to each of the other parties thereto a duly executed counterpart of the Shareholders Agreement, (b) Philips shall (i) pay to the Company, by way of a set-off against the Purchase Price (as defined in the Stock Purchase Agreement), the Philips Subscription Price, (ii) deliver to the other parties thereto a duly executed counterpart of the Shareholders Agreement and (iii) cause Lion to deliver to the other parties thereto a counterpart of the Shareholders Agreement duly executed by Lion and (c) the Management Trust shall (i) pay to the Company, or cause to be paid to the Company, an amount equal to the Management Trust Subscription Price and (ii) deliver to each of the

other parties thereto a duly executed counterpart of the Shareholders Agreement. All amounts payable pursuant to this Section 2.2 shall be paid in immediately available funds to the following account (the "Closing Account"):

Account Number:	24205
BIC Code:	MGTCBEBEECL
Bank:	Morgan Stanley Bank International Ltd.

Upon receipt in the Closing Account of the Investor Subscription Price, the Company shall issue and deliver to Investor the Investor Shares, upon receipt in the Closing Account of the Philips Subscription Price from Philips, the Company shall issue and deliver to Philips the Philips Shares and upon receipt in the Closing Account of the Management Trust Subscription Price, the Company shall issue and deliver to the Management Trust the Management Trust Shares and the Management Trust shall issue and deliver to Investor the Depositary Receipts. The transactions contemplated by this Section 2.2 shall be effected before a notary by way of a notarial deed.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each of Philips, Investor and the Management Trust as of the date of this Agreement as follows:

Section 3.1 Organization. The Company is a limited liability corporation duly organized and validly existing under the laws of The Netherlands and has all requisite corporate power to own, lease and operate its properties and assets and to carry on its business as presently conducted and is duly qualified to do business and is in good standing in each jurisdiction where the ownership or operation of its assets or properties or conduct of its business requires such

qualification, except where the failure to be so qualified would not have a material adverse effect on the business, financial condition or results of operations or would not reasonably be expected to have a material adverse effect on the prospects of the Company.

Section 3.2 Capitalization. The authorized share capital of the Company consists of ninety (90) ordinary shares, each ordinary share having a nominal value of €1,000, of which immediately prior to the Closing only the Existing Shares issued to Investor at the time of the organization of the Company will be issued and outstanding.

Section 3.3 Valid Issuance of Shares. The Existing Shares issued to Investor at the time of the organization of the Company have been duly authorized and validly issued, and are fully paid and nonassessable. At Closing, the issued and outstanding share capital of the Company will be as set out in Schedule 1 and the Investor Shares will be duly authorized and, when issued and paid for in accordance with this Agreement, will be validly issued, fully paid and nonassessable, the Philips Shares will be duly authorized and, when issued and paid for in accordance with this Agreement, will be validly issued, fully paid and nonassessable and the Management Trust Shares will be

duly authorized and, when issued and paid for in accordance with this Agreement, will be validly issued, fully paid and nonassessable.

Section 3.4 Authority. The Company has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SUBSCRIBERS

Section 4.1 Representations and Warranties. (a) Investor hereby represents and warrants to each of Philips, the Management Trust and the Company as of the date of this Agreement that it is duly organized, validly existing and, if applicable, in good standing under the laws of the Netherlands, Philips hereby represents and warrants to each of the Company, the Management Trust and Investor as of the date of this Agreement that it is a company duly organized and validly existing under the laws of The Netherlands and the Management Trust hereby represents and warrants to each of the Company, Philips and Investor as of the date of this Agreement that it is a foundation (*stichting*) duly organized and validly existing under the laws of The Netherlands.

(b) Each of Philips, the Management Trust and Investor (each, a "Subscriber") hereby represents and warrants to each other party hereto that it has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby; the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Subscriber; and this Agreement has been duly and validly executed and delivered by the Subscriber and constitutes a valid and legally binding obligation of the Subscriber.

Section 4.2 Expenses of the Company. Notwithstanding Section 10.7 of the Stock Purchase Agreement, all costs and expenses to be incurred by the Company in connection with the Acquisition and related transactions, including, but not limited to, finders' fees and fees and expenses of legal, financial and other advisors, shall be borne exclusively by Investor. Investor hereby agrees to indemnify the Company against the incurrence of any such costs and expenses.

Section 4.3 Shareholders Agreement. Each Subscriber hereby agrees that, prior to the Closing, it shall take all necessary corporate action to authorize the execution and delivery of, and shall execute and deliver, a version of the shareholders agreement in the form attached hereto as Annex A, and that following such execution and delivery such shareholders agreement shall constitute a valid and legally binding obligation of the Subscriber.

ARTICLE V
MISCELLANEOUS

Section 5.1 Notices. All notices and communications under this Agreement shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by telecopier or email, provided that the telecopy or email is promptly confirmed by telephone confirmation thereof, to the person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such person:

To the Company:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

With a copy to:

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens

London SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House

Devonshire House
Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

To Philips:

Koninklijke Philips Electronics N.V.
Breitner Center
Amstelplein 2
1096 BC Amsterdam
The Netherlands
Telephone: (31) 20 597-7232
Telecopy: (31) 20 597-7150

Email: eric.coutinho@philips.com
Attn: Eric Coutinho

With a copy to:

Sullivan & Cromwell LLP
1 New Fetter Lane
London EC4A 1AN
United Kingdom
Telephone: (44) 20 7959-8900
Telecopy: (44) 20 7959-8950
Email: brayg@sullcrom.com
Attn: Garth W. Bray

and

De Brauw Blackstone Westbroek N.V.
Tripolis
Burgerweeshuispad 301
1076 HR Amsterdam
Telephone: (31) 20 577-1421
Telecopy: (31) 20 577-1874
Email: arne.grimme@debrauw.com
Attn: Arne Grimme

To Investor:

KASLION Holding B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

With a copy to:

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens
London SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801

Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

To the Management Trust:

Stichting Management Co-Investment
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: +31 (0) 40 272 3028
Telecopy: +31 (0) 40 272 3093
Email: frans.van.houten@philips.com
Attn: Frans van Houten

With a copy to:

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens
London
SW1Y 5AD UK
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place

Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen,
Germany

Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

Each such notice, request or communication shall be effective when received or, if given by mail, when delivered at the address or addresses specified in this Section or on the fifth business day following the date on which such communication is posted, whichever occurs first.

Section 5.2 Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury. This Agreement and any agreements to be entered into pursuant to it, save as expressly otherwise provided therein, shall be governed by and construed in accordance with the laws of The Netherlands. The Parties irrevocably agree that all disputes which may arise out of or in connection with this Agreement and the

existence and validity thereof, shall be exclusively resolved by the district court of Amsterdam, The Netherlands. Each Party hereby irrevocably submits to the exclusive jurisdiction of the district court of Amsterdam, The Netherlands.

Section 5.3 Survival. The representations, warranties, covenants and agreements made herein shall survive the closing of the transactions contemplated hereby.

Section 5.4 Severability. In case any provision of this Agreement is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.5 Amendment. Any modification, waiver, amendment or termination of this Agreement or any provision hereof shall be effective only if in writing and signed by the parties hereto.

Section 5.6 Assignment. No party shall assign any of its rights, interests or obligations hereunder without the written consent of the other parties hereto.

Section 5.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a party hereto shall constitute a valid and binding execution and delivery of this Agreement by such party.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

KASLION Acquisition B.V.

/s/ E.M.J. Thyssen	By:	/s/ C.F. de Ru
E.M.J. Thyssen	Name:	C.F. de Ru
Managing Partner	Title: By its managing director AlpInvest Partners 2006 B.V., by its managing director AlpInvest Partners N.V., by	Senior Legal Counsel

KASLION Holding B.V.

/s/ E.M.J. Thyssen	By:	/s/ C.F. de Ru
E.M.J. Thyssen	Name:	C.F. de Ru

Managing Partner Title: By its managing director AlpInvest Partners 2006 B.V., represented by its managing director AlpInvest Partners N.V., by Senior Legal Counsel

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

Stichting Management Co-Investment

By: _____
Name:
Title:

[Subscription Agreement Signature Page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

KASLION Acquisition B.V.

By: /s/ Illegible
Name:
Title:

KASLION Holding B.V.

By: /s/ Illegible
Name:
Title:

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

Stichting Management Co-Investment

By: _____
Name:
Title:

[Subscription Agreement Signature Page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

KASLION Acquisition B.V.

By: /s/ Illegible
Name: Illegible
Title:

KASLION Holding B.V.

By: /s/ Illegible
Name: Illegible
Title:

Koninklijke Philips Electronics N.V.

By:
Name:
Title:

Stichting Management Co-Investment

By: /s/ Illegible
Name:
Title:

[Subscription Agreement Signature Page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

KASLION Acquisition B.V.

By:
Name:
Title:

KASLION Holding B.V.

By:
Name:
Title:

Koninklijke Philips Electronics N.V.

By: /s/ Eric Coutinho
Name: ERIC COUTINHO
Title: GENERAL SECRETARY

Stichting Management Co-Investment NXP

By:
Name:
Title:

[Subscription Agreement Signature Page]

Exhibit 2.3

Local Business Transfer Agreement

relating to

the semiconductors business activities of Royal Philips in

Between

[Transferor]

and

[Transferee]

Dated [date]

Tripolis 300
Burgerweeshuispad 301
1070 HR Amsterdam
The Netherlands

Contents

Schedules

Local Business Transfer Agreement

THE UNDERSIGNED:

(1) [Royal Philips Subsidiary], a [•], having its offices at [•] and incorporated in [•] (hereinafter referred to as "**Transferor**"), and

(2) [Royal Philips new Subsidiary], a [•], having its offices at [•] and incorporated in [•] (hereinafter referred to as "**Transferee**"),

WHEREAS:

(A) Koninklijke Philips Electronics N.V. ("**Royal Philips**") is engaged worldwide in the business of developing, designing, manufacturing, assembling, selling and distributing semiconductors and certain other components for applications primarily in the home, mobile and personal, and automotive and identification markets as well as multi-market semiconductors, and certain related software licensing activities, all of which will be conducted through Philips Semiconductors International B.V. and its Subsidiaries as more fully described in a separate disentanglement plan known to the parties (the "**Business**"); and

(B) As part of Royal Philips' disentanglement of the Business from its other business activities. Royal Philips has decided to organize the Local Business in a separate legal entity, being the Transferee, and the Transferor wishes to sell and transfer to the Transferee, which wishes to purchase and take transfer of the Assets and Liabilities constituting that portion of the Business relating primarily to the Territory (the "**Local Business**") on the terms and conditions set out in this Agreement.

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS

1.1 Interpretation

For purposes of this Agreement, the following terms Shall have the meanings set forth or referenced below:

"**Affiliate**" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made, provided that, with respect to Royal Philips, Affiliate shall not include the Transferee and its Subsidiaries (if any).

For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise;

"**Agreement**" means this Local Business Transfer Agreement, as the same may be amended or supplemented from time to time in accordance with the terms hereof;

"**Assets**" means all assets, both tangible and intangible, of every kind, nature and description, including, without limitation:

(a) real property, leaseholds and sub-leaseholds in real property;

(b) tangible personal property (such as, by way of example only, machinery, equipment, inventories of raw materials and supplies, manufactured and purchased parts, goods in process and finished goods, furniture, automobiles, tools, spare parts and wrapping, supply and packaging items);

(c) leases, subleases, and rights thereunder;

(d) agreements, contracts, purchase orders, arrangements, commitments, licenses, indentures, mortgages, instruments, security interest, guarantees, other similar arrangements and rights thereunder;

(e) accounts, notes and other receivables;

(f) claims, deposits, pre-payments, refunds, causes of action, chooses in action, rights of recovery, rights of set-off, and rights of recoupment (including, without limitation, any such item relating to the payment of Taxes);

(g) franchises, approvals, permits, licenses, orders, registrations, certificates, and similar rights obtained from any Governmental Authority:

(h) books, records, ledgers, files, documents, correspondence, lists, plans, manuals, catalogues, pricelists, mailing lists, lists of customers, distribution lists, architectural plans, drawings and specifications, creative materials, sales, advertising and promotional materials, personnel records, accounting records, studies, reports and other printed or written materials, but excluding any such item to the extent (i) any applicable Law or any applicable confidentiality or non-disclosure agreement prohibits their transfer or (ii) any transfer thereof would subject the Transferor to any Liability;

(i) goodwill;

"**Business**" has the meaning set out in recital (A);

"**Consent**" means any consent, approval, clearance, compliance, exemption, authorization, order, filing, registration or qualification of or with any Person, including any waiver of unilateral termination or similar rights upon a change of control of any Person;

"**Effective Date**" means [28 September] 2006, 24:00 hrs [CET];

"**Employees**" means all Persons who immediately prior to the Effective Date are (a) employed by the Transferor exclusively in the Business or (b) employed by another Affiliate of Royal Philips exclusively in respect of the Local Business, including, in each case, those who are on short-term disability as of the Closing;

"**Employment Costs**" means (a) the amounts payable or paid to or in respect of the employment of the relevant Employee (including salary, wages, Tax and social security contributions, employer's pension contributions, bonus, insurance premiums, payments or allowances or any other consideration for employment); and (b) the costs of providing any non-cash benefits, which the employer is required to provide, by Law or contract or customarily provides in connection with such employment (including other employee benefit provisions); and

"**Employment Liabilities**" means any and all Losses directly arising out of or directly connected with employment or the employment relationship, or the initiation or the termination of employment, or of the employment relationship (including all Losses in connection with any claim, award, judgement or agreement for redundancy pay, or damages or compensation for unfair or wrongful dismissal or breach of contract or discrimination).

"**Governmental Authority**" means any federal, state or local court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction;

"**Law**" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Governmental Authority or Self-Regulatory Organization;

"**Legal Proceeding**" means a civil, criminal or administrative action, suit, proceeding, claim, arbitration, hearing or investigation, including, without limitation, any final judgment, order or decree resulting therefrom;

"**Liabilities**" means any and all debts, liabilities, commitments and obligations of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising (whether arising out of any contract or tort based on negligence or strict liability) and whether or not the same would be required by applicable accounting standards to be reflected in financial statements or disclosed in the notes thereto;

"**Local Business**" has the meaning set forth in recital (B);

"**Local Business Assets**" means, to the extent relating to the Business, all the Assets of the Transferor, including, without limitation, the assets specified in Schedule 1 and including, without limitation, the agreements and other arrangements specified in Schedule 2. but excluding:

(a) intellectual property, licenses and sublicenses granted or obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests thereunder;

(b) any license to Transferor or Royal Philips or any of its Affiliates with respect to computer software and related databases and all software that has been developed, created or

---

otherwise acquired by Royal Philips or any of its Affiliates;

(c) the corporate charter, qualifications to conduct business arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, and other documents relating to the organisation, maintenance and existence of Transferor as a corporation,

and "**Local Business Asset**" means any one of them or the relevant one of them, as the context requires;

"**Local Business Liabilities**" means, to the extent relating to the Business:

(a) all Liabilities incurred by the Transferor, to the extent relating to the Business and existing immediately prior to the Effective Date or arising, accruing or assessed on or after the Effective Date, whether known or unknown, reported or unreported, whether arising in the ordinary course of business or otherwise (including, without limitation, through intent, wilful recklessness, negligence, fraud or other violation of Law), in respect of any period prior to the Effective Date or in consequence of any transaction carried out in carrying on the Business prior to the Effective Date including, without limitation:

(i) all Liabilities attributable to events or occurrences arising prior to the Effective Date, including but not limited to Liabilities pursuant to Legal Proceedings in respect of (i) any products manufactured or sold prior to the Effective Date and (ii) any (allaged) visitation of applicable Laws relating to health, safety and/or environmental matters prior to the Effective Date;

(ii) all litigation, claims and environmental liabilities;

(iii) all trade accounts payable;

(iv) all vacation payments/compensated absences accrued;

(v) all liabilities relating to volume credits;

(vi) all liabilities and obligations (whether actual or contingent) relating to product warranty or sales returns;

(vii) all liabilities relating to operating expense accruals, including sales, value added and other taxes accrued;

(viii) infringement of intellectual property rights; and

(ix) all Liabilities that may be incurred by Transferor in connection with the bond issue by Philips Semiconductors International B.V., either directly or indirectly, including as a "control person" within the meaning of the U.S. Securities of 1933 or the U.S. Securities Exchange Act of 1934.

(b) all Liabilities incurred by the Transferee in carrying on (any part of) the Business, including in the Territory, and existing immediately prior to the Effective Date or arising, accruing or assessed on or after the Effective Date, whether known or unknown, reported or unreported. whether arising in the ordinary course of business or otherwise (Including, without limitation, through intent, wilful recklessness, negligence, fraud or other violation of

---

Law) in respect of any period prior to the Effective Date or in consequence of any transaction performed in carrying on (any part of) the Business prior to the Effective Date;

and "**Local Business Liability**" means any one of them or the relevant one of them, as the context requires;

"**Losses**" means any damages or losses, but excluding any consequential, punitive, special, incidental or indirect damages, including, without limitation, lost profits;

"**Royal Philips**" has the meaning set out in recital (A);

"**Partial Semiconductors Contracts"** has the meaning as set forth in Clause 4.3;

"**Parties**" means the Transferor and the Transferee, and "**Party**" means any one of them or the relevant one of them, as the context requires;

"**Person**" means an individual, a corporation, a partnership, an association, a limited liability company, a Governmental Authority, a trust or other entity or organization;

"**Relevant Transferee Activities**" has the meaning as set forth in Clause 7.1.1;

"**Relevant Transferor Activities"** has the meaning as set forth in Clause 7.1.2;

"**Self-Regulatory Organization**" means any securities exchange, futures exchange, contract market, any other exchange or corporation or similar self-regulatory body or organization;

"**Subsidiary**" means with respect to any Person (other than a natural Person), any other Person of which (i) the first mentioned Person or any Subsidiary thereof is a general partner, (ii) voting power to elect a majority of the board of directors or others performing similar functions with respect to such other Person is held by the first mentioned Person and/or by any one or more of its Subsidiaries, or (iii) at least 50% of the equity interests of such other Person is, directly or indirectly, owned or controlled by such first mentioned Person and/or by any one or more of its Subsidiaries:

"**Taxes**" means all forms of taxation, whether direct or indirect, including, without limitation, income, gross receipts, windfall profits, value added, severance, property, production, sales, use, duly, license, excise, franchise, employment, withholding or similar taxes, (including, without limitation, social security contributions and any other payroll taxes), together with any interest, additions or penalties with respect thereto imposed by any governmental, taxing or other authority responsible for the imposition, administration or collection of any Tax and any interest in respect of such additions or penalties:

"**Territory**" means [*country/countries*].

"**Third Party Consent**" has the meaning set forth in Clause 4.1.1.

1.2 Singular and plural

Words importing the singular only include the plural and vice versa where the context requires.

---

2 SALE AND PURCHASE / TRANSFER

2.1 Sale and transfer

With effect per the Effective Date, Transferor sells, assigns, transfers and conveys to Transferee all of its right, title and interest in the Local Business comprising the Local Business Assets and Local Business Liabilities.

2.2 Acceptance, assumption and Indemnity

The Transferee hereby irrevocably accepts the Local Business as per the Effective Date and hereby agrees to fully assume, discharge and perform when due all of the Local Business Liabilities and hereby irrevocably agrees to indemnity, defend and hold harmless Transferor and, as an irrevocable third

party stipulation, Royal Philips and each other Affiliate of Royal Philips and each of their directors, officers and employees, against all Local Business Liabilities and all Losses which such indemnified Person may suffer or incur in taking any action to avoid, resist or defend any Local Business Liability.

2.3 Employees

2.3.1 As of the Effective Date, the Transferee shall be responsible for and shall fully indemnify and keep indemnified Transferor and, as an irrevocable third party stipulation, the other Affiliates of Royal Philips from and against any and all Employment Costs incurred, and Employment Liabilities arising, in respect of any Employee on or after the Effective Date excluding in respect of any Employee who does not accept the Transferee's offer of employment made in accordance with Clause 2.3.2.

2.3.2 The Transferee agrees that all Employees, including, without limitation, those specified in Schedule 3, shall be offered employment with the Transferee as from the Effective Date on similar terms and conditions as their terms and conditions of employment in effect immediately prior to the Effective Date, to the extent such employees are not transferred to the Transferee by operation of Law.

2.3.3 The Transferor and the Transferee shall give each other such assistance as either may reasonably require in contesting any claim by any Employee resulting from or in connection with this Agreement.

2.4 Assurances

The Transferor and the Transferee hereby covenant and agree with each other that each shall make, execute and deliver, at the reasonable request and at the expense of the Transferee, such further instruments of transfer and conveyance as may in the reasonable opinion of the other, be necessary for the purpose of effecting the transfer and conveyance and assumption of the Local Business Assets and Local Business Liabilities sold under this Agreement.

2.5 Risk

The Local Business shall be for the risk and account of the Transferee as per the Effective Date.

---

3 CONSIDERATION

3.1 Purchase price

As consideration for the sale and transfer of the Local Business under this Agreement, the Transferee shall pay to the Transferor a purchase price equal an amount of [•]. The Transferee hereby acknowledges and agrees such consideration is good, valuable and sufficient consideration for Transferee's acknowledgements, agreements, covenants and assumptions hereunder.

3.2 Payment

Payment of the purchase price by the Transferee to the Transferor shall be effected by the Transferee on the Effective Date by transfer to such bank account as will be indicated by the Transferor, unless otherwise agreed upon between the Transferee and the Transferor.

4 NON-ASSIGNABILITY OF LOCAL BUSINESS

4.1 Third Party Consent

4.1.1 Notwithstanding anything to the contrary contained in this Agreement, in the event that as of the Effective Date, the grant, sale, assignment, sublease, transfer, conveyance or delivery or attempted grant, sale, sublease, assignment, transfer, conveyance or delivery to the Transferee of any Local Business Asset or Local Business Liability or any claim or right or any benefit arising thereunder or resulting therefrom, is prohibited by any applicable Law or would require any Governmental Authority or third party Consents or waiver (the "**Third Party Consents**"), and the Third Party Consents shall not have been obtained prior to the Effective Date, this Agreement shall not be construed as a grant, sale, assignment, sublease, transfer, conveyance or delivery or an attempt thereto.

4.1.2 Following the Effective Date, the Transferee and the Transferor shall use their reasonable best efforts, and co-operate with each other, to obtain promptly the Third Party Consents which are required to give either Party the full benefit of this Agreement, and in connection herewith each Party shall furnish such information, providing such co-operation, entering into such undertakings or procuring such guarantees as may be reasonably requested by the other Party or any relevant third party.

4.1.3 Until a relevant Third Party Consent has been obtained, the Transferee and the Transferor shall co-operate with each other in any mutually agreeable, reasonable and lawful arrangements in order to provide to the Transferee the full benefit and risk of the relevant Local Business Asset and Local Business Liability and to provide to the Transferor the benefits of a transfer thereof under this Agreement. For the avoidance of doubt, the provisions of this Clause 4 shall not detract from the indemnity set out in Clause 2.2.

4.1.4 Once a relevant Third Party Consent has been obtained, the Transferor shall promptly sell, assign, sublease, transfer, convey or deliver the relevant Local Business Asset and Local Business Liability to the Transferee at no additional cost.

4.2 Economic and operational equivalent

4.2.1 To the extent that a Local Business Asset or Local Business Liability cannot be transferred to the Transferee [within a period of 3 (three) months from the Effective Date] or the full benefit and risk of any such Asset or Liability cannot be provided to the Transferee [Within such period], in both cases pursuant to Clause 4.1, then the Transferee and the Transferor shall enter into other reasonable arrangements (including subleasing, sublicensing or subcontracting) to provide to either Party the economic and operational equivalent of the transfer, to the maximum extent

practicable, and the Transferor and the Transferee shall use their reasonable best efforts to resolve the matter and to terminate the obligations of the Parties under this Agreement in relation to such Local Business Asset and Local Business Liability.

4.2.2 In connection with Clause 4.1, the Transferor shall hold in trust for and pay to the Transferee promptly upon receipt thereof, all income, proceeds and other monies it receives in connection with such Local Business Asset and Local Business Liability (net of any Taxes and any other costs imposed upon the Transferor) and the Transferee shall pay to the Transferor, promptly upon receipt of an invoice, all Losses incurred by the Transferor in connection with such Asset or Liability.

4.3 Partial Semiconductors Contracts

With respect to agreements, contracts, purchase orders, arrangements, commitments and licenses that are related, but not primarily related, to the Local Business (the **"Partial Semiconductors Contracts"**), the Transferor shall use its reasonable best efforts to ensure that, to the maximum extent practicable, the economic and operational benefits of the applicable parts of any such Partial Semiconductors Contracts are transferred or made available to the Transferee, including, without limitation, obtaining any applicable Consents or waivers in connection therewith.

4.4 Reimbursement

Notwithstanding anything to the contrary contained in this Agreement, the Transferee shall bear and shall reimburse the Transferor any and all Losses incurred or suffered by the Transferor in connection with the obtaining of any Third Party Consent or any consent under Clause 4.3, provided that prior to obtaining such consent with respect to any Partial Semiconductors Contracts, the Transferor shall give notice to the Transferee of the Losses to be incurred or suffered and the Transferee shall have the right to refuse the applicable assignment of any such Partial Semiconductors Contract.

5 LIMITATION ON RIGHTS AND LIABILITIES

5.1 No representations and warranties

The transfer of the Local Business from the Transferor to the Transferee, and the Liabilities arising therefrom or relating thereto, is made without representation or warranty of any kind or nature, including, without limitation, any representation or warranty as to the nature or extent of any Liabilities, the sufficiency of the Local Business for any business operation or activities and

---

any warranty of merchantability or fitness for a particular purpose, all of which are hereby waived by the Transferee, and the Transferee hereby accepts the Local Business "as is" and assumes such Liabilities and makes such covenants hereunder on the aforesaid basis.

5.2 No liability

To the maximum extent permitted by Law, the Transferee hereby acknowledges and agrees that the Transferor and its respective officers, directors, employees and representatives shall have no liability, whether in contract or in tort, for any direct, indirect or consequential damages including, without limitation, damages directly or indirectly arising out of the transfer of the Local Business and Liabilities arising therefrom or relating thereto and/or any other matters provided under this Agreement or any other loss or damage, whether arising out of warranty or contract, negligence, tort or otherwise.

6 THIRD PARTY CLAIMS

6.1 Without detracting from any of the obligations of the Transferee under this Agreement (including, without limitation, its indemnification obligations under this Agreement), in the event that a Local Business Asset or Local Business Liability is not transferred to Transferee for whatever reason and involves any Legal Proceeding (a "Relevant Proceeding"), the Transferee shall be responsible for the direction and control of such Legal Proceeding.

6.2 The Transferor (and Royal Philips or any other relevant Affiliate of Royal Philips) shall have the right, but not the obligation, to participate in any such Relevant Proceeding and to employ separate counsel of its choosing. The Transferor shall participate in any such Relevant Proceeding at its expense unless (a) the Transferee and the Transferor are both named parties to the proceedings and the Transferor shall have reasonably concluded that representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them, or (b) the Transferor assumes the direction and control of a Relevant Proceeding after the Transferee has failed to diligently pursue such Relevant Proceeding.

6.3 The Transferee shall not, without the prior written consent of the Transferor (which shall not be unreasonably withheld or delayed), settle, compromise or offer to settle or compromise any Relevant Proceeding on a basis that would result in (a) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Transferor or any of its Affiliates, (b) a finding or admission of a violation of Law or violation of the rights of any Person by the Transferor or any of its Affiliates, (c) a finding or admission that would have an adverse effect on other claims made or threatened against the Transferor or any of its Affiliates, or (d) any monetary liability of the Transferor that will not be promptly paid or reimbursed by the Transferee.

6.4 Without detracting from any of the obligations of the Transferee under this Agreement (inducing, without limitation, its indemnification obligations under this Agreement), in the event that the Transferee for whatever reason does not control and direct a Relevant Proceeding, including, without limitation, failing to take reasonable steps necessary to control and direct diligently such Relevant Proceeding within 10 (ten) days after receiving written notice from the Transferor to the

---

effect that the Transferee has so failed, the Transferor shall have the right but not the obligation to assume its own control and direction of the Relevant Proceeding; it being understood that the Transferor's right to indemnification for such Relevant Proceeding shall not be adversely affected by assuming the control and direction of such Relevant Proceeding. The Transferor shall not settle a Relevant Proceeding without the prior written consent of the Transferee (which shall not be unreasonably withheld or delayed).

6.5 The Transferor and the Transferee shall co-operate in order to ensure the proper and adequate control and direction of a Relevant Proceeding, including, for example, by providing access to each other's relevant business records and other documents, and employees; it being understood that the costs and expenses of the Transferor relating thereto shall be for the account of the Transferee.

6.6 The Transferor and the Transferee shall use reasonable best efforts to avoid production of confidential information (consistent with applicable Law), and to cause all communications among employees, counsel and others representing any party to a Relevant Proceeding to be made so as to preserve any applicable attorney-client or work-product privileges.

7 OTHER POST-CLOSING OBLIGATIONS

7.1 Wrong pockets

7.1.1 Save as may be otherwise provided in this Agreement, to the extent that any Local Business Asset or Local Business Liability [(excluding Partial Semiconductors Contracts)] has not been transferred to or assumed by the Transferee prior to or at the Effective Date (the **"Relevant Transferee Activities"**), the Transferor shall transfer the Relevant Transferee Activities to the Transferee and the Transferee shall take transfer thereof and, in respect of a Local Business Liability, assume and duly pay, satisfy, discharge, perform and/or fulfil, as the case may be, such Local Business Liability.

7.1.2 To the extent that on the Effective Date the Transferee has any Liability that is not a Local Business Liability, or holds any Asset [(excluding Partial Semiconductors Contracts)] that is not a Local Business Asset, (the **"Relevant Transferor Activities"**), the Transferee shall transfer the same to the Transferor and the Transferor shall take transfer thereof and, in respect of such a Liability, assume and duly pay, satisfy, discharge, perform and/or fulfil, as the case may be, such liability.

7.1.3 Any transfers made under Clauses 7.1.1 and 7.1.2 will be made for no further consideration and inclusive of net benefits accrued since the Effective Date.

7.2 Retention of records

7.2.1 The Transferee shall retain for a period of 5 (five) years from the Effective Date, or such longer period as may be prescribed by applicable Law, all books, records and other written information relating to the Local Business which are at the properties of the Local Business at the Effective Date or which are held by or on behalf of any member of the Transferee's Group pursuant to the Effective Date and, to the extant reasonably required

---

by the Transferor, shall allow the Transferor, upon reasonable notice, access during normal office hours to such books, records and other information, including the right to inspect and take copies at Transferor's expense.

7.2.2 The Transferor shall retain for a period of 5 (five) years from Closing, or such longer period as may be prescribed by Law, any books, records or other written information relating to the Local Business which are not at the properties of the Local Business at the Effective Date or held by or on behalf of any member of the Transferee pursuant to the Effective Date and, to the extent reasonably required by the Transferee, shall allow the Transferee, upon reasonable notice, access during normal office hours to such books, records and information, including the right to inspect and take copies at the Transferee's expense.

8 MISCELLANEOUS

8.1 Costs

Save as otherwise provided in this Agreement the Transferor and the Transferee shall each bear their own costs and expenses in connection with the performance of their respective obligations under this Agreement.

8.2 Entire Agreement

This Agreement (including all Schedules referred to herein and attached hereto) constitutes the entire Agreement among the Parties with respect to the subject matter hereof and supersedes any prior agreement or understanding between the Parties with respect to such subject matter and it has been expressly agreed upon between the Parties hereto that no modification or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by both Parties hereto.

8.3 Notices

Any notice in connection with this Agreement shall be in writing, in the English language and delivered by hand, fax, registered post or by courier using a recognised courier company. The Parties will send their communications to the following addressees:

If to Transferor: [•]

If to Transferee: [•]

or to such other address as any such Party shall designate by written notice to the other Party hereto.

8.4 Confidentiality

No announcement or circular in connection with the existence or the subject matter of this

---

Agreement shall be made or issued by or on behalf of any member of the Transferor or the Transferee without the prior written approval of the Transferor and the Transferee. This shall not affect any announcement or circular required by Law or the rules of any recognised stock exchange on which the shares of either Party are listed, provided that the Party with an obligation to make an announcement or issue a circular shall consult with the other Party insofar as is reasonably practicable before complying with such an obligation.

8.6 Effect of Agreement

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the Parties and delivered to the other Parties.

8.6 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, in whole or in part, under any applicable Law:

8.6.1 such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity or enforceability of the remainder of this Agreement shall not be affected;

8.6.2 the Parties shall use reasonable efforts to agree a replacement provision that is legal, valid and enforceable to achieve so far as possible the intended effect of the illegal, invalid or unenforceable provision.

8.7 Assignment

No Party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party which consent shall not be unreasonably withheld or delayed.

8.8 Governing law

This Agreement shall be governed by the laws of [•].

8.9 Court

The Transferor and the Transferee shall attempt in good faith to resolve promptly any dispute arising out or relating to this Agreement. If any dispute is not resolved in an amicable manner within [3 (three) months] of a first written request thereto by either Party to the other, it shall be resolved exclusively by the competent courts in [*place*]. **[DRAFTING NOTE: Inclusion of court or arbitration to be discussed]**

AGREED AND SIGNED ON [DATE] AT [PLACE] BY:

TRANSFEROR:

Name: _____
[•]
Title: **[Title]**

TRANSFEREE:

Name: _____
[•]
Title: **[Title]**

List of Assets relating to Local Business **Balance sheet of 31 August 2006 or List of Assets**, ~~agreements~~ relating to Local Business (if no balance sheet is available)
Balance sheet of 31 August 2006 or List of Assets, ~~agreements~~ relating to Local Business (if no balance sheet is available)

Schedule 1 Balance sheet of 31 August 2006 or list of Assets relating to the Local Business (if no balance sheet is available)

Schedule 2 Agreements and other arrangements of the Local Business

---

Schedule 3 Employees

[include list of employees]

[GRAPHIC]

DE BRAUW
BLACKSTONE
WESTBROEK

CERTIFICATE OF INCORPORATION
NXP B.V.

The undersigned:

Johannes Daniel Maria Schoonbrood, notaris (civil-law notary) practising in Amsterdam, the Netherlands.

herewith certifies that:

(i) the private company with limited liability **NXP B.V.**, with corporate seat in Eindhoven (the "**Company**") was incorporated under the laws of the Netherlands on 21 December 1990 by means of a notarial deed, executed before H.A.C.M. van lersel, notaris in Eindhoven;

according to a print of a scanned copy of an official copy of the deed of incorporation, the ministerial declaration of no-objection required for incorporation was granted on 14 December 1990, number B.V. 400.135;

(ii) according to an extract from the trade register in the Netherlands dated 12 December 2006 (the "**Extract**"), the Company is registered in that trade register, registration number 17070622; a faxed copy of the Extract as well as of an English translation thereof is attached hereto;

(iii) according to the Extract the corporate seat of the Company is in Eindhoven and its business address is at: 5656 AG Eindhoven, High Tech Campus 60;

(iv) according to the Extract the articles or association of the Company (the "**Articles of Association**"), as embodied in the deed of incorporation, were most recently amended on 29 September 2006;

according to a print of a scanned copy of an official copy of the notarial deed of amendment, executed on 29 September 2006 before J.D.M. Schoonbrood, notaris in Amsterdam, the ministerial declaration of no-objection required for amendment was granted on 19 September 2006, number B.V. 400.135:

(v) the Articles of Association are set out in the document in the Dutch language which is attached hereto; the document in the English language attached hereto is an unofficial translation thereof; if differences occur in the translation, the Dutch text will govern by law;

[GRAPHIC]

DE BRAUW
BLACKSTONE
WESTBROEK

(vi) according to the Extract the managing directors of the Company are:

1. F.A. van Houten, born in Eindhoven on 26 April 1960;
2. P.A.M. van Bommel, born in Geldrop on 21 January 1957;
3. Th.A.C.M. Claasen, born in Tilburg on 12 April 1945;
4. H.C.M. van der Zeeuw, born in Leiden on 27 November 1954;

(vii) according to the Extract and according to article 24 paragraph 1 of the Articles of Association, two of the above mentioned managing directors are jointly authorised to represent the Company;

(viii) according to the Extract the supervisory directors of the Company are:

1. E. Durban, born in Leipzig on 23 August 1973;
2. I. Loring, born in Boston on 29 May 1944;
3. M. Plantevin, born in Marseille on 24 October 1956;
4. C. Reitberger, born in Kufstein on 16 May 1968;
5. J. Huth, born in Heidelberg on 27 May 1960;

6. A. Clammer, born in Laguna Beach on 20 August 1970;

7. P.L. Bonfield, born in Letchworth on 3 June 1944;

8. E.P. Coutinho, born in ‘s-Gravenhage on 20 October 1951.

Signed in Amsterdam on 12 December 2006.

[GRAPHIC]

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

Dossiernummer: 17070622 Blad 00001

Uittreksel uit het handelsregister van de Kamers van Koophandel Deze inschrijving valt onder het beheer van de Kamer van Koophandel voor Oost-Brabant

Rechtspersoon:

Rechtsvorm	:	Besloten vennootschap
Naam	:	NXP B.V.
Statutaire zetel	:	Eindhoven
Eerste inschrijving in het handelsregister	:	31-01-1991
Akte van oprichting	:	21-12-1990
Akte laatste statuten-wijziging	:	29-09-2006
Maatschappelijk kapitaal	:	EUR 91.000,00
Geplaatst kapitaal	:	EUR 18.200,00
Gestort kapitaal	:	EUR 18.200,00

Onderneming:

Handelsna(a)m(en)	:	NXF B.V.
Adres	:	High Tech Campus 60, 5656AG Eindhoven
Telefoonnummer	:	040-2791111
Datum vestiging	:	21-12-1990
Bedrijfsomschrijving	:	Oprichten van, deelnemen in en beheren en financieren van alsmede het verlenen van diensten aan vennootschappen of ondernemingen werkzaam op het gebied van fabricage en verhandeling van electrische, electronische, mechanische en andere (systeem-) onderdelen en materialen op het gebied van electronica
Werkzame personen	:	2

Enig aandeelhouder:

Naam	:	KASLION Acquisition B.V.
Adres	:	High Tech Campus 60, 5656AG Eindhoven
Inschrijving handeleregister onder dossiernummer	:	34253298
Enig aandeelhouder sedert	:	29-09-2006

Bestuurder (s):

Naam	:	van Houten, Francois Adrianus
Geboortedatum en -plaats	:	26-04-1960, Eindhoven

12-12-2006 Blad 00002 volgt.

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

Dossiernummer: 17070622 Blad 00002

Adres	:	Vondelstraat 93, 1054GM Amsterdam
Infunctietreding	:	01-11-2004
Titel	:	Voorzitter bestuur
Bevoegdheid	:	Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam : van Bommel, Petrus Antonius Maria
Geboortedatum en -plaats : 21-01-1957, Geldrop
Adres : Villapark 29, 5667HX Geldrop
Infunctietreding : 01-09-2005
Titel : Lid Bestuur
Bevoegdheid : Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam : Claasen, Theodoor Antonius Carel Maria
Geboortedatum en -plaats : 12-04-1945, Tilburg
Adres : Heiligenboom 10, 5066CB Moergestel
Infunctietrading : 29-09-2006
Bevoegdheid : Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam : van der Zeeuw, Hendricus Cornelis Maria
Geboortedatum en -plaats : 27-ll-1954, Leiden
Adres : Goorstraat 9, 5613BL Eindhoven
Infunctietreding : 29-09-2006
Bevoegdheid : Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Commissaris(sen):

Naam : Durban, Egon
Geboortedatum en -plaats : 23-08-1973, Leipzig, Oost-Duitsland (DDR)
Adres : Evelyn Gardens 7, London SW7 3BE, Verenigd Koninkrijk
Infunctietreding : 02-10-2006

Naam : Loring, Ian
Geboortedatum en -plaats : 29-05-1944, Boston, Ver. Staten van Amerika
Adres : Polo Field Lane 5, Dedham, MA 02026, Ver Staten van Amerika
Infunctietreding : 02-10-2006

Naam : Plantevin, Michel

Geboortedatum en -plaats : 24-10-1956, Marseille, Frankrijk
Adres : The Vale 12, London SW3 6AH, Verenigd Koninkrijk
Infunctietreding : 02-10-2006

Naam : Reitberger, Christian
Geboortedatum en -plaats : 16-05-1968, Kufstein, Oostenrijk
Adres : Alpspitzstrasse 2, Berg 82335, Duitsland
Infunctietreding : 02-10-2006

Naam : Huth, Johannes
Geboortedatum en -plaats : 27-05-1960, Heidelberg, Bondsrepubliek Duitsland
Adres : Hamilton Terrace 90, London NW8 9UL, Verenigd Koninkrijk
Infunctietreding : 02-10-2006

Naam : Clammer, Adam
Geboortedatum en -plaats : 20-08-1970, Laguna Beach, Ver. Staten van Amerika
Adres : 1450 Greenst # 8, San Francisco CA 94109, Ver. Staten van Amerika
Infunctietreding : 02-10-2006

Naam : Bonfield, Peter Leahy
Geboortedatum en -plaats : 03-06-1944, Letchworth, Verenigd Koninkrijk
Adres : “Truchas House” Towpath, TW 17 9LL,
: Shepperton, Middlesex, Verenigd Koninkrijk
Infunctietreding : 29-09-2006

Naam : Coutinho, Eric Paul
Geboortedatum en -plaats : 20-10-1951, ‘s-Gravenhage
Adres : Ceintuurbaan 7, 1217HM Hilversum
Infunctietreding : 29-09-2006

Gevolmachtigde(n) :

Naam	:	Claasen, Theodoor Antonius Carel Maria
Geboortedatum en -plaats	:	12-04-1945, Tilburg
Adres	:	Heiligenboom 10, 5066CB Moergestel
Functie en infunctietreding	:	Procuratiehouder, 01-06-1997
Titel	:	Executive Vice President
Bevoegdheid	:	Zelfstandig bevoegd tot EUR 250.000,-

Samen met lid bestuur onbeperkt bevoegd

Aanvang (huidige) volmacht	:	01-12-2004
Naam	:	van Brussel, Godefridus Peter Maria
Geboortedatum en –plaats	:	04-12-1947, Eindhoven
Adres	:	De Regge 9, S626GZ Eindhoven
Infunctietreding	:	15-05-1993
Titel	:	Gemachtigde
Bevoegdheid	:	Zelfstandig bevoegd tot het doen van opgaven aan en het deponeren bij het handelsregister
Naam	:	Dierick, Guido Rudolf Clemens
Geboortedatum en – plaats	:	28-03-1959, Denekamp
Adres	:	Floresstraat 5, 5631DD Eindhoven
Infunctietreding	:	01-03-2003
Titel	:	Lid bestuur
Bevoegdheid	:	Zelfstandig bevoegd tot EUR 250.000,- en samen met een andere volmacht van EUR 250.000,- onbeperkt bevoegd
Aanvang (huidige) volmacht	:	01-12-2004
Naam	:	van der Zeeuw, Hendricus Cornelis Maria
Geboortedatum en – plaats	:	27-11-1954, Leiden
Adres	:	Goorstraat 9, 5613BL Eindhoven
Infunctietreding	:	22-07-2003
Titel	:	Executive Vice President
Bevoegdheid	:	Zelfstandig bevoegd tot EUR 250.000,-- Samen met lid bestuur onbeperkt bevoegd
Aanvang (huidige) volmacht	:	01-12-2004
Naam	:	van Houten, François Adrianus
Geboortedatum en – plaats	:	26-04-1960, Eindhoven
Adres	:	Vondelstraat 93, 1054GH Amsterdam
Infunctietreding	:	01-11-2004
Titel	:	voorzitter bestuur
Bevoegdheid	:	Zelfstandig bevoegd tot EUR 250.000,- en samen met andere volmacht van EUR 250.000,- onbeperkt bevoegd
Aanvang (huidige) volmacht	:	01-12-2004
Naam	:	van Bommel, Petrus Antonius Maria
Geboortedatum en -plaats	:	21-01-1957, Geldrop
Adres	:	Villapark 29, 5667HX Geldrop

Infunctietreding	:	01-09-2005
Titel	:	Lid bestuur
Bevoegdheid	:	Zelfstandig bevoegd tot EUR 250.000,- en saman met een andere volmacht van EUR 250.000,- onbeperkt bevoegd

Alleen geldig indien door de kamer voorzien van een ondertekening.

Eindhoven, 12-12-2006
Uittreksel is vervaardigd om 14.14 uur

Voor uittreksel

/s/ Mevrouw mr. W.A.M. te Lintelo
Mevrouw mr. W.A.M. te Lintelo
Sectorhoofd Bedrijvenregister

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

File number: 17070622 Page 00001

English translation of an extract from the trade register of the Chambers of Commerce. This registration is administrated by the Chamber of Commerce for Oost-Brabant

Legal person:

Legal form	:	Besloten Vennootschap (Private Limited Liability Company)
Name	:	NXP B.V.
Statutory seat	:	Eindhoven
First registration in the trade register	:	31-01-1991
Incorporation deed	:	21-12-1990
Deed of latest amendment of articles	:	29-09-2006
Authorized capital	:	EUR 91.000,00
Issued capital	:	EUR 18.200,00
Paid up capital	:	EUR 18.200,00

Undertaking:

Tradename(s)	:	NXP B.V.
Address	:	High Tech Campus 60, 5656AG Eindhoven
Telephone number	:	040-2791111
Date of establishment	:	21-12-1990
Description of business conducted	:	See Dutch extract
Employees	:	2

Single shareholder:

Name	:	KASLION Acquisition B.V.
Address	:	High Tech Campus 60, 5656AG Eindhoven
Registration trade register under file number	:	34253298
Single shareholder since	:	29-09-2006

Director(s):

Name	:	van Houten, Francois Adrianus
Date and place of birth	:	26-04-1960, Eindhoven
Address	:	Vondelstraat 93, 1054GM Amsterdam
Date of entry into office	:	01-11-2004
Title	:	Voorzitter bestuur
Powers	:	Authorised jointly (with other director(s),

12-12-2006 Page 00002 follows.

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

see articles)

Name	:	van Bomnel, Petrus Antonius Maria
Date and place of birth	:	21-01-1957, Geldrop

Address : Villapark 29, 5667HX Geldrop
Date of entry into office : 01-09-2005
Title : Lid Bestuur
Powers : Authorised jointly (with other director(s), see articles)

Name : Claasen, Theodoor Antonius Carel Maria
Date and place of birth : 12-04-1945, Tilburg
Address : Heiligenboom 10, 5066CB Moergestel
Date of entry into office : 29-09-2006
Powers : Authorised jointly (with other director(s), see articles)

Name : van der Zeeuw, Hendricus Cornelis Maria
Date and place of birth : 27-11-1954, Leiden
Address : Goorstraat 9, 5613BL Eindhoven
Date of entry into office : 29-09-2006
Powers : Authorised jointly (with other director(s), see articles)

Supervisory director(s):

Name : Durban, Egon
Date and place of birth : 23-08-1973, Leipzig, East Germany
Address : Evelyn Gardens 7, London SW7 3BE, United Kingdom
Date of entry into office : 02-10-2006

Name : Loring, Ian
Date and place of birth : 29-05-1944, Boston, United States of America
Address : Polo Field Lane 5, Dedham, MA 02026, United States of America
Date of entry into office : 02-10-2006

Name : Plantevin, Michel
Date and place of birth : 24-10-1956, Marseille, France
Address : The Vale 12, London SW3 6AH, United Kingdom .
Date of entry into office : 02-10-2006

Name : Reitberger, Christian
Date and place of birth : 16-05-1968, Kufstein, Austria
Address : Alpspitzstrasse 2, Berg 82335, Germany
Date of entry into office : 02-10-2006

Name : Huth, Johannes
Date and place of birth : 27-05-1960, Heidelberg, Federal Republic of Germany
Address : Hamilton Terrace 90, London NW8 9UL, United Kingdom
Date of entry into office : 02-10-2006

Name : Clammer, Adam
Date and place of birth : 20-08-1970, Laguna Beach, United States of America
Address : 1450 Greenst # 8, San Francisco CA 94109, United States of America
Date of entry into office : 02-10-2006

Name : Bonfield, Peter Leahy
Date and place of birth : 03-06-1944, Letchworth, United Kingdom
Address : “Truchas House” Towpath, TW 17 9LL,
Shepperton, Middlesex, United Kingdom
Date of entry into office : 29-09-2006

Name : Coutinho, Eric Paul
Date and place of birth : 20-10-1951, ‘s-Gravenhage
Address : Ceintuurbaan 7, 1217HM Hilvereum
Date of entry into office : 29-09-2006

Authorized signatory(signatories):

Name : Claasen, Theodoor Antonius Carel Maria
Date and place of birth : 12-04-1945, Tilburg

Address	:	Heiligenboom 10, 5066CB Moergestel
Function and entry into office	:	Holder of power of attorney for signature, 01-06-1997
Title	:	Executive Vice President
Powers	:	See Dutch extract
Commencement (present) power of attorney	:	01-12-2004

12-12-2006 Page 00004 follows.

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

File number: 17070622 Page 00004

Name	:	van Brussel, Godefridus Peter Maria
Date and place of birth	:	04-12-1947, Eindhoven
Address	:	De Regge 9, 5626GZ Eindhoven
Date of entry into office	:	15-05-1993
Title	:	Gemachtigde
Powers	:	See Dutch extract

Name	:	Dierick, Guido Rudolf Clemens
Date and place of birth	:	28-03-1959, Denekamp
Address	:	Floresstraat 5, 5631DD Eindhoven
Date of entry into office	:	01-03-2003
Title	:	Lid bestuur
Powers	:	See Dutch extract
Commencement (present) power of attorney	:	01-12-2004

Name	:	van der Zeeuw, Hendricus Cornelis Maria
Date and place of birth	:	27-11-1954, Leiden
Address	:	Goorstraat 9, 5613BL Eindhoven
Date of entry into office	:	22-07-2003
Title	:	Executive Vice President
Powers	:	See Dutch extract
Commencement (present) power of attorney	:	01-12-2004

Name	:	van Houten, Francois Adrianus
Date and place of birth	:	26-04-1960, Eindhoven
Address	:	Vondelstraat 93, 1054GM Amsterdam
Date of entry into office	:	01-11-2004
Title	:	Voorzitter bestuur
Powers	:	See Dutch extract
Commencement (present) power of attorney	:	01-12-2004

Name	:	van Bommel, Petrus Antonius Maria
Date and place of birth	:	21-01-1957, Geldrop
Address	:	Villapark 29, 5667HX Geldrop
Date of entry into office	:	01-09-2005
Title	:	Lid bestuur
Powers	:	See Dutch extract

Issued by the chamber of commerce

12-12-2006 : Page 00005 follows.

[GRAPHIC] ***KAMER VAN KOOPHANDEL OOST-BRABANT***

File number: 17070622 Page 00005

Eindhoven, 12-12-2006
Extract has been produced at 14.15

For extract

/s/ Illegible
Mevrouw mr. W.A.M. te Lintelo
Sectorhoofd Bedrijvenregister

DE BRAUW
BLACKSTONE
WESTBROEK

[GRAPHIC]

STATUTENWIJZIGING
PHILIPS SEMICONDUCTORS INTERNATIONAL B.V.
(na statutenwijziging genaamd: NXP B.V.)

Op negenentwintig september tweeduizendzes verschijnt voor mij. Mr Johannes Daniel Maria Schoonbrood, notaris met plaats van vestiging te Amsterdam:

Mr Bart Sicco Veldkamp, kandidaat-notaris, werkzaam ten kantore van de naamloze vennootschap: De Brauw Blackstone Westbroek N.V., statutair gevestigd te ‘s-Gravenhage, met adres:

2596 AL ‘s-Gravenhage, Zuld-Hollandlaan 7, in de vestiging te Amsterdam, geboren te Haarlem op zesentwintig december negentienhonderdachtenvijftig.

De comparant verklaart dat op achtentwintig september tweeduizendzes door de algemene vergadering van aandeelhouders van de besloten vennootschap met beperkte aansprakelijkheid:

Philips Semiconductors International B.V., statutair gevestigd te Eindhoven en met adres: 5656 AG Eindhoven, High Tech Campus 60, is besloten de statuten van die vennootschap te wijzigen en de comparant te machtigen deze akte te doen verlijden

Ter uitvoering van die besluiten verklaart de comparant de statuten van de vennootschap zodanig te wijzigen, dat zij in hun geheel komen te luiden als voigt

STATUTEN:

Naam. Zetel.

Artikel 1.

De vennootschap draagt de naam: NXP B.V.

Zij is gevestigd te Eindhoven.

Doel.

Artikel 2.

De vennootschap heeft ten doel het deelnemen in, het op andere wijze een belang nemen in, het voeren van beheer over andere ondernemingen, van welke aard ook, het verlenen van diensten aan andere ondernmingen, van welke aard ook, voorts het financieren van derden, het op enigerlei wijze stellen van zekerheid of het zich verbinden voor verplichtingen van derden en tenslotte al hetgeen met het vorenstaande verband houdt of daartoe bevorderlijk kan zijn.

Kapitaal an aandelen.

Artikel 3.

3.1. Het maatschappelijk kapitaal van de vennootschap bedraagt eenennegentigduizend euro (EUR 91.000.-). Het is verdeeld in tweehonderd (200) aandelen van vierhonderd-vijfenvijftig euro (EUR 455,–) elk.

3.2. De aandelen luiden op naam en zijn doorlopend genummerd van 1 af.

[GRAPHIC]

3.3. Er worden geen aandeelbewijzen uitgegeven.

3.4. De vennootschap mag niet, met het oog op het nemen of verkrijgen door anderen van aandelen in haar kapitaal of van certificaten daarvan, zekerheid stellen, een koersgarantie geven, zich op andere wijze sterk maken of zich hoofdelijk of anderszins naast of voor anderen verbinden. De vennootschap mag leningen met het oog op het nemen of verkrijgen van aandelen in haar kapitaal of van certificaten daarvan verstrekken tot ten hoogste het bedrag van haar uitkeerbare reserves. Een directiebesluit tot het verstrekken van een in de vorige zin bedoelde lening behoeft de goedkeuring van de algemene

vergadering van aandeelhouders, hierna te noemen: de algemene vergadering. De vennootschap houdt een niet uitkeerbare reserve aan tot het uitstaande bedrag van de in dit lid bedoelde leningen.

3.5. Is de som van het geplaatste kapitaal en de overige reserves die krachtens de wet moeten worden aangehouden, geringer dan het laatst vastgestelde wettelijk minimum-kapitaal, dan moet de vennootschap een reserve aanhouden ter grootte van het verschil.

Uitgifte van aandelen, Certificaten.

Artikel 4.

4.1. De algemene vergadering besluit tot uitgifte van aandelen; de algemene vergadering stelt de koers en de verdere voorwaarden van uitgifte vast.

4.2. Het vorige lid is van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen, maar is niet van toepassing op het uitgeven van aandelen aan iemand die een voordien reeds verkregen recht tot het nemen van aandelen uitoefent.

4.3. Uitgifte van aandelen geschiedt nimmer beneden pari.

4.4. Uitgifte van aandelen geschiedt bij notariële akte met inachtneming van het bepaalde in artikel 2:196 Burgerlijk Wetboek.

4.5. De vennootschap is niet bevoegd haar medewerking te verlenen aan de uitgifte van certificaten van aandelen.

4.6. Aan vruchtgebruikers van aandelen kan niet het aan die aandelen verbonden stemrecht worden toegekend.

4.7. Op aandelen in het kapitaal van de vennootschap kan pandrecht worden gevestigd indien de vestiging is goedgekeurd door de algemene vergadering.

4.8. Onder certificaathoudersrechten worden in deze statuten verstaan de krachtens de wet aan de houders van met medewerking van een vennootschap uitgegeven certificaten van aandelen toegekende rechten, waaronder begrepen het recht tot algemene vergaderingen opgeroepen te worden, het recht die vergaderingen bij te wonen, het recht daarin het woord te voeren en het recht de opgemaakte jaarrekening, het jaarverslag en de daaraan toe te voegen overige gegevens ten kantore van de vennootschap in te zien en er kosteloos een afschrift van te verkrijgen.

4.9. Waar hiema in deze statuten van certificaathouders wordt gesproken, worden daaronder verstaan de pandhouders die stemrecht hebben en de aandeelhouders die geen stemrecht hebben.

[GRAPHIC]

Storting op aandelen.

Artikel 5.

5.1. Aandelen worden slechts tegen volstorting uitgegeven.

5.2. Storting moet in geld geschieden voor zover niet een andere inbreng is overeengekomen.

5.3. Storting in geld kan in vreemd geld geschieden indien de vennootschap daarin toestemt.

Voorkeursrecht.

Artikel 6.

6.1. Bij uitgifte van aandelen heeft iedere aandeelhouder een voorkeursrecht naar evenredigheid van het gezamenlijke bedrag van zijn aandelen, onverminderd het bepaalde in lid 2 en onverminderd het bepaalde in artikel 2:206a lid 1 tweede zin Burgerlijk Welboek.

Indien een aandeelhouder aan wie zodanig voorkeursrecht toekomt, daarvan niet of niet volledig gebrulk maakt, komt voor het vrijvallend gedeelte het voorkeursrecht op gelijke wijze toe aan de overige aandeelhouders.

Maken deze laatsten tezamen niet of niet volledig van het voorkeursrecht gebruik, dan is de algemene vergadering ten aanzien van het dan vrijvallend gedeelte vrij in de keuze van degenen aan wie uitgifte eventueel tegen een hogere koers - zal geschieden.

6.2. Het voorkeursrecht kan, telkens voor een enkele uitgifte, worden beperkt of uitgesloten bij besluit van de algemene vergadering.

6.3. Het voorkeursrecht is niet afzonderlijk vervreemdbaar.

6.4. Indien ter zake van een uitgifte een voorkeursrecht bestaat, stelt de algemene vergadering met inachtneming van het in dit artikel bepaalde bij het besluit tot uitgifte de wijze waarop en het tijdvak waarin het voorkeursrecht kan worden uitgeoefend, vast. Dat tijdvak beloopt ten minste vier weken na de dag van verzending van de in lid 5 bedoelde mededeling.

6.5. De vennootschap doet mededeling aan alie aandeelhouders van een uitgifte met voorkeursrecht en van het tijdvak waarin dat kan worden uitgeoefend.

6.6. Dit artkel is van overeenkomstige toepassing op het verlenen van rechten tot het nemen van aandelen, maar is niet van toepassing op het uitgeven van aandelen aan iemand die een voordien reeds verkregen recht tot het nemen van aandelen uitoefent.

Verkrijging en vervreemding van eigen aandelen.

Artikel 7.

7.1. De directie kan, doch slechts met machtiging van de algemene vergadering, de vennootschap volgestorte aandelen in haar eigen kapitaal onder bezwarende titel doen verkrijgen indien:

a. het eigen vermogen, verminderd met de verkrijgingsprijs, niet kleiner is dan het geplaatste kapitaal vermeerderd met de reserves die krachtens de wet moeten worden aangehouden;

b. het nominale bedrag van de te verkrijgen en de reeds door de vennootschap en haar dochtermaatschappijen tezamen gehouden aandelen in haar kapitaal niet meer dan de helft van het geplaatste kapitaal bedraagt.

Voor de geldigheid van de verkrijging is bepalend de grootte van het eigen vermogen volgens de laatst vastgestelde balans, verminderd met de verkrijgingsprijs voor aandelen in het kapitaal van de vennootschap en uitkeringen uit winst of reserves aan ande-

[GRAPHIC]

len, die zij en haar dochtermaatschappijen na de balansdatum verschuldigd werden. Is een boekjaar meer dan zes maanden verstreken zonder dat de jaarrekening is vastgesteld, dan is een verkrijging overeenkomstig dit lid niet toegestaan.

7.2. Ten aanzien van vervreemding door de vennootschap van door haar verkregen aandelen in haar eigen kapitaal zijn de artikelen 4 en 6 van overeenkomstige toepassing, met deze uitzondering dat zodanige vervreemding ook beneden pari zal kunnen geschieden. Een besluit tot vervreemding van zodanige aandelen omvat de goedkeuring als bedoeld in artikel 2:195 lid 4 Burgerlijk Wetboek.

7.3. Indien certificaten van aandelen in de vennootschap zijn uitgegeven, worden deze voor de toepassing van het bepaalde in lid 1 met aandelen gelijkgesteld.

7.4. Voor een aandeel dat toebehoort aan de vennootschap of aan een dochtermaatschappij daarvan kan in de algemene vergadering geen stem worden uitgebracht; evenmin voor een aandeel waarvan een van hen de certificaten houdt. De pandhouder van een aandeel dat aan de vennootschap of een dochtermaatschappij toebehoort, is evenwel niet van het stemrecht uitgesloten indien het pandrecht was gevestigd voordat het aandeel aan de vennootschap of die dochtermaatschappij toebehoorde. De vennootschap of een dochtermaatschappij kan geen stem uitbrengen voor een aandeel waarop zij een pandrecht heeft.

Bij de vaststelling in hoeverre de aandeelhouders stemmen, aanwezig of vertegenwoordigd zijn, of in hoeverre het aandelenkapitaal verschaft wordt of vertegenwoordigd is, wordt geen rekening gehouden met aandelen waarvoor op grond van het in dit lid en/of in de wet bepaalde geen stem kan worden uitgebracht.

7.5. Bij de berekening van de verdeling van een voor uitkering op aandelen bestemd bedrag tellen de aandelen die de vennootschap in haar kapitaal houdt niet mee.

Kapitaalvermindering.

Artikel 8.

8.1. De algemene vergadering kan besluiten tot vermindering van het geplaatste kapitaal door intrekking van aandelen of door het bedrag van de aandelen bij statutenwijziging te verminderen, mits het geplaatste kapitaal niet kleiner wordt dan het ten tijde van het besluit laatst vastgestelde wettelijk minimumkapitaal.

8.2. Intrekking van aandelen kan slechts betreffen aandelen die de vennootschap zelf houdt of waarvan zij de certificaten houdt.

8.3. Vermindering van het bedrag van aandelen zonder terugbetaling dan wel gedeeltelijke terugbetaling op aandelen moet naar evenredigheid op alle aandelen geschieden. Van het vereiste van evenredigheid mag worden afgeweken met instemming van alle aandeelhouders.

8.4. De oproeping lot een algemene vergadering waarin een in dit artikel genoernd besluit wordt genomen, vermeldt het doel van de kapitaalvermindering en de wijze van het uitvoering. In het besluit tot kapitaalvermindering moeten de aandelen waarop het besluit betrekking heeft, worden aangewezen en moet de uitvoering van het besluit zijn geregeld. De vennootschap legt een besluit tot vermindering van het geplaatste kapitaal neer ten kantore van het handelsregister en kondigt de nederlegging aan in een landelijk verspreid dagblad.

[GRAPHIC]

Aandeelhoudersregister.

Artikel 9.

9.1. De directie houdt een register waarin de namen en adressen van alle aandeelhouders worden opgenomen, met vermelding van de datum waarop zij de aandelen hebben verkregen, het aantal door hen gehouden aandelen, de datum van de erkenning of betekening, alsmede van het op ieder aandeel gestorte bedrag en van alle andere gegevens die daarin krachtens de wet moelen worden opgenomen.

9.2. Het register wordt regelmatig bijgehouden.

9.3. De directie verstrekt desgevraagd aan een aandeelhouder, een vruchtgebruiker en een pandhouder om niet een uittreksel uit het register met betrekking tot zijn recht op een aandeel. Rust op het aandeel een pandrecht, dan vermeldt het uittreksel aan wie de certificaathoudersrechten toekomen.

9.4. De directie legt het register ten kantore van de vennootschap ter inzage van de aandeelhouders, alsmede van de pandhouders die de certificaathoudersrechten hebben.

Artikel 10.

Iedere aandeelhouder, vruchtgebruiker en pandhouder is verplicht aan de directie zijn adres op te geven.

Gemeenschap.

Artikel 11.

Indien aandelen tot een gemeenschap behoren, kunnen de gezamenlijke deelgenoten zich slechts door een schriftelijk door hen daartoe aangewezen persoon tegenover de vennootschap doen vertegenwoordigen. De gezamenlijke deelgenoten kunnen ook meer dan een persoon aanwijzen. De gezamenlijke deelgenoten kunnen - mits eenstemmig - bij de aanwijzing of later bepalen dat, indien een deelgenoot dat verlangt, een zodanig aantal stemmen overeenkomstig zijn aanwijzing zal worden uitgebracht als overeenkomt met het gedeelte waarvoor hij in de gemeenschap is gerechtigd.

Oproepingen en mededelingen.

Artikel 12.

12.1. Oproepingen en mededelingen geschieden bij al dan niet aangetekende brief of bij deurwaardersexploit.

Indien het betreft oproepingen en mededelingen aan aandeelhouders en certificaathouders, geschieden deze aan de laatstelijk aan de directie opgegeven adressen. Betreft het mededelingen door aandeelhouders of door certificaathouders aan de directie of aan de raad van commissarissen, dan geschieden deze aan het kantoor van de vennootschap.

12.2. Als datum van een oproeping of mededeling geldt de datum van het stempel van het bewijs van terpostbezorging van de aangetekende brief respectievelijk van verzending door de vennootschap respectivelijk van de dag van betekening van het deuwaardersexploit.

12.3. Mededelingen die krachtens de wet of de statuten aan de algemene vergadering moeten worden gericht, kunnen geschieden door opneming in de oproepingsbrieven.

Wijze van levering van aandelen.

[GRAPHIC]

Artikel 13.

De levering van aandelen of van een recht van vruchtgebruik op aandelen, dan wel de vestiging of afstand van een recht van vruchtgebruik of van een pandrecht op aandelen, geschiedt bij notariele akle met inachtneming van het bepaalde in artiktel 2:196 Burgerlijk Wetboek.

Behoudens in het geval dal de vennootschap zelf bij de rechtshandeling partij is, kunnen de aan de aandelen verbonden rechten eerst worden uitgeoefend nadat:

a. de vennootschap de rechtshandeling heeft erkend:

b. de akte aan de vennootschap is betekend: of

c. de vennootschap de rechtshandeling eigener beweging heeft erkend door inschrijving in het aandeelhoudersregister.

alles met inachtneming van het bepaalde in de artikelen 2:196a en 2:196b Burgerlijk Wetboek.

Blokkeringsregeling.

Artikel 14.

Een aandeelhouder kan een of meer van zijn aandelen overdragen met inachtneming van de artikelen 15 tot en met 20. Indien de vennootschap door haar verkregen aandelen in haar eigen kapitaal wil overdragen, zijn de artikelen 15 tot en met 20 niet van toepassing.

Artikel 15.

Een aandeelhouder heeft voor de overdracht van aandelen de goedkeuring van de algemene vergadering nodig.

Artikel 16.

De algemene vergadering neemt binnen zes weken nadat de aandeelhouder het verzoek om goedkeuring heeft gedaan, een besluit op dat verzoek. indien zij dat niet doet, wordt de goedkeuring geacht te zijn verleend.

Artikel 17.

De goedkeuring wordt eveneens geacht te zijn verleend, indien de algemene vergadering niet gelijktijdig met de weigering van de goedkeuring aan de aandeelhouder opgave doet van een of meer door haar aangewezen gegadigden die bereid zijn de over te dragen aandelen tegen contante betaling te kopen, voor de prijs die wordt vastgestld met inachtneming van artikel 19. De vennootschap zelf kan slechts met instemming van de aandeelhouder gegadigde zijn.

Artikel 18.

De overdracht moet plaatsvinden binnen drie maanden nadat de goedkeuring is verleend of wordt geacht te zijn verleend.

Artikel 19.

De aandeelhouder en de aangewezen gegadigde(n) stellen in onderling overleg de prijs van de aandelen vast. Indien zij geen overeenstemming bereiken over de prijs, wordt deze vastgesteld door een onafhankelijke deskundige die in onderling overleg wordt aangewezen door de directie en de aandeelhouder. Indien de directie en de aandeelhouder geen overeenstemming bereiken over deze aanwijzing, wordt de onafhankelijke deskundige aangewezen door de voorzitter van de kamer van koophandel en fabrieken die bevoegd is tot inschrijving van de vennootschap in het handelsregister.

Artikel 20.

Vanaf het moment dat de door de onafhankelijke deskundige vastgestelde prijs is meegedeeld

[GRAPHIC]

aan de aandeelhouder, is hij gedurende een maand vrij te beslissen of hij zijn aandelen aan de gegadigde(n) zal overdragen.

Bestuur Toezicht op bestuur.

Artikel 21.

21.1. De vennootschap wordt bestuurd door een directie, onder toezicht van een raad van commissarissen.

De directie bestaat uit ten minste drie doch niet meer dan zeven directeuren. De algemane vergadering bepaalt het aantal directeuren. De raad van commissarissen bestaat uit ten minste drie doch niet meer dan tien commissarissen. Een van de te benoemen commissarissen heeft de functie van president-commissaris. De algemene vergadering bepaalt het aantal commissarissen.

Een rechtspersoon kan wel tot directeur maar niet tot commissaris worden benoemd.

21.2. De president-commissaris wordt benoemd door KASLION Holding B.V., thans statutair gevestigd te Amsterdam, en Koninklijke Philips Electronics N.V., statutair gevestigd te Eindhoven, gezamenlijk.

De president-commissaris kan te allen tijde worden geschorst en ontslagen door degenen die hem hebben benoemd gezamenlijk. Directeuren en de overige commissarissen worden benoemd door de algemene vergadering. De algemene vergadering kan hen te allen tijde schorsen en ontslaan.

De raad van commissarissen is te allen tijde bevoegd een directeur te schorsen.

21.3. Bij een voordracht tot benoeming van een commissaris worden van de kandidaat mede gedeeld zijn leeftijd, zijn beroep, het bedrag aan door hem gehouden aandelen in het kapitaal van de vennootschap en de betrekkingen die hij bekleedt of die hij heeft bekleed voor zover die van belang zijn in verband met de vervulling van de taak van een commissaris. Tevens wordt vermeld aan welke rechtspersonen hij reeds als commissaris is verbonden waarbij, indien zich daaronder rechtspersonen bevinden die tot eenzelfde groep behoren, met de aanduiding van die groep kan worden volstaan.

De voordracht tot benoeming van een commissaris wordt met redenen omkleed. Bij herbenoeming wordt rekening gehouden met de wijze waarop de kandidaat zijn taak als commissaris heeft vervuld.

21.4. Indien hetzij de algemene vergadering hetzij de raad van commissarissen een directeur heeft geschorst, dan wel indien de algemene vergadering een commissaris, niet zijnde de president-commissaris, heeft geschorst, dient de algemene vergadering binnen drie maanden na ingang van de schorsing te besluiten hetzij tot ontslag hetzij tot opheffing of handhaving van de schorsing; bij gebreke daarvan vervalt de schorsing. Indien degenen die de president-commissaris hebben benoemd, hem hebben geschorst, dienen zij binnen drie maanden na ingang van de schorsing te besluiten hetzij tot ontslag hetzij tot opheffing of handhaving van de schorsing; bij gebreke daarvan vervalt de schorsing. Een besluit tot handhaving van de schorsing kan slechts eenmaal worden genomen en de schorsing kan daarbij ten hoogste worden gehandhaafd voor drie maanden, ingaande op de dag waarop hel besluit tot handhaving is genomen.

Een geschorste directeur of een geschorste commissaris, niet zijnde de president-commissaris, wordt in de gelegenheid gesteld zich in de algemene vergadering te

[GRAPHIC]

verantwoorden en zich daarbij door een raadsman te doen bijstaan.

21.5. Ingeval van belet of ontstentenis van een of meer directeuren zijn de overblijvende directeuren of is de enig overblijvende directeur tijdelijk met het bestuur belast.

Ingeval van belet of ontstentenis van alle directeuren of de enige directeur is de raad van commissarissen tijdelijk met het bestuur belast; de raad van commissarissen is alsdan bevoegd om een of meer tijdelijke bestuurders aan te wijzen. Ingeval van ontstentenis neemt de raad van commissarissen zo spoedig mogelijk de nodige maatregelen teneinde een definitieve voorziening te doen treffen.

Artikel 22.

22.1. De raad van commissarissen stelt de arbeidsvoorwaarden van de directeuren vast.

22.2. De algemene vergadering kan aan een of meer commissarissen een beloning toekennen. Kosten worden hun vergoed.

22.3. Voorzover uit de wet niet anders voortvloeit, worden aan directeuren en commissarissen en aan voormalige directeuren en commissarissen vergoed:

a. de redelijke kosten van het voeren van verdediging tegen aanspraken wegens een handelen of nalaten in de uitoefening van hun functie of van een andere functie die zij op verzoek van de vennootschap vervullen of hebben vervuld:

b. eventuele schadevergoedingen or boetes die zij verschuldigd zijn wegens een hierboven onder a vermeld handelen of nalaten:

c. de redelijke kosten van het optreden in andere rechtsgedingen waarin zij als directeur of commissaris of als voormalige directeur of commissaris zijn betrokken met uitzondering van de gedingen waarin zij hoofdzakelijk een eigen vordering geldend maken.

Een betrokkene heeft geen aanspraak op de vergoeding als hiervoor bedoeld indien en voorzover (i) door de Nederlandsa rechter bij gewijsde is vastgesteld dat het handelen of nalaten van de betrokkene kan worden gekenschetst als opzettelljk, bewust roeketoos of emstig verwijtbaar, tenzij uit de wet anders voortvioeit of zulks in de gegeven omstandigheden naar maatstaven van redelijkheid en billijkheid onaanvaardbaar zou zijn of (ii) de kosten of het vermogensverlies van de betrokkene is gedekt door een verzekering en de verzekeraar deze kosten of dit vermogensverlies heeft uitbetaald. De vennootschap kan ten behoeve van de betrokkenen verzekeringen tegen aansprakelijkheid afsluiten.

De raad van commissarissen kan ten aanzien van directeuren en de directie kan ten aanzien van commissarissen al dan niet bij overeenkomst nadere uitvoering geven aan het vorenstaande.

Directie.

Artikel 23.

23.1. De directie kan, met inachtneming van deze statuten, een reglement opstellen, waarin aangelegenheden, haar intern betreffende, worden geregeld. Voorts kunnen de directeuren, al dan niet bij reglement, hun werkzaamheden onderling verdelen.

23.2. De directie vergadert zo dikwijls een directeur het verlangt. Zij besluit bij volstrekte meerderheid van de uitgebrachte stemmen.

Bij staking van stemmen is het voorstel verworpen.

[GRAPHIC]

23.3. De directie kan ook buiten vergadering besluiten nemen, mits dit schriftelijk, per telefax of per een ander in het maatschappelijk verkeer voor schriftelijke vastlegging gebruikelijk communicatiemiddel geschiedt en alle directeuren zich voor het desbetreffende voorstel uitspreken.

23.4. De raad van commissarissen kan in zijn daartoe strekkend besluit duidelijk te omschrijven directiebesluiten aan zijn goedkeuring onderwerpen.

De raad van commissarissen deelt een dergelijk besluit onverwijld aan de directie mee.

Vertegenwoordiging.

Artikel 24.

24.1. De directie is bevoegd de vennootschap te vertegenwoordigen. Indien er meer dan een directeur in functie is, kan de vennootschap ook worden vertegenwoordigd door twee directeuren gezamenlijk handelend.

24.2. Indien een directeur een belang heeft dat strijdig is met dat van de vennootschap, kan de vennootschap, met inachtneming van het in het eerste lid bepaalde, ter zake worden vertegenwoordigd hetzij door een van de andere directeuren hetzij door een door de raad van commissarissen aan te wijzen commissaris, alles tenzij de algemene vergadering daartoe een persoon aanwijst of de wet op andere wijze in de aanwijzing voorziet. Zodanige persoon kan ook zijn de directeur te wiens aanzien het strijdig belang bestaat.

Procuratiehouders.

Artikel 25.

De directie kan aan een of meer personen, al dan niet in dienst van de vennootschap, procuratie of anderszins doorlopende vertegenwoordigingsbevoegdheid verlenen. Tevens kan de directie aan personen als in de vorige zin bedoeld, alsook aan andere personen, mits in dienst van de vennootschap, zodanige titel toekennen als zij zal verkiezen.

Raad van commissarissen.

Artikel 26.

26.1. Het toezicht op het beleid van de directie en op de algemene gang van zaken in de vennootschap en de met haar verbonden ondememing wordt uitgeoefend door de raad van commissarissen. Hij staat de directie met raad ter zijde. Bij de vervulling van hun taak richten de commissarissen zich naar het belang van de vennootschap en de met haar verbonden ondememing. De directie verschaft de raad van commissarissen tijdig de voor de uitoefening van zijn taak noodzakelijke gegevens.

26.2. De raad van commissarissen benoemt uit of buiten zijn midden, een secretaris. Bovendien kan de raad van commissarissen uit zijn midden een of meer gedelegeerde commissarissen benoemen die belast zijn met het onderhouden van een meer regelmaltig contact met de directie; van hun bevindingen brengen zij aan de raad van commissarissen verslag uit. De functies van president-commissaris en gedelegeerd commissaris zijn verenigbaar.

26.3. De raad van commissarissen kan met inachtneming van deze statuten een reglement opstellen, waarin de verdeling van zijn taak over de verschillende commissarissen en verschillende commissies wordt geregeld.

26.4. De raad van commissarissen kan bepalen dat een of meer van zijn leden toegang zullen

[GRAPHIC]

hebben tot alle bedrijfsruimten van de vennootschap en bevoegd zullen zijn inzage te nemen van alle boeken, correspondentie en andere bescheiden en kennis te nemen van alle handelingen die plaats hebben gehad, dan wel een gedeelte van deze bevoegdheden zullen kunnen uitoefenen.

Artikel 27.

27.1. De raad van commissarissen vergadert zo dikwijls een van zijn leden het verzoekt. Hij besluit bij volstrekte meerderheid van de uitgebrachte stemmen.

Bij staking van stemmen is het voorstel verworpen.

27.2. Behoudens het in lid 3 bepaalde, kan de raad van commissarissen geen besluiten nemen wanneer niet de meerderheid van de leden aanwezig is.

27.3. De raad van commissarissen kan ook buiten vergadering besluiten nemen, mits dit schriftelijk, per telefax of per een ander in het maatschappelijk verkeer voor schriftelijke vastlegging gebruikelijk communicatiemiddel geschiedt en geen van de commissarissen zich tegen deze wijze van besluitvorming heeft verzet.

Een dergelijk besluit wordt aangetekend in het notulenregister van de raad van commissarissen, dat door de secretaris van die raad wordt gehouden; de bescheiden waaruit van het nemen van een dergelijk besluit blijkt, worden bij het notulenregister bewaard.

27.4. De directeuren zijn, indien zij daartoe worden uitgenodigd, verplicht de vergaderingen van de raad van commissarissen bij te wonen en aldaar alle door die raad verlangde inlichtingen te verstrekken.

27.5. De raad van commissarissen kan op kosten van de vennootschap adviezen inwinnen die de raad van commissarissen voor een juiste uitoefening van zijn taak wenselijk acht.

27.6. Indien het aantal commissarissen in functie minder dan drie bedraagt geldt de raad als volledig samengesteld, met dien verstande dat, indien er slechte een commissaris in functie is, deze alle rechten en verplichtingen heeft bij de wet en bij deze statuten toegekend en opgelegd aan de raad van commissarissen en de president-commissaris.

Algemene vergaderingen.

Artikel 28.

28.1. De jaarlijkse algemene vergadering wordt binnen zes maanden na afloop van het boekjaar gehouden.

28.2. De agenda voor deze vergadering bevat in ieder geval de volgende onderwerpen:

a. de behandeling van het schriftelijke jaarverslag van de directie omtrent de zaken van de vennootschap en het gevoerde bestuur;

b. de vaststelling van de jaarrekening en - met inachtneming van artikel 35 - de bepaling van de winstbestemming;

c. de verlening van decharge aan directeuren voor hun bestuur over het afgelopen boekjaar en aan commissarissen voor hun toezicht daarop.

De hiervoor bedoelde onderwerpan behoeven op die agenda niet te worden opgenomen indien de termijn voor het opmaken van de jaarrekening en het overleggen van het jaarverslag is verlengd of een voorstel daartoe op die agenda is geplaatst; het sub a bedoelde onderwerp behoeft evenmin op die agenda te worden opgenomen indien artikel 2:391 Burgerlijk Wetboek niet voor de vennootschap geldt.

In de jaarlijkse algemene vergadering wordt voorts behandeld hetgeen met inachtne-

[GRAPHIC]

ming van artikel 29 leden 2 en 3 verder op de agenda is geplaatst.

28.3. Een algemene vergadering wordt bijeengeroepen zo dikwijls de directie of de raad van commissarissen het wenselijk acht.

Bovendien zal een algemene vergadering worden bijeengeroepen zodra een of meer personen, tezamen gerechtigd tot het uitbrengen van ten minste een tiende gedeelte van het totaal aantal stemmen dat kan worden uitgebracht, dit onder mededeling van de te behandelen onderwerpen aan de directie en aan de raad van commissarissen verzoeken.

Artikel 29.

29.1. De algemene vergaderingen worden gehouden in de gemeente waar de vennootschap haar statutaire zetel heeft of te Amsterdam, Den Haag, Rotterdam of Haarlemmermeer (Schiphol).

In een elders gehouden algemene vergadering kunnen slechts geldige besluiten worden genomen indien het gehele geplaatste kapitaal is vertegenwoordigd en alle certicaathouders aanwezig of vertegenwoordigd zijn.

29.2. Aandeelhouders en certificaathouders worden tot de algemene vergadering opgeroepen door de directie, de raad van commissarissen, een directeur of een commissaris. Indien in het geval als bedoeld in de tweede zin van artikel 28 lid 3 noch een directeur noch een commissaris de algemene vergadering zodanig bijeenroept dat zij binnen vier weken na het verzoek wordt gehouden, is ieder van de verzoekers zelf tot bijeenroeping bevoegd, met inachtneming van het daaromtrent in deze statuten bepaalde. Bij de oproeping worden de te behandelen onderwerpen steeds vermeld.

29.3. De oproeping geschiedt niet later dan op de vijftiende dag voor die de vergadering. Was die termijn korter of heeft de oproeping niet plaatsgehad, dan kunnen geen wettige besluiten worden genomen, tenzij het besluit met algemene stemmen wordt genomen in een vergadering waarin het gehele geplaatste kapitaal is vertegenwoordlgd en alle certificaathouders aanwezig of vertegenwoordigd zijn.

Ten aanzien van onderwerpen die niet in de oproepingsbrief of in een aanvullende oproepingsbrief met inachtneming van de voor oproeping gestelde termijn zijn aangekondigd, vindt het bepaalde in de vorige zin overeenkomstige toepassing.

Artikel 30.

30.1. De algemene vergadering benoemt zelf haar voorzitter. De voorzitter wijst de secretaris aan.

30.2. Tenzij van het ter vergadering verhandelde een notarieel proces-verbaal wordt opgemaakt, worden daarvan notulen gehouden. Notulen worden vastgesteld en ten blijke daarvan getekend door de voorzitter en de secretaris van de desbetreffende vergadering dan wel vastgesteld door een volgende vergadering; in het laatste geval worden zij ten blijke van vaststelling door de voorzitter en de secretaris van die volgende vergadering ondertekend.

30.3. De voorzitter van de vergadering en voorts iedere directeur en iedere commissaris kan te allen tijde opdracht geven tot het opmaken van een notarieel proces-verbaal op kosten van de vennootschap.

[GRAPHIC]

Artikel 31.

31.1. In de algemene vergadering geeft ieder aandeel recht op het uitbrengen van een stem. Blanco stemmen en ongeldige stemmen worden als niet uitgebracht aangemerkt.

31.2. Besluiten worden genomen bij volstrekte meerderheid van de uitgebrachte stemmen.

31.3. De voorzitter bepaalt de wijze van stemming, met dien verstande dat, indien een van de stemgerechtigde aanwezigen dit verlangt, stemming over benoeming, schorsing en ontslag van personen bij gesloten ongetekende briefjes geschiedt.

31.4. Bij staking van stemmen over benoeming van personen komt geen besluit tot stand. Bij staking van stemmen over andere onderwerpen is het voorstel verworpen, onverminderd het bepaalde in artikel 35 lid 2.

31.5. ledere certificaathouder is bevoegd de algemene vergaderingen bij te wonen en daarin het woord te voeren, maar heeft niet het recht stem uit te brengen, met dien verstande dat dit laatste niet geldt voor pandhouders van aandelen die stemrecht hebben.

31.6. Aandeelhouders en certificaathouders kunnen zich ter vergadering door een schriftelljk gevolmachtigde doen vertegenwoordigen.

31.7. De directeuren en de commissarissen zijn bevoegd de algemene vergaderingen bij te wonen en hebben als zodanig in de algemene vergaderingen een raadgevende stem.

Artikel 32.

32.1. Aandeelhouders en pandhouders van aandelen aan wie het stemrecht toekomt kunnen alle besluiten die zij in vergadering kunnen nemen, buiten vergadering nemen. De directeuren en de commissarissen worden in de gelegenheld gesteld over het voorstel advies uit te brengen, tenzij dit in de gegeven omsandigheden naar maatstaven van redelijkheid en billijkheid onaanvaardbaar zou zijn.

Een besluit buiten vergadering is slechts geldig indien alle stemgerechtigden schrifelijk, telegrafisch, per telex of per telecopier ten gunste van het desbetreffende voorstel stem hebben uitgebracht.

Degenen dle buiten vergadering een besluit hebben genomen, doen van het aldus genomen besluit onverwijld mededeling aan de directie alsook aan de president- commissaris.

32.2. Van een besluit als bedoeld in lid 1 maakt een directeur in het notulenregister van de algemene vergadering melding; die vermelding wordt in de eerstvolgende algemene vergadering door de voorzitter van die vergadering voorgelezen. Bovendien worden de bescheiden waaruit van het nemen van een zodanig besluit blijkt, bij het notulenregister van de algemene vergadering bewaard, en wordt zodra het besluit is genomen, daarvan mededeling gedaan aan degenen die het besluit hebben genomen.

Boekjaar, Jaarrekening

Artikel 33.

33.1 Het boekjaar is gelijk aan het kalenderjaar.

33.2 Jaarlijks binnen vijf maanden na afloop van elk boekjaar – behoudens verlenging van deze termijn met ten hoogste zes maanden door de algemene vergadering op grond van bijzondere omstandigheden – maakt de directie een jaarrekening op en legt zij deze voor de aandeelhouders en certificaathouders ter inzage ten kantore van de vennootschap. De jaarrekening gaat vergezeld van de verklaring van de accountant bedoeld in artikel 34, zo de daar bedoelde opdracht is verstrekt, van het jaarverslag, tenzij artikel 2:391

[GRAPHIC]

Burgerlijk Wetboek niet voor de vennootschap geldt, en van de in artikel 2:392 lid 1 Burgerlijk Wetboek bedoelde overige gegevens, voor zover het in dat lid bepaalde op de vennootschap van toepassing is. De jaarrekening wordt ondertekend door alle directeuren en alle commissarissen; ontbreekt de ondertekening van een of meer van hen, dan wordt daarvan onder opgaaf van de reden melding gemaakt

33.3. De vennootschap zorgt dat de opgemaakte jaarrekening, het jaarverslag en de in lid 2 bedoalde overige gegevens vanaf de dag van de oproeping tot de algemene vergadering bestemd tot hun behandeling, ten kantore van de vennootschap aanwezig zijn. De aandeelhouders en certificaathouders kunnen die stukken aldaar inzien en daarvan kosteloos een afschrift verkrijgen.

33.4. Indien de vennootschap overeenkomstig artikel 34 lid 1 verplicht is opdracht tot onderzoek van de jaarrekening aan een accountant te verlenen en de algemene vergadering geen kennis heeft kunnen nemen van de verklaring van die accountant, kan de jaarrekening niet worden vastgesteld, tenzij onder de overige gegevens bedoeld in lid 2 twee de zin een wettige grond wordt meegedeeld waarom die verklaring ontbreekt.

33.5. Indien de jaarrekening gewijzigd wordt vastgesteld, is een afschrift van de gewijzigde jaarrekening kosteloos voor de aandeelhouders en certificaathouders verkrijgbaar.

Accountant.

Artikel 34.

34.1. De vennootschap kan aan een accountant als bedoeld in artikel 2:393 Burgerlijk Wetboek de opdracht verlenen orn de door de directie opgemaakte jaarrekening te onderzoeken overeenkomstig het bepaalde in lid 3 van dat artikel, met dien verstande dat de vennootschap daartoe gehouden is indien de wet dat verlangt. Indien de wet niet verlangt dat de in de vorige zin bedoelde opdracht wordt verleend, kan de vennootschap een opdracht tot onderzoek van de opgemaakte jaarrekening ook aan een andere deskundige verlenen: zodanige deskundige wordt hierna ook aangeduid als; accountant.

Tot het verlenen van de opdracht is de algemene vergadering bevoegd. Gaat deze daartoe niet over, dan is de raad van commissarissen bevoegd of, zo tijdelijk geen commissarissen in functie zijn of de raad van commissarissen in gebreke blijkt, de directie.

De aan de accountant verleende opdracht kan te allen tijde worden ingetrokken door de algemene vergadering alsook door degene die de opdracht heeft verleend; de door de directie verleende opdracht kan bovendien door de raad van commissarissen worden ingetrokken.

De accountant brengt omtrent zijn onderzoek verslag uit aan de raad van commissarissen en de directie en geeft de uitslag van zijn onderzoek in een verklaring weer.

34.2. Zowel de directie als de raad van commissarissen kan aan de accountant of aan een andere accountant op kosten van de vennootschap opdrachten verstrekken.

Winst en verties.

Artikel 35.

35.1. Uitkering van winst ingevolge het in dit artikel bepaalde geschiedt na vaststelling van de

[GRAPHIC]

jaarrekening waaruit blijkt dat zij geoorloofd is.

35.2. De winst staat ter vrije beschikking van de algemene vergadering. Bij staking van stemmen over uitkering of reservering van winst wordt de winst waarop het voorstel betrekking heeft gereserveerd.

35.3. De vennootschap kan aan de aandeelhouders en andere gerechtigden tot de voor uitkering vatbare winst slechts uitkeringen doen voor zover haar eigen vermogen groter is dan het bedrag van het geplaatste kapitaal vermeerderd met de reserves die krachtens de wet moeten worden aangehouden.

35.4. Ten laste van de door de wet voorgeschreven reserves mag een tekort slechts worden gedelgd voor zover de wet dat toestaat.

Artikel 36.

36.1. Dividenden zijn opeisbaar vier weken na vaststelling, tenzij de algemene vergadering daartoe op voorstel van de directie een andere datum bepaalt.

36.2. Dividenden welke binnen vijf jaren na de aanvang van de tweede dag waarop zij opeisbaar zijn geworden, niet in ontvangst zijn genomen, vervallen aan de vennootschap.

36.3. De algemene vergadering kan besluiten dat dividenden geheel of gedeelteijk in een andere vorm dan in contanten zullen worden uitgekeerd.

36.4. Onvermindered het bapaalde in artikel 35 lid 3 kan de algemene vergadering besluiten tot gehele of gedeeltelijke uitkering van reserves.

36.5. Onverminderd het bepaalde in artikel 35 lid 3 wordt, indien de algemene vergadering op voorstel van de directie dat bepaalt, een tussentijdse ultkering gedaan.

Vereffening

Artikel 37

37.1. Indien de vennotschap wordt ontbonden ingevolge een besluit van de algemene vergadering, worden de directeuren vereffenaars van haar vermogen, onder toezicht van de raad van commissarissen, indien en voor zover de algemene vergadering niet een of meer andere vereffenaars benoernt.

37.2. De algemene vergadering stelt de beloning van de vereffenaars en van degenen die met het toezicht op de vereffening belast zijn, vast.

37.3. De vereffening geschiedt met inachtneming van de wettelijke bepalingen. Tijdens de vereffening blijven deze statuten voor zover mogelijk van kracht.

37.4. Hetgeen na voldoening van alle schulden van het vermogen van de vennootschap is overgebleven, wordt verdeeld tussen de aandeelhouders naar verhoudlng van het nominale bedrag van hun aandelenbezit.

37.5. Nadat de venootschap heeft opgehouden te bestaan, blijven haar boeken, bescheiden en andere gegevensdragers gedurende zeven jaar berusten onder degene die daartoe door de vereffenaars is aangewezen.

Overgangsbepaling.

Artikel 38.

38.1. De algemene vergadering kan besluiten tot het instellen van de raad van commissarissen. De raad van commissarissen treedt in functie met ingang van de dag van nederlegging van zodanig besluit ten kantore van het handelsregister. Indien op grond van het in dit lid bepaalde de raad van commissarissen is ingesteld, zijn

[GRAPHIC]

op de raad van commissarissen en zijn leden de artikelen 21, 22, 23, 26 en 27 van toepassing; overige bepalingen in deze statuten omtrent de raad van commissarissen en/of zijn leden gelden slechts indien de raad van commissarissen is ingesteld.

38.2. Dit artikel vervalt tezamen met zijn opschrift nadat de raad van commissarissen is ingesteld.

De vereiste ministeriële verklaring van geen bezwaar is verleend op negentien september twee duizendzes, nummer B.V. 400.135.

De ministeriële verklaring van geen bezwaar en het stuk waaruit blijkt van de in de aanhef van deze akte vermelde besluiten worden aan deze akte gehecht.

Waarvan deze akte in minuut wordt verleden te Amsterdam, op de datum in het hoofd van deze akte vermeld.

Na mededeling van de zakelijke inhoud van de akte, het geven van een toelichting daarop en na de verklaring van de comparant van de inhoud van de akte te hebben kennisgenomen en met beperkte voorlezing in te stemmen, wordt deze akte onmiddellijk na voorlezing van die gedeelten van de akte, waarvan de wet voorlezing voorschrijft, door de comparant, die aan mij, notaris, bekend is, en mij, notaris, ondertekend, om negen uur zeventien minuten. (get.): B.S. Veldkamp, J.D.M. Schoonbrood.

UITGEGEVEN VOOR AFSCHRIFT

[GRAPHIC]

UNOFFICIAL TRANSLATION
AMENDMEMT OF THE ARTICLES OF ASSOCIATION OF
PHILIPS SEMICONDUCTORS INTERNATIONAL B.V.
(after amendment named: NXP B.V.)

On the twenty-ninth day of September two thousand and six appears before me, Johannes Daniel Maria Schoonbrood, notaris (civil-law notary) practising in Amsterdam:

Bart Sicco Veldkamp, kandldaat-notaris (candidate civil-law notary), employed by De Brauw Blackstone Westbroek N.V., a limited liability company, with corporate seat in The Hague, with address at: 2596 AL The Hague, the Netherlands, Zuid-Hollandlsan 7, at the office in Amsterdam, born in Haarlem on the twenty-sixth day of December nineteen hundred and fifty-eight. The person appearing declares that on the twenty-eighth day of September two thousand and six the general meeting of shareholders of Philips Semiconductors International B.V., a private company with limited liability, with corporate seat in Eindhoven and address at: 5656 AG Eindhoven, High Tech Campus 60, resolved to amend the articles of association of this company and to authorise the person appearing to execute this deed.

Pursuant to those resolutions the person appearing declares that he amends the company's articles of association such that these shall read in full as follows

ARTICLES OF ASSOCIATION:

Name, Corporate seat.

Article 1.

The name of the company is: NXP B.V.

Its corporate seat is in Eindhoven.

Objects.

Article 2.

The objects of the company are to participate in, to take an interest in any other way in, to conduct the management of other business enterprises of whatever nature, to provide services to other business enterprises of whatever nature, furthermore to finance third parties. In any way to provide security or undertake the obligations of third parties and finally all activities which are incidental to or which may be conducive to any of the foregoing.

Share capital and shares.

Article 3.

3.1. The authorised share capital of the company amounts to ninety-one thousand euro (EUR 91,000). It is divided into two hundred (200) shares of four hundred and fifty-five euro (EUR 455).

3.2. The shares shall be in registered form and shall consecutively be numbered from 1 onwards.

3.3. No share certificates shall be issued.

3.4. In respect of the subscription for or acquisition of shares in its share capital or depositary receipts for such shares by other persons, the company may neither grant security rights, give a guarantee as to the price of the shares or of the depositary receipts, grant guarantees in any other manner, nor bind itself either jointly or severally in addition to or for other persons.

The company may make loans in respect of a subscription for or an acquisition of shares in its share capital or depositary receipts for such shares up to an amount not exceeding the amount of its distributable reserves. A resolution by the managing board to make a loan as referred to in the preceding sentence shall be subject to the approval of the general meeting of shareholders, hereinafter to be referred to as: the general meeting.

The company shall maintain a non-distributable reserve for an amount equal to the outstanding amount of the loans as referred to in this paragraph.

3.5. If the aggregate amount of the issued share capital and the reserves required to be maintained by law is less than the minimum share capital as then required by law, the company must maintain a reserve up to an amount equal to the difference.

Issue of shares. Depositary receipts.

Article 4.

4.1. Shares shall be issued pursuant to a resolution of the general meeting; the general meeting shall determine the price and further terms and conditions of the issue.

4.2. The previous paragraph shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

4.3. Shares shall never be issued at a price below par.

4.4. Shares shall be issued by notarial deed in accordance with the provisions set out in section 2:196 of the Civil Code.

4.5. The company is not authorised to cooperate in the issue of depositary receipts for shares.

4.6. The voting rights on shares may not be conferred on holders of a right of usufruct on such shares.

4.7. Shares in the share capital of the company may be pledged if the establishment of the pledge is approved by the general meeting.

4.8. For the purpose of these articles of association, rights of holders of depositary receipts shall mean the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company, such as inter alia the right to receive notices of general meetings, the right to attend such meetings, the right to address such meetings and the right to inspect the annual accounts as prepared by the managing board, the annual report and the additional information thereto, at the office of the company, and to obtain a copy thereof at no cost.

4.9. Where hereinafter used in these articles of association, holders of depositary receipts

shall refer to holders of a right of pledge with voting rights and to shareholders with no voting rights.

Payment for shares.

Article 5.

5.1. Shares shall only be issued against payment in full.

5.2. Payment must be made in cash, providing no alternative contribution has been agreed.

5.3. Payment in cash may be made in a foreign currency, subject to the company’s consent.

Pre-emption rights.

Article 6.

6.1. Upon issue of shares, each shareholder shall have a pre-emption right in proportion to the aggregate amount of his shares, subject to the provisions of paragraph 2 and subject to the provisions set out in section 2:206a subsection 1 second sentence of the Civil Code.

Should a shareholder who is entitled to a pre-emption right not or not fully exercise such right, the other shareholders shall be similarly entitled to pre-emption rights in respect of those shares which have not been claimed.

If the latter collectively do not or do not fully exercise their pre-emption rights, then the general meeting shall be free to decide to whom the shares which have not been claimed shall be issued and such issue may be made at a higher price.

6.2. Pre-emption rights may be limited or excluded by resolution of the general meeting for each specific issue.

6.3. Pre-emption rights may not be separately disposed of.

6.4. If pre-emption rights exist in respect of an issue of shares, the general meeting shall determine, with due observance of the provisions set out in this article and simultaneously with the resolution to issue shares, the manner in which and the period within which such pre-emption rights may be exercised. Such period shall be at least four weeks from the date the notification referred to in paragraph 5 hereof is sent.

6.5. The company shall notify all shareholders of an issue of shares in respect of which pre-emption rights exist and of the period of time within which such rights may be exercised.

6.6. This article shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

Acquisition and disposal of shares.

Article 7.

7.1. Subject to authorisation by the general meeting, the managing board may cause the company to acquire fully paid up shares in its own share capital for a consideration, provided:

a. the company's equity minus the acquisition price is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law; and

b. the aggregate par value of the shares in its share capital to be acquired and already held by the company and its subsidiary companies does not exceed half

the issued share capital.

The validity of the acquisition shall be determined on the basis of the company's equity as shown by the most recently adopted balance sheet, minus the acquisition price for shares in the company's share capital and any distribution of profits or reserves to other persons which have become due by the company and its subsidiary companies after the balance sheet date. No acquisition pursuant to this paragraph shall be allowed if a period of more than six months following the end of a financial year has expired without the annual accounts for such year having been adopted.

7.2. Articles 4 and 6 shall equally apply to the disposal of shares acquired by the company in its own share capital, with the exception that such disposal may be made at a price below par. A resolution to dispose of such shares shall be deemed to include the approval as referred to in section 2:195 subsection 4 of the Civil Code.

7.3. If depositary receipts for shares in the company have been issued, such depositary receipts for shares shall be put on par with shares for the purpose of the provisions of paragraph 1.

7.4. In the general meeting no votes may be cast in respect of a share held by the company or a subsidiary company; no votes may be cast in respect of a share the depositary receipt for which is held by the company or a subsidiary company. Nonetheless, the holder of a right of pledge on a share held by the company or a subsidiary company is not excluded from the right to vote such share, if the right of pledge was granted prior to the time such share was held by the company or such subsidiary company. Neither the company nor a subsidiary company may cast votes in respect of a share on which it holds a right of pledge.

Where this paragraph 7.4 and/or the law excludes shares from voting, those shares shall not be taken into account when determining the extent to which shareholders cast votes, are present or represent or the share capital is provided or represented.

7.5. Shares which the company holds in its own share capital shall not be counted when determining the division of the amount to be distributed on shares.

Reduction of share capital.

Article 8.

8.1. The general meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the par value of shares by an amendment to the articles of association, provided that the amount of the issued share capital does not fall below the minimum share capital as required by law in effect at the time of the resolution.

8.2. Cancellation of shares can only apply to shares which are held by the company itself or to shares for which the company holds depositary receipts.

8.3. Reduction of the par value of shares without repayment or partial repayment on shares shall be effected pro rata with respect to all shares. The pro rata requirement may be waived with the consent of all shareholders.

8.4. The notice of a general meeting at which a resolution referred to in this article is to be adopted shall include the purpose of the reduction of the share capital and the manner in which such reduction shall be effectuated. The resolution to reduce the share capital shall specify the shares to which the resolution applies and shall describe how such a

resolution shall be implemented.

The company shall file a resolution to reduce the issued share capital with the trade register and shall publish such filing in a national daily newspaper.

Shareholders register.

Article 9.

9.1. The managing board shall maintain a register in which the names and addresses of all shareholders shall be recorded, stating the date on which they acquired the shares, the number of shares held by each of them, the date of acknowledgement or service, as well as the amount paid up on each share and any other information that must be recorded under the law.

9.2. The register shall be kept up to date.

9.3. Upon request and at no cost, the managing board shall provide a shareholder, a holder of a right of usufruct and a holder of a right of pledge with an extract from the register regarding their respective rights in respect of a share. If a share is encumbered with a right of pledge, the extract shall specify who is entitled to the rights of holders of depositary receipts.

9.4. The managing board shall make the register available at the office of the company for inspection by the shareholders, as well as by the holders of a right of pledge who are entitled to the rights of holders of depositary receipts.

Article 10.

Each shareholder, holder of a right of usufruct and holder of a right of pledge shall give his address to the managing board.

Joint holding.

Article 11.

If shares are included in a joint holding, the joint participants may only be represented vis-à-vis the company by a person who has been designated by them in writing for that purpose. The joint participants may also designate more than one person.

The joint participants may determine at the time of the designation of the representative or thereafter - but only unanimously - that if a joint participant so wishes, a number of votes corresponding to his interest in the joint holding will be cast in accordance with his instructions.

Notices of meetings and notifications.

Article 12.

12.1. Notices of meetings and notifications shall be given by registered or regular letter or by bailiff's writ.

Notices of meetings and notifications to shareholders and holders of depositary receipts shall be sent to the addresses most recently given to the managing board. Notifications by shareholders or by holders of depositary receipts to the managing board or to the supervisory board shall be sent to the office of the company.

12.2. The date of a notice of meeting or a notification shall be deemed to be the date stamped on the receipt issued for the registered letter, or the date of mailing by the company or the date of service of the writ, as the case may be.

12.3. Notifications which, pursuant to the law or the articles of association, are to be

addressed to the general meeting may be included in the notice of such meeting.

Transfer of shares.

Article 13.

Any transfer of shares or of a right of usufruct on shares or the creation or release of a right of usufruct or of a right of pledge on shares shall be effected by notarial deed in accordance with the provisions set out in section 2:196 of the Civil Code.

Save in the event that the company is a party to the transaction the rights attached to the shares may only be exercised after:

a. the company has acknowledged the transaction;

b. the deed has been served upon the company; or

c. the company has acknowledged the transaction on its own initiative by recording the same in the shareholders register,

all in accordance with the provisions set out in sections 2:196a and 2:196b of the Civil Code.

Restrictions on the transfer of shares.

Article 14.

A shareholder may transfer one or more of his shares in accordance with articles 15 to 20. In the event that the company wishes to transfer any shares it has acquired in its own capital, articles 15 to 20 shall not apply.

Article 15.

The transfer of share by a shareholder shall require the approval of the general meeting.

Article 16.

The general meeting shall decide on the request for approval within six weeks after such request having been made. Failing this, the approval shall be deemed to have been granted.

Article 17.

The approval shall also be deemed to have been granted in the event that the general meeting refuses its approval but does not simultaneously provide the shareholder with the name(s) of one or more prospective purchasers designated by it, who are willing to purchase the shares to be transferred, against payment in cash at the price to be determined in accordance with article 19. The company itself may only be a prospective purchaser with the shareholder's consent.

Article 18.

The transfer must take place within three months after the approval has, or is deemed to have been, granted.

Article 19.

The shareholder and the designated prospective purchaser(s) shall determine the price of the shares by mutual agreement. Failing such agreement, the price shall be determined by an independent expert to be appointed by the managing board and the shareholder, by mutual agreement. In the event that the managing board and the shareholder fail to reach agreement on this appointment, the independent expert shall be appointed by the Chairman of that Chamber of Commerce and Industry which is competent to enter the company in the Trade Register.

Article 20.

For a period of one month from being notified of the price determined by the independent expert, the shareholder shall be free to decide whether to transfer his shares to the designated

prospective purchaser(s).

Management, Supervision on management.

Article 21.

21.1. The company shall be managed by a managing board, under the supervision of a supervisory board.

The managing board shall consist of at least three and no more than seven managing directors. The general meeting shall determine the number of managing directors. The supervisory board shall consist of at least three and no more than ten supervisory directors. One of the supervisory directors to be appointed will be the chairman. The general meeting shall determine the number of supervisory directors.

A legal entity may be appointed as a managing director but not as a supervisory director.

21.2. The chairman shall be appointed by KASLION Holding B.V., currently with its corporate seat in Amsterdam, and Koninklijke Philips Electronics N.V., with its corporate seat in Eindhoven, acting jointly. The chairman may be suspended and dismissed at any time by the persons who have appointed him, acting jointly. Managing directors and the other supervisory directors shall be appointed by the general meeting. The general meeting may at any time suspend and dismiss managing directors and supervisory directors. The supervisory board may at any time suspend a managing director.

21.3. Together with a nomination for the appointment of a supervisory director the following information shall be given in respect of the candidate: his age, his profession, the number of shares in the share capital of the company held by him and the positions he holds or held insofar as relevant to the fulfillment of the duties as a supervisory director. Furthermore mention shall be made of the legal entities for which he serves as a supervisory director whereby, in case legal entities are included which belong to the same group, it shall be sufficient to mention such group.

The nomination for the appointment of a supervisory director shall include the reasons. On a reappointment the manner in which the candidate has fulfilled his duties as a supervisory director shall be taken into account.

21.4. If either the general meeting or the supervisory board has suspended a managing director, or if the general meeting has suspended a supervisory director not being the chairman, the general meeting shall within three months after the suspension has taken effect resolve either to dismiss such managing director or supervisory director, or to terminate or continue the suspension, failing which the suspension shall lapse. If the chairman has been suspended by the persons who have appointed the chairman, they shall within three months after the suspension has taken effect resolve either to dismiss the chairman or to terminate or continue the suspension, failing which the suspension shall lapse.

A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three months commencing on the day the resolution to continue the suspension has been adopted.

A managing director or a supervisory director not being the chairman who has been suspended shall be given the opportunity to account for his actions at the general

meeting and to be assisted by an adviser.

21.5. In the event that one or more managing directors is prevented from acting or is failing, the remaining managing directors or the only remaining managing director shall temporarily be in charge of the management.

In the event that all managing directors are or the only managing director is prevented from acting or are / is failing, the supervisory board shall temporarily be in charge of the management; in such case the supervisory board shall be authorised to designate one or more temporary members of the managing board.

Failing any managing director the supervisory board shall take the necessary measures as soon as possible in order to have a definitive arrangement made.

Article 22.

22.1. The supervisory board shall determine the terms and conditions of employment of the managing directors.

22.2. The general meeting may grant one or more supervisory directors a remuneration. They shall be reimbursed for their expenses.

22.3. Unless Dutch law provides otherwise, the following shall be reimbursed to current and former managing directors and supervisory directors:

a. the reasonable costs of conducting a defence against claims based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the company's request;

b. any damages or fines payable by them as a result of an act or failure to act as referred to under a;

c. the reasonable costs of appearing in other legal proceedings in which they are involved as current or former managing directors or supervisory directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall be no entitlement to reimbursement as referred to above if and to the extent that (i) a Dutch court has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as willful ("opzettelijk"), intentionally reckless ("bewust roekeloos") or seriously culpable ("emstig verwijtbaar") conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, or (ii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss. The company may take out liability insurance for the benefit of the persons concerned.

The supervisory board may by agreement or otherwise give further implementation to the above with respect to managing directors. The managing board may by agreement or otherwise give further implementation to the above with respect to supervisory directors.

Managing board.

Article 23.

23.1. With due observance of these articles of association, the managing board may adopt rules governing its internal proceedings. Furthermore, the managing directors may divide their duties among themselves, whether or not by rule.

23.2. The managing board shall meet whenever a managing director so requires. The managing board shall adopt its resolutions by an absolute majority of votes cast. In a tie vote, the proposal shall have been rejected.

23.3. The managing board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing, by telefax or by other written means of communication commonly utilised in the business world and all managing directors have expressed themselves in favour of the proposal concerned.

23.4. The supervisory board may adopt resolutions pursuant to which clearly specified resolutions of the managing board require its approval.

The supervisory board shall inform the managing board without delay of any such resolution.

Representation.

Article 24.

24.1. The managing board is authorised to represent the company. In the event that more than one managing director is in office, the company may also be represented by two managing directors acting jointly.

24.2. If a managing director has a conflict of interest with the company, the company may, with due observance of the provisions of the first paragraph, be represented in that matter either by one of the other managing directors or by a supervisory director designated by the supervisory board, unless the general meeting designates a person for that purpose or unless the law provides otherwise for such designation. Such person may also be the managing director with whom the conflict of interest exists.

Authorised signatories.

Article 25.

The managing board may grant to one or more persons, whether or not employed by the company, the power to represent the company ("procuratie") or grant in a different manner the power to represent the company on a continuing basis. The managing board may also grant such titles as it may determine to persons as referred to in the preceding sentence, as well as to other persons, but only if such persons are employed by the company.

Supervisory board.

Article 26.

26.1. Supervision of the policies of the managing board and of the general course of the company's affairs and its business enterprise shall be exercised by the supervisory board. It shall support the managing board with advice. In fulfilling their duties the supervisory directors shall serve the interests of the company and its business enterprise. The managing board shall in due time provide the supervisory board with the information it needs to carry out its duties.

26.2. The supervisory board shall appoint a secretary, whether or not from among its members.

Furthermore, the supervisory board may appoint one or more of its members as delegate supervisory director in charge of communicating with the managing board on a regular basis. They shall report their findings to the supervisory board. The offices of

chairman of the supervisory board and delegate supervisory director are compatible.

26.3. With due observance of these articles of association, the supervisory board may adopt rules governing the division of its duties among its various members and its committees.

26.4. The supervisory board may decide that one or more of its members shall have access to all premises of the company and shall be authorised to examine all books, correspondence and other records and to be fully informed of all actions which have taken place, or may decide that one or more of its members shall be authorised to exercise a portion of such powers.

Article 27.

27.1. The supervisory board shall meet whenever one of its members so requests. The supervisory board shall adopt its resolutions by an absolute majority of votes cast. In a tie vote, the proposal shall have been rejected.

27.2. Without prejudice to the provisions of paragraph 3 the supervisory board may not adopt resolutions if the majority of its members is not present.

27.3. The supervisory board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing, by telefax or by other written means of communication commonly utilised in the business world, and provided that none of the supervisory directors has expressed himself against this way of adopting resolutions. Such resolutions shall be recorded in the minute book of the supervisory board kept by the secretary of the supervisory board; the documents in evidence of the adoption of such resolutions shall be kept with the minute book.

27.4. The managing directors shall attend the meetings of the supervisory board, if invited to do so, and they shall provide in such meetings all information required by the supervisory board.

27.5. At the expense of the company, the supervisory board may obtain such advice from experts as the supervisory board deems desirable for the proper fulfilment of its duties.

27.6. If there are less than three supervisory directors in office, the board shall be deemed to be properly constituted, provided that if there is only one supervisory director in office, he shall have all rights and obligations conferred and imposed on the supervisory board and the chairman of the supervisory board by the law and by these articles of association.

General meetings.

Article 28.

28.1. The annual general meeting shall be held within six months after the end of the financial year.

28.2. The agenda for this meeting shall in any case include the following items:

a. the discussion of the managing board's written annual report concerning the company's affairs and the management as conducted;

b. the adoption of the annual accounts and - with due observance of the provisions of article 35 - the allocation of profits;

c. the discharge of managing directors from liability for their management over the last financial year and of supervisory directors from liability for their supervision thereof.

The items referred to above need not be included on the agenda if the period for preparing the annual accounts and presenting the annual report has been extended or if the agenda includes a proposal to that effect. In addition, the item referred to in a need not be included on the agenda if section 2:391 of the Civil Code does not apply to the company.

At the annual general meeting, any other items that have been put on the agenda in accordance with article 29 paragraphs 2 and 3 will be dealt with.

28.3. A general meeting shall be convened whenever the managing board or the supervisory board considers appropriate.

In addition a general meeting shall be convened as soon as one or more persons, together entitled to cast at least one-tenth of the total number of votes that may be cast, so request the managing board and the supervisory board, stating the items to be discussed.

Article 29.

29.1. General meetings shall be held in the municipality where the company has its corporate seat or in Amsterdam. The Hague, Rotterdam or Haarlemmermeet (Schiphol). Resolutions adopted at a general meeting held elsewhere shall be valid only if the entire issued share capital is represented and all the holders of depositary receipts for shares are present or represented.

29.2. Shareholders and holders of depositary receipts shall be given notice of the general meeting by the managing board, the supervisory board, a managing director or a supervisory director. If in the event as referred to in the second sentence of article 28 paragraph 3, neither a managing director nor a supervisory director convenes the meeting such that the meeting is held within four weeks of the request, any of the persons requesting the meeting shall be authorised to convene the same with due observance of that provided in these articles of association.

The notice shall specify the items to be discussed.

29.3. Notice shall be given not later than on the fifteenth day prior to the date of the meeting. If the notice period was shorter or if no notice was sent no valid resolutions may be adopted unless the resolution is adopted by unanimous vote at a meeting at which the entire issued share capital is represented and all holders of depositary receipts are present or represented.

The provision of the preceding sentence shall equally apply to matters which have not been mentioned in the notice of meeting or in a supplementary notice sent with due observance of the notice period.

Article 30.

30.1. The general meeting shall appoint its chairman. The chairman shall designate the secretary.

30.2. Minutes shall be kept of the business transacted at the meeting unless a notarial record is prepared thereof. Minutes shall be adopted and in evidence of such adoption be signed by the chairman and the secretary of the meeting concerned, or alternatively be adopted by a subsequent meeting; in the latter case the minutes shall be signed by the chairman and the secretary of such subsequent meeting in evidence of their adoption.

30.3. The chairman of the meeting and furthermore each managing director and each supervisory director may at any time give instructions that a notarial record be prepared at the expense of the company.

Article 31.

31.1. Each share confers the right to cast one vote at the general meeting.

Blank votes and invalid votes shall be regarded as not having been cast.

31.2. Resolutions shall be adopted by an absolute majority of votes cast.

31.3. The chairman shall determine the manner of voting provided, however, that if any person present who is entitled to vote so requires, voting in respect of the appointment, suspension and dismissal of persons shall take place by means of sealed and unsigned ballots.

31.4. In a tie vote concerning the appointment of persons, no resolution shall have been adopted.

In a tie vote concerning other matters, the proposal shall have been rejected, without prejudice to the provisions of article 35 paragraph 2.

31.5. Each holder of depositary receipts shall be entitled to attend the general meetings and to address such meetings, but he shall not be entitled to cast votes provided, however, that the latter provision shall not apply to holders of a right of pledge of shares who have the right to vote.

31.6. Shareholders and holders of depositary receipts may be represented at a meeting by a proxy authorised in writing.

31.7. Managing directors and supervisory directors are authorised to attend general meetings and as such they have an advisory vote at the general meetings.

Article 32.

32.1. Shareholders and holders of a right of pledge of shares who are entitled to vote may adopt any resolutions which they could adopt at a meeting, without holding a meeting. The managing directors and supervisory directors are given the opportunity to advise regarding such resolution, unless in the circumstances it is unacceptable according to criteria of reasonableness and fairness to give such opportunity.

A resolution to be adopted without holding a meeting shall only be valid if all persons entitled to vote have cast their votes in writing, by cable, by telex or by telefax in favour of the proposal concerned.

Those who have adopted a resolution without holding a meeting shall forthwith notify the managing board and the chairman of the supervisory board of the resolution so adopted.

32.2. A resolution as referred to in paragraph 1 shall be recorded in the minute book of the general meeting by a managing director; at the next general meeting the entry shall be read out by the chairman of that meeting. Moreover, the documents in evidence of the adoption of such a resolution shall be kept with the minute book of the general meeting and as soon as the resolution has been adopted, all persons who have adopted such resolution Shall be notified thereof.

Financial year, Annual accounts.

Article 33.

33.1. The financial year shall coincide with the calendar year.

33.2. Annually, within five months after the end of each financial year - subject to an extension of such period not exceeding six months by the general meeting on the basis of special circumstances - the managing board shall prepare annual accounts and shall make these available at the office of the company for inspection by the shareholders and the holders of depositary receipts.

The annual accounts shall be accompanied by the auditor's certificate, referred to in article 34, if the assignment referred to in that article has been given, by the annual report, unless section 2:391 of the Civil Code does not apply to the company, and by the additional information referred to in section 2:392 subsection 1 of the Civil Code, insofar as the provisions of that subsection apply to the company.

The annual accounts shall be signed by all managing directors and by all supervisory directors: If the signature of one or more of them is lacking, this shall be disclosed, stating the reasons thereof.

33.3. The company shall ensure that the annual accounts as prepared, the annual report and the additional information referred to in paragraph 2 shall be available at the office of the company as of the date of the notice of the general meeting at which they are to be discussed.

The shareholders and the holders of depositary receipts may inspect the above documents at the office of the company and obtain a copy thereof at no cost.

33.4. If the company is required, in conformity with article 34 paragraph 1, to give an assignment to an auditor to audit the annual accounts and the general meeting has been unable to review the auditor's certificate, the annual accounts may not be adopted, unless the additional information referred to in paragraph 2 second sentence, mentions a legal ground why such certificate is lacking.

33.5. If the annual accounts are adopted in an amended form, a copy of the amended annual accounts shall be made available to the shareholders and the holders of depositary receipts at no cost.

Auditor.

Article 34.

34.1. The company may give an assignment to an auditor as referred to in section 2:393 of the Civil Code, to audit the annual accounts prepared by the managing board in accordance with subsection 3 of such section provided that the company shall give such assignment if the law so requires.

If the law does not require that the assignment mentioned in the preceding sentence be given the company may also give the assignment to audit the annual accounts prepared by the managing board to another expert; such expert shall hereinafter also be referred to as: auditor.

The general meeting shall be authorised to give the assignment referred to above. If the general meeting fails to do so then the supervisory board shall be so authorised, or the managing board if temporarily no supervisory director is in office or if the supervisory board fails to give such assignment

The assignment given to the auditor may be revoked at any time by the general meeting and by the corporate body which has given such assignment furthermore, the

assignment given by the managing board may be revoked by the supervisory board. The auditor shall report on his audit to the supervisory board and the managing board and shall issue a certificate containing its results.

34.2. The managing board as well as the supervisory board may give assignments to the auditor or any other auditor at the expense of the company.

Profit and loss.

Article 35.

35.1. Distribution of profits pursuant to this article shall be made following the adoption of the annual accounts which show that such distribution is allowed.

35.2. The profits shall be at the free disposal of the general meeting. In a tie vote regarding a proposal to distribute or reserve profits, the profits concerned shall be reserved.

35.3. The company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law.

35.4. A loss may only be applied against reserves maintained pursuant to the law to the extent permitted by law.

Article 36.

36.1. Dividends shall be due and payable four weeks after they have been declared, unless the general meeting determines another date on the proposal of the managing board.

36.2. Dividends which have not been collected within five years of the start of the second day on which they became due and payable shall revert to the company.

36.3. The general meeting may resolve that dividends shall be distributed in whole or in part in a form other than cash.

36.4. Without prejudice to article 35 paragraph 3 the general meeting may resolve to distribute all or any part of the reserves.

36.5. Without prejudice to article 35 paragraph 3 Interim distributions shall be made if the general meeting so determines on the proposal of the managing board.

Liquidation.

Article 37.

37.1. If the company is dissolved pursuant to a resolution of the general meeting, the managing directors shall become the liquidators of its property, under the supervision of the supervisory board, if and to the extent the general meeting shall not appoint one or more other liquidators.

37.2. The general meeting shall determine the remuneration of the liquidators and of the persons charged with the supervision of the liquidation.

37.3. The liquidation shall take place with due observance of the provisions of the law. During the liquidation period these articles of association shall, wherever possible, remain in full force.

37.4. The balance of the assets of the company remaining after all liabilities have been paid shall be distributed among the shareholders in proportion to the par value of their shareholdings.

37.5. After the company has ceased to exist, its books, records and other data carriers shall remain in the custody of the person designated for that purpose by the liquidators for a

period of seven years.

Transitional provision.

Article 38.

38.1. The general meeting may resolve to institute the supervisory board. The institution of the supervisory board shall be effective as from the date of filing of such resolution with the trade register.

If the supervisory board has been instituted pursuant to this paragraph, the provisions of articles 21, 22, 23, 26 and 27 shall apply to the supervisory board and its members; other provisions in these articles of association regarding the supervisory board and/or its members apply only if the supervisory board is instituted.

38.2. This article and its heading shall lapse after the supervisory board is instituted.

The required ministerial declaration of no-objection was granted on the nineteenth day of September two thousand and six, number B.V. 400.135.

The ministerial declaration of no-objection and a document in evidence of the resolutions, referred to in the head of this deed, are attached to this deed.

In witness whereof the original of this deed which will be retained by me, notaris, is executed in Amsterdam, on the date first mentioned in the head of this deed.

Having conveyed the substance of the deed and given an explanation thereto and following the statement of the person appearing that he has taken note of the contents of the deed and agrees with the partial reading thereof, this deed is signed. Immediately after reading those parts of the deed which the law requires to be read, by the person appearing, who is known to me, notaris, and by myself, notaris, at nine hours seventeen minutes.

(signed): B.S. Veldkamp, J.D.M. Schoonbrood.

Exhibit 3.2

CONFIDENTIAL TREATMENT REQUESTED BY NXP B.V.

DE BRAUW
BLACKSTONE
WESTBROEK

UNOFFICIAL TRANSLATION
AMENDMENT OF THE ARTICLES OF ASSOCIATION OF
PHILIPS SEMICONDUCTORS INTERNATIONAL B.V.
(after amendment named: NXP B.V.)

On the twenty-ninth day of September two thousand and six appears before me, Johannes Daniel Maria Schoonbrood, notaris (civil-law notary) practising in Amsterdam:

Bart Sicco Veldkamp, kandidaat-notaris (candidate civil-law notary), employed by De Brauw Blackstone Westbroek N.V., a limited liability company, with corporate seat in The Hague, with address at: 2596 AL The Hague, the Netherlands, Zuid-Hollandlaan 7, at the office in Amsterdam, born in Haarlem on the twenty-sixth day of December nineteen hundred and fifty-eight.

The person appearing declares that on the twenty-eighth day of September two thousand and six the general meeting of shareholders of **Philips Semiconductors International B.V.,** a private company with limited liability, with corporate seat in Eindhoven and address at: 5656 AG Eindhoven, High Tech Campus 60, resolved to amend the articles of association of this company and to authorise the person appearing to execute this deed.

Pursuant to those resolutions the person appearing declares that he amends the company's articles of association such that these shall read in full as follows

ARTICLES OF ASSOCIATION:

Name, Corporate seat.

Article 1.

The name of the company is: NXP B.V.
Its corporate seat is in Eindhoven.

Objects.

Article 2.

The objects of the company are to participate in, to take an interest in any other way in, to conduct the management of other business enterprises of whatever nature, to provide services to other business enterprises of whatever nature, furthermore to finance third parties, in any way to provide security or undertake the obligations of third parties and finally all activities which are incidental to or which may be conducive to any of the foregoing.

Share capital and shares.

Article 3.

3.1. The authorised share capital of the company amounts to ninety-one thousand euro (EUR 91,000). It is divided into two hundred (200) shares of four hundred and fifty-five euro (EUR 455).

3.2. The shares shall be in registered form and shall consecutively be numbered from 1 onwards.

3.3. No share certificates shall be issued.

3.4. In respect of the subscription for or acquisition of shares in its share capital or depositary receipts for such shares by other persons, the company may neither grant security rights, give a guarantee as to the price of the shares or of the depositary receipts, grant guarantees in any other manner, nor bind itself either jointly or severally in addition to or for other persons.

The company may make loans in respect of a subscription for or an acquisition of shares in its share capital or depositary receipts for such shares up to an amount not exceeding the amount of its distributable reserves. A resolution by the managing board to make a loan as referred to in the preceding sentence shall be subject to the approval of the general meeting of shareholders, hereinafter to be referred to as: the general meeting.

The company shall maintain a non-distributable reserve for an amount equal to the outstanding amount of the loans as referred to in this paragraph.

3.5. If the aggregate amount of the issued share capital and the reserves required to be maintained by law is less than the minimum share capital as then required by law, the company must maintain a reserve up to an amount equal to the difference.

Issue of shares, Depositary receipts.

Article 4.

4.1. Shares shall be issued pursuant to a resolution of the general meeting; the general meeting shall determine the price and further terms and conditions of the issue.

4.2. The previous paragraph shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

4.3. Shares shall never be issued at a price below par.

4.4. Shares shall be issued by notarial deed in accordance with the provisions set out in section 2:196 of the Civil Code.

4.5. The company is not authorised to cooperate in the issue of depositary receipts for shares.

4.6. The voting rights on shares may not be conferred on holders of a right of usufruct on such shares.

4.7. Shares in the share capital of the company may be pledged if the establishment of the pledge is approved by the general meeting.

4.8. For the purpose of these articles of association, rights of holders of depositary receipts shall mean the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company, such as inter alia the right to receive notices of general meetings, the right to attend such meetings, the right to address such meetings and the right to inspect the annual accounts as prepared by the managing board, the annual report and the additional information thereto, at the office of the company, and to obtain a copy thereof at no cost.

4.9. Where hereinafter used in these articles of association, holders of depositary receipts

shall refer to holders of a right of pledge with voting rights and to shareholders with no voting rights.

Payment for shares.

Article 5.

5.1. Shares shall only be issued against payment in full.

5.2. Payment must be made in cash, providing no alternative contribution has been agreed.

5.3. Payment in cash may be made in a foreign currency, subject to the company's consent.

Pre-emption rights.

Article 6.

6.1. Upon issue of shares, each shareholder shall have a pre-emption right in proportion to the aggregate amount of his shares, subject to the provisions of paragraph 2 and subject to the provisions set out in section 2:206a subsection 1 second sentence of the Civil Code.

Should a shareholder who is entitled to a pre-emption right not or not fully exercise such right, the other shareholders shall be similarly entitled to pre-emption rights in respect of those shares which have not been claimed.

If the latter collectively do not or do not fully exercise their pre-emption rights, then the general meeting shall be free to decide to whom the shares which have not been claimed shall be issued and such issue may be made at a higher price.

6.2. Pre-emption rights may be limited or excluded by resolution of the general meeting for each specific issue.

6.3. Pre-emption rights may not be separately disposed of.

6.4. If pre-emption rights exist in respect of an issue of shares, the general meeting shall determine, with due observance of the provisions set out in this article and simultaneously with the resolution to issue shares, the manner in which and the period within which such pre-emption rights may be exercised. Such period shall be at least four weeks from the date the notification referred to in paragraph 5 hereof is sent.

6.5. The company shall notify all shareholders of an issue of shares in respect of which pre-emption rights exist and of the period of time within which such rights may be exercised.

6.6. This article shall equally apply to a grant of rights to subscribe for shares, but shall not apply to an issue of shares to a person who exercises a previously acquired right to subscribe for shares.

Acquisition and disposal of shares.

Article 7.

7.1. Subject to authorisation by the general meeting, the managing board may cause the company to acquire fully paid up shares in its own share capital for a consideration, provided:

a. the company's equity minus the acquisition price is not less than the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law; and

b. the aggregate par value of the shares in its share capital to be acquired and already held by the company and its subsidiary companies does not exceed half

the issued share capital.

The validity of the acquisition shall be determined on the basis of the company's equity as shown by the most recently adopted balance sheet, minus the acquisition price for shares in the company's share capital and any distribution of profits or reserves to other persons which have become due by the company and its subsidiary companies after the balance sheet date. No acquisition pursuant to this paragraph shall be allowed if a period of more than six months following the end of a financial year has expired without the annual accounts for such year having been adopted.

7.2. Articles 4 and 6 shall equally apply to the disposal of shares acquired by the company in its own share capital, with the exception that such disposal may be made at a price below par. A resolution to dispose of such shares shall be deemed to include the approval as referred to in section 2:195 subsection 4 of the Civil Code.

7.3. If depositary receipts for shares in the company have been issued, such depositary receipts for shares shall be put on par with shares for the purpose of the provisions of paragraph 1.

7.4. In the general meeting no votes may be cast in respect of a share held by the company or a subsidiary company; no votes may be cast in respect of a share the depositary receipt for which is held by the company or a subsidiary company. Nonetheless, the holder of a right of pledge on a share held by the company or a subsidiary company is not excluded from the right to vote such share, if the right of pledge was granted prior to the time such share was held by the company or such subsidiary company. Neither the company nor a subsidiary company may cast votes in respect of a share on which it holds a right of pledge.

Where this paragraph 7.4 and/or the law excludes shares from voting, those shares shall not be taken into account when determining the extent to which shareholders cast votes, are present or represent or the share capital is provided or represented.

7.5. Shares which the company holds in its own share capital shall not be counted when determining the division of the amount to be distributed on shares.

Reduction of share capital.

Article 8.

8.1. The general meeting may resolve to reduce the issued share capital by cancelling shares or by reducing the par value of shares by an amendment to the articles of association, provided that the amount of the issued share capital does not fall below the minimum share capital as required by law in effect at the time of the resolution.

8.2. Cancellation of shares can only apply to shares which are held by the company itself or to shares for which the company holds depositary receipts.

8.3. Reduction of the par value of shares without repayment or partial repayment on shares shall be effected pro rata with respect to all shares. The pro rata requirement may be waived with the consent of all shareholders.

8.4. The notice of a general meeting at which a resolution referred to in this article is to be adopted shall include the purpose of the reduction of the share capital and the manner in which such reduction shall be effectuated. The resolution to reduce the share capital shall specify the shares to which the resolution applies and shall describe how such a

resolution shall be implemented.

The company shall file a resolution to reduce the issued share capital with the trade register and shall publish such filing in a national daily newspaper.

Shareholders register.

Article 9.

9.1. The managing board shall maintain a register in which the names and addresses of all shareholders shall be recorded, stating the date on which they acquired the shares, the number of shares held by each of them, the date of acknowledgement or service, as well as the amount paid up on each share and any other information that must be recorded under the law.

9.2. The register shall be kept up to date.

9.3. Upon request and at no cost, the managing board shall provide a shareholder, a holder of a right of usufruct and a holder of a right of pledge with an extract from the register regarding their respective rights in respect of a share. If a share is encumbered with a right of pledge, the extract shall specify who is entitled to the rights of holders of depositary receipts.

9.4. The managing board shall make the register available at the office of the company for inspection by the shareholders, as well as by the holders of a right of pledge who are entitled to the rights of holders of depositary receipts.

Article 10.

Each shareholder, holder of a right of usufruct and holder of a right of pledge shall give his address to the managing board.

Joint holding.

Article 11.

If shares are included in a joint holding, the joint participants may only be represented vis-à-vis the company by a person who has been designated by them in writing for that purpose. The joint participants may also designate more than one person.

The joint participants may determine at the time of the designation of the representative or thereafter - but only unanimously - that, if a joint participant so wishes, a number of votes corresponding to his interest in the joint holding will be cast in accordance with his instructions.

Notices of meetings and notifications.

Article 12.

12.1. Notices of meetings and notifications shall be given by registered or regular letter or by bailiff's writ.

Notices of meetings and notifications to shareholders and holders of depositary receipts shall be sent to the addresses most recently given to the managing board. Notifications by shareholders or by holders of depositary receipts to the managing board or to the supervisory board shall be sent to the office of the company.

12.2. The date of a notice of meeting or a notification shall be deemed to be the date stamped on the receipt issued for the registered letter, or the date of mailing by the company or the date of service of the writ, as the case may be.

12.3. Notifications which, pursuant to the law or the articles of association, are to be

addressed to the general meeting may be included in the notice of such meeting.

Transfer of shares.

Article 13.

Any transfer of shares or of a right of usufruct on shares or the creation or release of a right of usufruct or of a right of pledge on shares shall be effected by notarial deed in accordance with the provisions set out in section 2:196 of the Civil Code.

Save in the event that the company is a party to the transaction the rights attached to the shares may only be exercised after:

a. the company has acknowledged the transaction;

b. the deed has been served upon the company; or

c. the company has acknowledged the transaction on its own initiative by recording the same in the shareholders register,

all in accordance with the provisions set out in sections 2:196a and 2:196b of the Civil Code.

Restrictions on the transfer of shares.

Article 14.

A shareholder may transfer one or more of his shares in accordance with articles 15 to 20. In the event that the company wishes to transfer any shares it has acquired in its own capital, articles 15 to 20 shall not apply.

Article 15.

The transfer of share by a shareholder shall require the approval of the general meeting.

Article 16.

The general meeting shall decide on the request for approval within six weeks after such request having been made. Failing this, the approval shall be deemed to have been granted.

Article 17.

The approval shall also be deemed to have been granted in the event that the general meeting refuses its approval but does not simultaneously provide the shareholder with the name(s) of one or more prospective purchasers designated by it, who are willing to purchase the shares to be transferred, against payment in cash at the price to be determined in accordance with article 19. The company itself may only be a prospective purchaser with the shareholder's consent.

Article 18.

The transfer must take place within three months after the approval has, or is deemed to have been, granted.

Article 19.

The shareholder and the designated prospective purchaser(s) shall determine the price of the shares by mutual agreement. Failing such agreement, the price shall be determined by an independent expert to be appointed by the managing board and the shareholder, by mutual agreement. In the event that the managing board and the shareholder fail to reach agreement on this appointment, the independent expert shall be appointed by the Chairman of that Chamber of Commerce and Industry which is competent to enter the company in the Trade Register.

Article 20.

For a period of one month from being notified of the price determined by the independent expert, the shareholder shall be free to decide whether to transfer his shares to the designated

prospective purchaser(s).

Management, Supervision on management.

Article 21.

21.1. The company shall be managed by a managing board, under the supervision of a supervisory board.

The managing board shall consist of at least three and no more than seven managing directors. The general meeting shall determine the number of managing directors. The supervisory board shall consist of at least three and no more than ten supervisory directors. One of the supervisory directors to be appointed will be the chairman. The general meeting shall determine the number of supervisory directors.

A legal entity may be appointed as a managing director but not as a supervisory director.

21.2. The chairman shall be appointed by KASLION Holding B.V., currently with its corporate seat in Amsterdam, and Koninklijke Philips Electronics N.V., with its corporate seat in Eindhoven, acting jointly. The chairman may be suspended and dismissed at any time by the persons who have appointed him, acting jointly. Managing directors and the other supervisory directors shall be appointed by the general meeting. The general meeting may at any time suspend and dismiss managing directors and supervisory directors. The supervisory board may at any time suspend a managing director.

21.3. Together with a nomination for the appointment of a supervisory director the following information shall be given in respect of the candidate: his age. his profession, the number of shares in the share capital of the company held by him and the positions he holds or held insofar as relevant to the fulfilment of the duties as a supervisory director. Furthermore mention shall be made of the legal entities for which he serves as a supervisory director whereby, in case legal entities are included which belong to the same group, it shall be sufficient to mention such group.

The nomination for the appointment of a supervisory director shall include the reasons. On a reappointment the manner in which the candidate has fulfilled his duties as a supervisory director shall be taken into account.

21.4. If either the general meeting or the supervisory board has suspended a managing director, or if the general meeting has suspended a supervisory director not being the chairman, the general meeting shall within three months after the suspension has taken effect resolve either to dismiss such managing director or supervisory director, or to terminate or continue the suspension, failing which the suspension shall lapse. If the chairman has been suspended by the persons who have appointed the chairman, they shall within three months after the suspension has taken effect resolve either to dismiss the chairman or to terminate or continue the suspension, failing which the suspension shall lapse.

A resolution to continue the suspension may be adopted only once and in such event the suspension may be continued for a maximum period of three months commencing on the day the resolution to continue the suspension has been adopted.

A managing director or a supervisory director not being the chairman who has been suspended shall be given the opportunity to account for his actions at the general

meeting and to be assisted by an adviser.

21.5. In the event that one or more managing directors is prevented from acting or is failing, the remaining managing directors or the only remaining managing director shall temporarily be in charge of the management.

In the event that all managing directors are or the only managing director is prevented from acting or are / is failing, the supervisory board shall temporarily be in charge of the management; in such case the supervisory board shall be authorised to designate one or more temporary members of the managing board.

Failing any managing director the supervisory board shall take the necessary measures as soon as possible in order to have a definitive arrangement made.

Article 22.

22.1. The supervisory board shall determine the terms and conditions of employment of the managing directors.

22.2. The general meeting may grant one or more supervisory directors a remuneration. They shall be reimbursed for their expenses.

22.3. Unless Dutch law provides otherwise, the following shall be reimbursed to current and former managing directors and supervisory directors:

a. the reasonable costs of conducting a defence against claims based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the company's request;

b. any damages or fines payable by them as a result of an act or failure to act as referred to under a;

c. the reasonable costs of appearing in other legal proceedings in which they are involved as current or former managing directors or supervisory directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

There shall be no entitlement to reimbursement as referred to above if and to the extent that (i) a Dutch court has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful ("opzettelijk"), intentionally reckless ("bewust roekeloos") or seriously culpable ("ernstig verwijtbaar") conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness, or (ii) the costs or financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or financial loss. The company may take out liability insurance for the benefit of the persons concerned.

The supervisory board may by agreement or otherwise give further implementation to the above with respect to managing directors. The managing board may by agreement or otherwise give further implementation to the above with respect to supervisory directors.

Managing board.

Article 23.

23.1. With due observance of these articles of association, the managing board may adopt rules governing its internal proceedings. Furthermore, the managing directors may divide their duties among themselves, whether or not by rule.

23.2. The managing board shall meet whenever a managing director so requires. The managing board shall adopt its resolutions by an absolute majority of votes cast. In a tie vote, the proposal shall have been rejected.

23.3. The managing board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing, by telefax or by other written means of communication commonly utilised in the business world and all managing directors have expressed themselves in favour of the proposal concerned.

23.4. The supervisory board may adopt resolutions pursuant to which clearly specified resolutions of the managing board require its approval.

The supervisory board shall inform the managing board without delay of any such resolution.

Representation.

Article 24.

24.1. The managing board is authorised to represent the company. In the event that more than one managing director is in office, the company may also be represented by two managing directors acting jointly.

24.2. If a managing director has a conflict of interest with the company, the company may, with due observance of the provisions of the first paragraph, be represented in that matter either by one of the other managing directors or by a supervisory director designated by the supervisory board, unless the general meeting designates a person for that purpose or unless the law provides otherwise for such designation. Such person may also be the managing director with whom the conflict of interest exists.

Authorised signatories.

Article 25.

The managing board may grant to one or more persons, whether or not employed by the company, the power to represent the company ("procuratie") or grant in a different manner the power to represent the company on a continuing basis. The managing board may also grant such titles as it may determine to persons as referred to in the preceding sentence, as well as to other persons, but only if such persons are employed by the company.

Supervisory board.

Article 26.

26.1. Supervision of the policies of the managing board and of the general course of the company's affairs and its business enterprise shall be exercised by the supervisory board. It shall support the managing board with advice. In fulfilling their duties the supervisory directors shall serve the interests of the company and its business enterprise. The managing board shall in due time provide the supervisory board with the information it needs to carry out its duties.

26.2. The supervisory board shall appoint a secretary, whether or not from among its members.

Furthermore, the supervisory board may appoint one or more of its members as delegate supervisory director in charge of communicating with the managing board on a regular basis. They shall report their findings to the supervisory board. The offices of

chairman of the supervisory board and delegate supervisory director are compatible.

26.3. With due observance of these articles of association, the supervisory board may adopt rules governing the division of its duties among its various members and its committees.

26.4. The supervisory board may decide that one or more of its members shall have access to all premises of the company and shall be authorised to examine all books, correspondence and other records and to be fully informed of all actions which have taken place, or may decide that one or more of its members shall be authorised to exercise a portion of such powers.

Article 27.

27.1. The supervisory board shall meet whenever one of its members so requests. The supervisory board shall adopt its resolutions by an absolute majority of votes cast. In a tie vote, the proposal shall have been rejected.

27.2. Without prejudice to the provisions of paragraph 3 the supervisory board may not adopt resolutions if the majority of its members is not present.

27.3. The supervisory board may also adopt resolutions without holding a meeting, provided such resolutions are adopted in writing, by telefax or by other written means of communication commonly utilised in the business world, and provided that none of the supervisory directors has expressed himself against this way of adopting resolutions. Such resolutions shall be recorded in the minute book of the supervisory board kept by the secretary of the supervisory board; the documents in evidence of the adoption of such resolutions shall be kept with the minute book.

27.4. The managing directors shall attend the meetings of the supervisory board, if invited to do so, and they shall provide in such meetings all information required by the supervisory board.

27.5. At the expense of the company, the supervisory board may obtain such advice from experts as the supervisory board deems desirable for the proper fulfilment of its duties.

27.6. If there are less than three supervisory directors in office, the board shall be deemed to be properly constituted, provided that if there is only one supervisory director in office, he shall have all rights and obligations conferred and imposed on the supervisory board and the chairman of the supervisory board by the law and by these articles of association.

General meetings.

Article 28.

28.1. The annual general meeting shall be held within six months after the end of the financial year.

28.2. The agenda for this meeting shall in any case include the following items:

a. the discussion of the managing board’s written annual report concerning the company’s affairs and the management as conducted;

b. the adoption of the annual accounts and - with due observance of the provisions of article 35 - the allocation of profits;

c. the discharge of managing directors from liability for their management over the last financial year and of supervisory directors from liability for their supervision thereof.

The items referred to above need not be included on the agenda if the period for preparing the annual accounts and presenting the annual report has been extended or if the agenda includes a proposal to that effect. In addition, the item referred to in a. need not be included on the agenda if section 2:391 of the Civil Code does not apply to the company.

At the annual general meeting, any other items that have been put on the agenda in accordance with article 29 paragraphs 2 and 3 will be dealt with.

28.3. A general meeting shall be convened whenever the managing board or the supervisory board considers appropriate.

In addition a general meeting shall be convened as soon as one or more persons, together entitled to cast at least one-tenth of the total number of votes that may be cast, so request the managing board and the supervisory board, stating the items to be discussed.

Article 29.

29.1. General meetings shall be held in the municipality where the company has its corporate seat or in Amsterdam, The Hague, Rotterdam or Haarlemmermeer (Schlphol). Resolutions adopted at a general meeting held elsewhere shall be valid only if the entire issued share capital is represented and all the holders of depositary receipts for shares are present or represented.

29.2. Shareholders and holders of depositary receipts shall be given notice of the general meeting by the managing board, the supervisory board, a managing director or a supervisory director, If in the event as referred to in the second sentence of article 28 paragraph 3, neither a managing director nor a supervisory director convenes the meeting such that the meeting is held within four weeks of the request, any of the persons requesting the meeting shall be authorised to convene the same with due observance of that provided in these articles of association.

The notice shall specify the items to be discussed.

29.3. Notice shall be given not later than on the fifteenth day prior to the date of the meeting. If the notice period was shorter or if no notice was sent, no valid resolutions may be adopted unless the resolution is adopted by unanimous vote at a meeting at which the entire issued share capital is represented and all holders of depositary receipts are present or represented.

The provision of the preceding sentence shall equally apply to matters which have not been mentioned in the notice of meeting or in a supplementary notice sent with due observance of the notice period.

Article 30.

30.1. The general meeting shall appoint its chairman. The chairman shall designate the secretary.

30.2. Minutes shall be kept of the business transacted at the meeting unless a notarial record is prepared thereof. Minutes shall be adopted and in evidence of such adoption be signed by the chairman and the secretary of the meeting concerned, or alternatively be adopted by a subsequent meeting; in the latter case the minutes shall be signed by the chairman and the secretary of such subsequent meeting in evidence of their adoption.

30.3. The chairman of the meeting and furthermore each managing director and each supervisory director may at any time give instructions that a notarial record be prepared at the expense of the company.

Article 31.

31.1. Each share confers the right to cast one vote at the general meeting. Blank votes and invalid votes shall be regarded as not having been cast.

31.2. Resolutions shall be adopted by an absolute majority of votes cast.

31 3. The chairman shall determine the manner of voting provided, however, that if any person present who is entitled to vote so requires, voting in respect of the appointment, suspension and dismissal of persons shall take place by means of sealed and unsigned ballots.

31.4. In a tie vote concerning the appointment of persons, no resolution shall have been adopted.

In a tie vote concerning other matters, the proposal shall have been rejected, without prejudice to the provisions of article 35 paragraph 2.

31.5. Each holder of depositary receipts shall be entitled to attend the general meetings and to address such meetings, but he shall not be entitled to cast votes provided, however, that the latter provision shall not apply to holders of a right of pledge of shares who have the right to vote.

31.6. Shareholders and holders of depositary receipts may be represented at a meeting by a proxy authorised in writing.

31.7. Managing directors and supervisory directors are authorised to attend general meetings and as such they have an advisory vote at the general meetings.

Article 32.

32.1. Shareholders and holders of a right of pledge of shares who are entitled to vote may adopt any resolutions which they could adopt at a meeting, without holding a meeting. The managing directors and supervisory directors are given the opportunity to advise regarding such resolution, unless in the circumstances it is unacceptable according to criteria of reasonableness and fairness to give such opportunity.

A resolution to be adopted without holding a meeting shall only be valid if all persons entitled to vote have cast their votes in writing, by cable, by telex or by telefax in favour of the proposal concerned.

Those who have adopted a resolution without holding a meeting shall forthwith notify the managing board and the chairman of the supervisory board of the resolution so adopted.

32.2. A resolution as referred to in paragraph 1 shall be recorded in the minute book of the general meeting by a managing director; at the next general meeting the entry shall be read out by the chairman of that meeting. Moreover, the documents in evidence of the adoption of such a resolution shall be kept with the minute book of the general meeting and as soon as the resolution has been adopted, all persons who have adopted such resolution shall be notified thereof.

Financial year. Annual accounts.

Article 33.

33.1. The financial year shall coincide with the calendar year.

33.2. Annually, within five months after the end of each financial year - subject to an extension of such period not exceeding six months by the general meeting on the basis of special circumstances - the managing board shall prepare annual accounts and shall make these available at the office of the company for inspection by the shareholders and the holders of depositary receipts.

The annual accounts shall be accompanied by the auditor's certificate, referred to in article 34, if the assignment referred to in that article has been given, by the annual report, unless section 2:391 of the Civil Code does not apply to the company, and by the additional information referred to in section 2:392 subsection 1 of the Civil Code, insofar as the provisions of that subsection apply to the company.

The annual accounts shall be signed by all managing directors and by all supervisory directors; if the signature of one or more of them is lacking, this shall be disclosed, stating the reasons thereof.

33.3. The company shall ensure that the annual accounts as prepared, the annual report and the additional information referred to in paragraph 2 shall be available at the office of the company as of the date of the notice of the general meeting at which they are to be discussed.

The shareholders and the holders of depositary receipts may inspect the above documents at the office of the company and obtain a copy thereof at no cost.

33.4. If the company is required, in conformity with article 34 paragraph 1, to give an assignment to an auditor to audit the annual accounts and the general meeting has been unable to review the auditor's certificate, the annual accounts may not be adopted, unless the additional Information referred to in paragraph 2 second sentence, mentions a legal ground why such certificate is lacking.

33.5. If the annual accounts are adopted in an amended form, a copy of the amended annual accounts shall be made available to the shareholders and the holders of depositary receipts at no cost.

Auditor.

Article 34.

34.1. The company may give an assignment to an auditor as referred to in section 2:393 of the Civil Code, to audit the annual accounts prepared by the managing board in accordance with subsection 3 of such section provided that the company shall give such assignment if the law so requires.

If the law does not require that the assignment mentioned in the preceding sentence be given the company may also give the assignment to audit the annual accounts prepared by the managing board to another expert; such expert shall hereinafter also be referred to as: auditor.

The general meeting shall be authorised to give the assignment referred to above. If the general meeting fails to do so, then the supervisory board shall be so authorised, or the managing board if temporarily no supervisory director is in office or if the supervisory board fails to give such assignment.

The assignment given to the auditor may be revoked at any time by the general meeting and by the corporate body which has given such assignment; furthermore, the

assignment given by the managing board may be revoked by the supervisory board. The auditor shall report on his audit to the supervisory board and the managing board and shall issue a certificate containing its results.

34.2. The managing board as well as the supervisory board may give assignments to the auditor or any other auditor at the expense or the company.

Profit and loss.

Article 35.

35.1. Distribution of profits pursuant to this article shall be made following the adoption of the annual accounts which show that such distribution is allowed.

35.2. The profits shall be at the free disposal of the general meeting. In a tie vote regarding a proposal to distribute or reserve profits, the profits concerned shall be reserved.

35.3. The company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law.

35.4. A loss may only be applied against reserves maintained pursuant to the law to the extent permitted by law.

Article 36.

36.1. Dividends shall be due and payable four weeks after they have been declared, unless the general meeting determines another date on the proposal of the managing board.

36.2. Dividends which have not been collected within five years of the start of the second day on which they became due and payable shall revert to the company.

36.3. The general meeting may resolve that dividends shall be distributed in whole or in part in a form other than cash.

36.4. Without prejudice to article 35 paragraph 3 the general meeting may resolve to distribute all or any part of the reserves.

36.5. Without prejudice to article 35 paragraph 3 interim distributions shall be made if the general meeting so determines on the proposal of the managing board.

Liquidation.

Article 37.

37.1. If the company is dissolved pursuant to a resolution of the general meeting, the managing directors shall become the liquidators of its property, under the supervision of the supervisory board, if and to the extent the general meeting shall not appoint one or more other liquidators.

37.2. The general meeting shall determine the remuneration of the liquidators and of the persons charged with the supervision of the liquidation.

37.3. The liquidation shall take place with due observance of the provisions of the law. During the liquidation period these articles of association shall, wherever possible, remain in full force.

37.4. The balance of the assets of the company remaining after all liabilities have been paid shall be distributed among the shareholders in proportion to the par value of their shareholdings.

37.5. After the company has ceased to exist, its books, records and other data carriers shall remain in the custody of the person designated for that purpose by the liquidators for a

period of seven years.

Transitional provision.

Article 38.

38.1. The general meeting may resolve to institute the supervisory board. The institution of the supervisory board shall be effective as from the date of filing of such resolution with the trade register.

If the supervisory board has been instituted pursuant to this paragraph, the provisions of articles 21, 22, 23, 26 and 27 shall apply to the supervisory board and its members; other provisions in these articles of association regarding the supervisory board and/or its members apply only if the supervisory board is instituted.

38.2. This article and its heading shall lapse after the supervisory board is instituted.

The required ministerial declaration of no-objection was granted on the nineteenth day of September two thousand and six, number B.V. 400.135.

The ministerial declaration of no-objection and a document in evidence of the resolutions, referred to in the head of this deed, are attached to this deed.

In witness whereof the original of this deed which will be retained by me, notaris, is executed in Amsterdam, on the date first mentioned in the head of this deed.

Having conveyed the substance of the deed and given an explanation thereto and following the statement of the person appearing that he has taken note of the contents of the deed and agrees with the partial reading thereof, this deed is signed, immediately after reading those parts of the deed which the law requires to be read, by the person appearing, who is known to me, notaris, and by myself, notaris, at nine hours seventeen minutes.

DE BRAUW
BLACKSTONE
[GRAPHIC] WESTBROEK

CERTIFICATE OF INCORPORATION
PHILIPS SEMICONDUCTORS B.V.

The undersigned:

Johannes Daniel Maria Schoonbrood, notaris (civil-law notary) practising in Amsterdam, the Netherlands,

herewith certifies that:

(i) the private company with limited liability **Philips Semiconductors B.V.**, with corporate seat in Eindhoven (the **"Company"**) was incorporated under the laws of the Netherlands on 21 December 1990 by means of a notarial deed, executed before H.A.C.M. van Iersel, notaris in Eindhoven;

according to a print of a scanned copy of an official copy of the deed of incorporation, the ministerial declaration of no-objection required for incorporation was granted on 14 December 1990, number B.V. 400.136;

(ii) according to an extract from the trade register in the Netherlands dated 12 October 2006 (the **"Extract"**), the Company is registered in that trade register, registration number 17070621; a faxed copy of the Extract as well as of an English translation thereof is attached hereto;

(iii) according to the Extract the corporate seal of the Company is in Eindhoven and its business address is at: 5656 AG Eindhoven, High Tech Campus 60;

(iv) according to the Extract the articles of association of the Company (the **"Articles of Association"**), as embodied in the deed or incorporation, were most recently amended on 27 September 2006;

according to a print of a scanned copy of an official copy of the notarial deed of amendment, executed on 27 September 2006 before a substitute of P.M. de Jong, notaris in Eindhoven, the ministerial declaration of no-objection required for amendment was granted on 20 September 2006, number B.V. 400.136;

(v) the Articles of Association are set out in the document in the Dutch language which is attached hereto: the document in the English language attached hereto is an unofficial translation thereof; if differences occur in the translation, the Dutch text will govern by law;

(vi) according to the Extract the managing directors of the Company are:

1. Th.A.C.M. Claasen, born in Tilburg on 12 April 1945;
2. J.W. Ramaekers, born in Roosteren on 5 January 1947;
3. G.R.C. Dierick, born in Denekamp on 28 March 1959;
4. P.A.M. van Bommel, born in Geldrop on 21 January 1957;

(vii) according to the Extract and according to article 9 paragraph 1 of the Articles of Association, two of the above mentioned managing directors are jointly authorised to represent the Company.

Signed in Amsterdam on 12 October 2006.

[GRAPHIC]

[GRAPHIC] ***KAMER VAN KOOPHANDEL***
OOST-BRABANT

Dossiernummer: 17070621 Blad 00001

Uittreksel uit het handelsregister van de Kamers van Koophandel Deze inschrijving valt onder het beheer van de Kamer van Koophandel voor Oost-Brabant

Rechtspersoon:

Rechtsvorm	:Besloten vennootschap
Naam	:Philips Semiconductors B.V.
Statutaire zetel	:Eindhoven
Eerste inschrijving in het handelsregister	:31-01-1991
Akte van oprichting	:21-12-1990

Akte laatste statuten-wijziging	:27-09-2006
Maatschappelijk kapitaal	:EUR 45.000.000,00
Geplaatst kapitaal	:EUR 29.496.150,00
Gestort kapitaal	:EUR 29.496.150,00

Onderneming:

Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:High Tech Campus 60, 5656AG Eindhoven
Telefoonnummer	:040-2791111
Datum vestiging	:21-12-1990
Bedrijfsomschrijving	:Fabricage en verhandeling van electrische, electronische, mechanische en andere (systeem-) onderdelen en materialen op het gebied van consumenten en professionele electronica
Werkzame personen	:10129

Enig aandeelhouder:

Naam	:NXP B.V.
Adres	:High Tech Campus 60, 5656AG Eindhoven
Inschrijving handelsregister onder dossiernummer	:17070622
Enig aandeelhouder sedert	:28-09-2006

Bestuurder(s):

Naam	:Claasen, Theodoor Antonius Carel Maria
Geboortedatum en -plaats	:12-04-1945, Tilburg
Adres	:Hoog Geldrop 125, 5663BD Geldrop
Infunctietreding	:01-04-1998

Titel	:Lid bestuur
Bevoegdheid	:Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam	:Ramaekers, Johannes Wilhelmus
Geboortedatum en -plaats	:05-01-1947, Roosteran
Adres	:Vughterweg 7, 5211CJ's Hertogenbosch
Infunctietreding	:15-09-1999
Bevoegdheid	:Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam	:Dierick, Guido Rudolf Clemens
Geboortedatum en -plaats	:28-03-1959, Denekamp
Adres	:Floresstraat 5, 5631DD Eindhoven
Infunctietreding	:08-07-2002
Bevoegdheid	:Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Naam	:van Bommel, Petrus Antonius Maria
Geboortedatum en -plaats	:21-01-1957, Geldrop
Adres	:Villapark 29, 5667HX Geldrop
Infunctietreding	:01-09-2005
Titel	:Voorzitter bestuur
Bevoegdheid	:Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)

Gevolmachtigde(n):

Naam	:van Brussel, Godefridus Peter Maria
Geboortedatum en -plaats	:04-12-1947, Eindhoven
Adres	:De Regge 9, 5626GZ Eindhoven
Infunctietreding	:15-05-1993
Titel	:Gemachtigde
Bevoegdheid	:Zelfstandig bevoegd tot het doen van opgaven aan en het deponeren bij het handelsregister
Aanvang (huidige) volmacht	:15-10-2002

Naam	:van Kuetsem, Franciscus Paulus Arnoldus
Geboortedatum en -plaats	:06-12-1942, Nijmegen
Adres	:de Gamert 2106, 6605WD Wijchen
Infunctietreding	:15-01-1993
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,—

Aanvang (huidige) volmacht :15-10-2002

Naam :van Zelst, Joannes Laurens
Geboortedatum en -plaats :19-01-1952, Onstwedde
Adres :Spooreingel 7 A, 9581HK Musselkanaal
Infunctietreding :01-05-1994
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 12.500,—
Aanvang (huidige) volmacht :15-10-2002

Naam :Neuteboom, Maria Jolanta
Geboortedatum en -plaats :20-09-1954, Deventer
Adres :Stuw 3, 5345RT Oss
Infunctietreding :15-06-1997
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :van Vooren, Robertus Eduardus
Geboortedatum en -plaats :30-03-1963, Haarlemmermeer
Adres :Veenhof 2234, 6604DP Wijchen
Infunctietreding :15-06-1997
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Claasen, Theodoor Antonius Carel Maria
Geboortedatum en -plaats :12-04-1945, Tilburg
Adres :Hoog Geldrop 125, 5663BD Geldrop
Infunctietreding :01-04-1998
Titel :Lid bestuur
Bevoegdheid :Algemene volmacht tot EUR 250.000, — en inkoopvolmacht tot EUR 250.000, —
Aanvang (huidige) volmacht :01-06-2005

Naam :Ramaekers, Johannes Wilhelmus
Geboortedatum en -plaats :05-01-1947, Roosteren
Adres :Vughterweg 7, 5211CJ’s Hertogenbosch
Infunctietreding :15-09-1999
Titel :Lid bestuur
Bevoegdheid :Algemene volmacht tot EUR 250.000, — en inkoopvolmacht tot EUR 250.000, —
Aanvang (huidige) volmacht :01-06-2005

Naam :Boerrigter, Dionysius Alexander

Geboortedatum en -plaats :31-07-1960, Eindhoven
Adres :Celeborn 24, 5663SL Geldrop
Infunctietreding :15-08-1999
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Nizet, Johannes Hubertus
Geboortedatum en -plaats :12-01-1947, Roermond
Adres :Wilhelminalaan 11 D 1, 6042EK Roermond
Infunctietreding :15-08-1999
Bevoegdheid :Inkoopvolmacht tot EUR 250.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Buitenhuis, Jan
Geboortedatum en -plaats :04-03-1962, Staphorst
Adres :Kleipeer 22, 6662HG Elst Gld
infunctietreding :15-05-2000
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Vijlbrief, Frank Cornelis
Geboortedatum en -plaats :22-07-1959, IJsselmuiden

Adres :Saltshof 2117, 6604ET Wijchen
Infunctietreding :01-09-2000
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :te Brinke, Henk Jan
Geboortedatum en -plaats :13-02-1965, Groenlo
Adres :Ko van Dijkstraat 20, 6708ML Wageningen
Infunctietreding :01-10-2001
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Goorden, Sjef Cornelis Jacobus
Geboortedatun em -plaats :08-06-1976, Etten-Leur
Adres :Prinsenhof 6, 5616TE Eindhoven
Infunctietreding :01-05-2002
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —
Aanvang (huidige) volmacht :15-10-2002

Naam :Dierick, Guido Rudolf Clemens

Geboortedatum en -plaats :28-03-1959, Denekamp
Adres :Floresstraat 5, 5631DD Eindhoven
Infunctietreding :08-07-2002
Titel :Lid bestuur
Bevoegdheid :Algemene volmacht tot EUR 250.000, - en inkoopvolmacht tot EUR 250.000, —
Aanvang (huidige) volmacht :01-06-2005

Naam :Rutten, Guillaume Marie Jean
Geboortedatum en -plaats :29-11-1957, Roermond
Adres :Antillenweg 4, 6524TB Nijmegen
Infunctietreding :01-03-2003
Titel :Senior Vice President
Bevoegdheid :Algemeen: Zelfstandig bevoegd tot EUR 250.000,00; en onbeperkt bevoegd samen met lid bestuur

Naam :Penning de Vries, Rene Gerardus Maria
Geboortedatum en -plaats :18-10-1954, Nijmegen
Adres :Floralaan West 201, 5644BK Eindhoven
Infunctietreding :01-03-2003
Titel :Senior Vice President
Bevoegdheid :Algemene volmacht tot EUR 50.000, -

Naam :Kleij, Pieter Hendricus
Geboortedatum en -plaats :09-03-1960, Rotterdam
Adres :Ministerlaan 55, 5631NB Eindhoven
Infunctietreding :15-07-2003
Titel :Senior Vice President
Bevoegdheid :Algemene volmacht tot EUR 50.000, —

Naam :van der Bent, Bart Jeroen
Geboortedatum en -plaats :07-05-1969, Rotterdam
Adres :Oogstweg 6, 6418JC Heerlen
Infunctietreding :15-07-2003
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 25.000, -

Naam :Kersten, Adrianus Gosuinus Maria
Geboortedatum en -plaats :15-10-1957, Mill en Sint Hubert
Adres :Poolsterstraat 3, 6133VP Sittard
Infunctietreding :15-07-2003
Titel :Gemachtigde

Bevoegdheid :Inkoopvolmacht tot EUR 250.000, -

Naam :Brown, John Thomas
Geboortedatum en -plaats :22-04-1953, Stockton on Tees, Verenigd Koninkrijk
Adres :Klein Berghemmerweg 79, 6235AG Ulestraten
Infunctietreding :15-07-2003
Bevoegdheid :Inkoopvolmacht tot EUR 500.000, —

Naam :Mevissen, Maurice Peter Caspar
Geboortedatum en -plaats :19-10-1972, Maastricht
Adres :Erasmusdomein 2 A, 6229GC Maastricht
Infunctietreding :15-07-2003
Bevoegdheid :Inkoopvolmacht tot EUR 25.000, —

Naam :Bindels, Gerardus Johannes Karel Marie
Geboortedatum en -plaats :22-05-1967, Roermond
Adres :Waalstraat 27, 6413VT Heerlen
Infunctietreding :15-07-2003
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 25.000, -

Naam :Harms, Klaas
Geboortedatum en -plaats :13-11-1946, Groningen
Adres :Buizerdhorst 11, 9502HL Stadskanaal
Infunctietreding :01-05-2004
Bevoegdheid :Inkoopvolmacht tot EUR 125.000,00

Naam :Schraven, Michiel Alexander
Geboortedatum en -plaats :19-09-1973, Soest
Adres :Roskam 7, 6641XG Beuningen Gld
Infunctietreding :15-08-2004
Bevoegdheid :Inkoopvolmacht tot EUR 50.000,00

Naam :Sangers, Johannes Ida Maria Michael
Geboortedatum en -plaats :17-04-1961, Heerlen
Adres :Kamperheideweg 5, 6414AL Heerlen
Infunctietreding :15-08-2004
Bevoegdheid :Inkoopvolmacht tot EUR 125.000,00

Naam :Pak, Dianca
Geboortedatum en -plaats :17-09-1962, Woerden
Adres :Kwartelstraat 34, 6601CH Wijchen

Infunctietreding :15-08-2004
Bevoegdheid :Inkoopvolmacht tot EUR 50.000,00

Naam :Heinen, Hendrik
Geboortedatum en -plaats :09-08-1958, Nieuwer-Amstel
Adres :de Grippen 1103, 6605TA Wijchen
Infunctietreding :15-08-2004
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —

Naam :Krul, Andreas Hendrik Pieter
Geboortedatum en -plaats :05-06-1960, Velsen
Adres :Nesciostraat 3, 6543KC Nijmegen
Infunctietreding :15-08-2004
Titel :Gemachtigde
Bevoegdheid :Inkoopvolmacht tot EUR 50.000, —

Naam :Abhijit Bhattacharya
Geboortedatum en -plaats :18-10-1961, Calcutta, India
Adres :Ministerlaan 7, 5631NA Eindhoven
Infunctietreding :01-01-2005
Titel :Senior vice president
Bevoegdheid :Alleen tot EUR 50.000, -

Naam :Heitbrink, Martijn Dinant

Geboortedatum -plaats	:12-01-1972, Enschede
Adres	:Zwolseweg 40, 7412AN Deventer
Infunctietreding	:01-05-2005
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,00

Naam	:Cornelisse, Ellen
Geboortedatum en -plaats	:24-03-1971, Zwolle
Adres	:Heelkruid 41, 3824NR Amersfoort
Infunctietreding	:01-05-2005
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,00

Naam	:Annink, Gerardus Hermanus Carolus
Geboortedatum en -plaats	:06-10-1955, Enschede
Adres	:Dr.de Blecourtstraat 42, 6541DJ Nijmegen
Infunctietreding	:01-05-2005
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 250.000,00

Naam	:Biemond, Jacob
Geboortedatum en -plaats	:02-06-1962, Wageningen
Adres	:Burgemeester Mazairacln 105, 5242AZ Rosmalen
Infunctietreding	:01-05-2005
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,00

Naam	:Karres, Menno
Geboortedatum en -plaats	:24-05-1963, Hilversum
Adres	:Orionlaan 17, 1223AC Hilversum
Infunctietreding	:01-05-2005
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,00

Naam	:Eijeelendoorn, Joop
Geboortedatum en -plaats	:05-04-1955, Rotterdam
Adres	:Bierbrouwershorst 501, 7328NJ Apeldoorn
Infunctietreding	:01-05-2005
Bevoegdheid	:Inkoopvolmacht tot EUR 250.000,—

Naam	:Rouwen, Hendrik Antonius Hermanus
Geboortedatum en -plaats	:19-01-1956, Arnhem
Adres	:Grietakkers 4, 6905CD Zevenaar
Infunctietreding	:01-05-2005
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,-

Naam	:van Bommel, Petrus Antonius Maria
Geboortedatum en -plaats	:21-01-1957, Geldrop
Adres	:Villapark 29, 5667HX Geldrop
Infunctietreding	:01-09-2005
Titel	:Lid Bestuur
Bevoegdheid	:Algemeen: Zelfstandig bevoegd tot EUR 250.000, - en Inkoop: Zelfstandig bevoegd tot EUR 250.000,-

Naam	:van der Zeeuw, Hendricus Cornelis Maria
Geboortedatum en -plaats	:27-11-1954, Leiden
Adres	:Goorstraat 9, 5613BL Eindhoven
Infunctietreding	:01-10-2005
Titel	:Executive Vice President
Bevoegdheid	:Algemeen: Zelfstandig bevoegd tot EUR 250.000, - en onbeperkt bevoegd samen met lid bestuur

---

Naam	:Marced Martin, Maria Angeles

Geboortedatum en -plaats	:25-07-1954, Valencia, Spanje
Adres	:Bouvigne 25, 5653LE Eindhoven
Infunctietreding	:01-10-2005
Bevoegdheid	:Zelfstandig bevoegd tot EUR 250.000,- en onbeperkt bevoegd samen met lid bestuur

Naam	:de Jong, Marcus Johannes Cornelis
Geboortedatum en -plaats	:08-02-1961, ‘s-Gravenhage
Adres	:Soembastraat 2, 5631DE Eindhoven
Infunctietreding	:01-11-2005
Bevoegdheid	:Zelfstandig bevoegd tot EUR 250.000,- en onbeperkt bevoegd samen met lid bestuur.

Naam	:Hamersma, Mark Arjen
Geboortedatum en -iplaats	:04-02-1968, Amsterdam
Adres	:Baron van Erplaan 1, 5991BM Baarlo Lb
Infunctietreding	:01-01-2006
Titel	:Senior Vice President
Bevoegdheid	:Algemene volmacht tot EUR 50.000,-

Naam	:Luijten, Ludovicus Lambertus Emile
Geboortedatum en -plaats	:11-01-1953, Wijchen
Adres	:Prinsenhage 29, 5263CT Vught
Infunctietreding	:01-05-2006
Bevoegdheid	:Zelfstandig bevoegd tot EUR 50.000,-

Naam	:Schalken, Adrianus Antonius Maria
Geboortedatum en -plaats	:19-06-1974, Tilburg
Adres	:Sparrenstraat 50, 5038MK Tilburg
Infunctietreding	:01-06-2006
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,-

Naam	:Nooijen, Theodorus Petrus Wilhelmus
Geboortedatum en -plaats	:30-04-1965, Wanroij
Adres	:Klompenmakersstraat 49, 5446WL Wanroij
Infunctietreding	:01-06-2006
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,00

Naam :Streng, Johannes Hermannus

Geboortedatum en -plaats	:11-10-1954, Apeldoorn
Adres	:Oude Kerkstraat 9, 5581JH Waalre
Infunctietreding	:15-06-2006
Titel	:Gemachtigde
Bevoegdheid	:Zelfstandig bevoegd tot EUR 50.000,-

Naam	:Koelma, Patrick Marinus Johannes
Geboortedatum en -plaats	:20-08-1970, Nijmegen
Adres	:Diemewei 4216, 6605XD Wijchen
Infunctietreding	:01-08-2006
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000,—

Naam	:Hermsen, Marcel Bernhard Nicolaas
Geboortedatum en -plaats	:23-03-1970, Heythuysen
Adres	:het Halster 54, 6581JL Malden
Infunctietreding	:01-08-2006
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000, —

Naam	:Tyka, Boguslaw Tadeusz
Geboortedatum en -plaats	:11-03-1972, Tarnow, Polen
Adres	:Van Westrheenelaan 4, 6815AC Arnhem
Infunctietreding	:01-08-2006
Titel	:Gemachtigde
Bevoegdheid	:Inkoopvolmacht tot EUR 50.000, —

Er kunnen functionarissen zijn die een uitsluitend tot nevenvestigingen beperkte bevoegdheid hebben; deze worden alsdan vermeld op het uittreksel van de betreffende nevenvestiging(en).

Nevenvestiging(en) :

Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:Electronicaweg 1, 9503GA Stadskanaal
Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:Geretweg 2, 6534AE Nijmegen
Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:Rijksweg Noord 281, 6136AC Sittard
Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:Vredeoord 105, 5621CX Eindhoven
Handelsna(a)m(en)	:Philips Semiconductors B.V.
Adres	:Jan Campertstraat 5, 6416SG Heerlen

12-10-2006 Blad 00011 volgt.

Alleen geldig indien door de kamer voorzien van een ondertekening.

Eindhoven, 12-10-2006

Voor uittreksel

/s/ [illegible]
Mevrouw mr. W.A.M. te Lintelo
Sectorhoofd Bedrijvenregister

[GRAPHIC] KAMER VAN KOOPHANDEL OOST-BRABANT

English translation of an extract from the trade register of the Chambers of Commerce. This registration is administrated by the Chamber of Commerce for Oost-Brabant

Legal person:

Legal form	:Besloten Vennootschap (Private Limited Liability Company)
Name	:Philips Semiconductors B.V.
Statutory seat	:Eindhoven
First registration in the trade register	:31-01-1991
Incorporation deed	:21-12-1990
Deed of latest amendment of articles	:27-09-2006
Authorized capital	:EUR 45.000.000,00
Issued capital	:EUR 29.496.150,00
Paid up capital	:EUR 29.496.150,00

Undertaking:

Tradename(s)	:Philips Semiconductors B.V.
Address	:High Tech Campus 60, 5656AG Eindhoven
Telephone number	:040-2791111
Date of establishment	:21-12-1990
Description of business conducted	:See Dutch extract
Employees	:10129

Single shareholder:

Name	:NXP B.V.
Address	:High Tech Campus 60, 5656AG Eindhoven
Registration trade register under file number	:17070622
Single shareholder since	:28-09-2006

Director(s):

Name	:Claasen, Theodoor Antonius Carel Maria
Date and place of birth:	:12-04-1945, Tilburg
Address	:Hoog Geldrop 125, 5663BD Geldrop
Date of entry into office	:01-04-1998
Title	:Lid bestuur
Powers	:Authorised jointly (with other director(s),

File number: 17070621 Page 00002

see articles)

Name	:Ramaekers, Johannes Wilhelmus
Date and place of birth	:05-01-1947, Roosteren
Address	:Vughterweg 7, 5211CJ ‘s Hertogenbosch
Date of entry into office	:15-09-1999
Powers	:Authorised jointly (with other director(s), see articles)

Name	:Dierick, Guido Rudolf Clemens
Date and place of birth	:28-03-1959, Denekamp
Address	:Floresstraat 5, 5631DD Eindhoven
Date of entry into office	:08-07-2002
Powers	:Authorised jointly (with other director(s), see articles)

Name	:van Bommel, Petrus Antonius Maria
Date and place of birth	:21-01-1957, Geldrop
Address	:Villapark 29, 5667HX Geldrop
Date of entry into office	:01-09-2005
Title	:Voorzitter bestuur
Powers	:Authorised jointly (with other director(s), see articles)

Authorized signatory (signatories):

Name	:van Brussel, Godefridus Peter Maria
Date and place of birth	:04-12-1947, Eindhoven
Address	:De Regge 9, 5626GZ Eindhoven
Date of entry into office	:15-05-1993
Title	:Gemachtigde
Powers	:See Dutch extract
Commencement (present) power of attorney	:15-10-2002

Name	:van Kuetsem, Franciscus Paulus Arnoldus
Date and place of birth	:06-12-1942, Nijmegen
Address	:de Gamert 2106, 6605WD Wijchen
Date of entry into office	:15-01-1993
Title	:Gemachtigde
Powers	:See Dutch extract
Commencement (present) power of attorney	:15-10-2002

File number: 17070621 Page 00003

Name	:van Zelst, Joannes Laurens
Date and place of birth	:19-01-1952, Onstwedde
Address	:Spoorsingel 7 A, 9581HK Musselkanaal
Date of entry into office	:01-05-1994
Title	:Gemachtigde
Powers	:See Dutch extract
Commencement (present) power of attorney	:15-10-2002

Name	:Neuteboom, Maria Jolanta
Date and place of birth	:20-09-1954, Deventer
Address	:Stuw 3, 5345RT Oss
Date of entry into office	:15-06-1997
Powers	:See Dutch extract
Commencement (present) power of attorney	:15-10-2002

Name	:van Vooren, Robertus Eduardus
Date and place of birth	:30-03-1963, Haarlemmermeer
Address	:Veenhof 2234, 6604DP Wijchen
Date of entry into office	:15-06-1997
Powers	:See Dutch extract
Commencement (present) power of attorney	:15-10-2002

Name :Claasen, Theodoor Antonius Carel Maria
Date and place of birth :12-04-1945, Tilburg
Address :Hoog Geldrop 125, 5663BD Geldrop
Date of entry into office :01-04-1998
Title :Lid bestuur
Powers :See Dutch extract
Commencement (present) power of attorney :01-06-2005

Name :Ramaekers, Johannes Wilhelmus
Date and place of birth :05-01-1947, Roosteren
Address :Vughterweg 7, 5211CJ ‘s Hertogenbosch
Date of entry into office :15-09-1999
Title :Lid bestuur
Powers :See Dutch extract
Commencement (present) power of attorney :01-06-2005

Name :Boerrigter, Dionysius Alexander
Date and place of birth :31-07-1960, Eindhoven
Address :Celeborn 24, 5663SL Geldrop
Date of entry into office :15-08-1999
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :Nizet, Johannes Hubertus
Date and place of birth :12-01-1947, Roermond
Address :Wilhelminalaan 11 D 1, 6042EK Roermond
Date of entry into office :15-08-1999
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :Buitenhuis, Jen
Date and place of birth :04-03-1962, Staphorst
Address :Kleipeer 22, 6662HG Elst Gld
Date of entry into office :15-05-2000
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :Vijlbrief, Frank Cornelis
Date and place of birth :22-07-1959, IJsselmuiden
Address :Saltshof 2117, 6604ET Wijchen
Date of entry into office :01-09-2000
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :te Brinke, Henk Jan
Date and place of birth :13-02-1965, Groenlo
Address :Ko van Dijkstraat 20, 6708ML Wageningen
Date of entry into office :01-10-2001
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :Goorden, Sjef Cornelis Jacobus
Date and place of birth :08-06-1976, Etten-Leur

Address :Prinsenhof 6, 5616TE Eindhoven
Date of entry into office :01-05-2002
Title :Gemachtigde
Powers :See Dutch extract
Commencement (present) power of attorney :15-10-2002

Name :Dierick, Guido Rudolf Clemens
Date and place of birth :28-03-1959, Denekamp

Address :Floresstraat 5, 5631DD Eindhoven
Date of entry into office :08-07-2002
Title :Lid bestuur
Powers :See Dutch extract
Commencement (present) power of attorney :01-06-2005

Name :Rutten, Guillaume Marie Jean
Date and place of birth :29-11-1957, Roermond
Address :Antillenweg 4, 6524TB Nijmegen
Date of entry into office :01-03-2003
Title :Senior Vice President
Powers :See Dutch extract

Name :Penning de Vries, Rene Gerardus Maria
Date and place of birth :18-10-1954, Nijmegen
Address :Floralaan West 201, 5644BK Eindhoven
Date of entry into office :01-03-2003
Title :Senior Vice President
Powers :See Dutch extract

Name :Kleij, Pieter Hendricus
Date and place of birth :09-03-1960, Rotterdam
Address :Ministerlaan 55, 5631NB Eindhoven
Date of entry into office :15-07-2003
Title :Senior Vice President
Powers :See Dutch extract

Name :van der Bent, Bart Jeroen
Date and place of birth :07-05-1969, Rotterdam
Address :Oogstweg 6, 6418JC Heerlen
Date of entry into office :15-07-2003
Title :Gemachtigde
Powers :See Dutch extract

Name :Kersten, Adrianus Gosuinus Maria
Date and place of birth :15-10-1957, Mill en Sint Hubert
Address :Poolsterstraat 3, 6133VP Sittard
Date of entry into office :15-07-2003
Title :Gemachtigde
Powers :See Dutch extract

Name :Brown, John Thomas
Date and place of birth :22-04-1953, Stockton on Tees, United Kingdom
Address :Klein Berghemmerweg 79, 6235AG Ulestraten
Date of entry into office :15-07-2003
Powers :See Dutch extract

Name :Mevissen, Maurice Peter Caspar
Date and place of birth :19-10-1972, Maastricht
Address :Erasmusdomein 2 A, 6229GC Masstricht
Date of entry into office :15-07-2003
Powers :See Dutch extract

Name :Bindels, Gerardus Johannes Karel Marie
Date and place of birth :22-05-1967, Roermond
Address :Waalstraat 27, 6413VT Heerlen
Date of entry into office :15-07-2003
Title :Gemachtigde
Powers :See Dutch extract

Name :Harms, Klaas
Date and place of birth :13-11-1946, Groningen
Address :Buizerdhorst 11, 9502HL Stadskanaal
Date of entry into office :01-05-2004
Powers :See Dutch extract

Name :Schraven, Michiel Alexander
Date and place of birth :19-09-1973, Soest
Address :Roskam 7, 6641XG Beuningen Gld

Date of entry into office :15-08-2004
Powers :See Dutch extract

Name :Sangers, Johannes Ida Maria Michael
Date and place of birth :17-04-1961, Heerlen
Address :Kamperheideweg 5, 6414AL Heerlen
Date of entry into office :15-08-2004

Powers :See Dutch extract

Name :Pak, Dianca
Date and place of birth :17-09-1962, Woerden
Address :Kwartelstraat 34, 6601CH Wijchen
Date of entry into office :15-08-2004
Powers :See Dutch extract

Name :Heinen, Hendrik
Date and place of birth :09-08-1958, Nieuwer-Amstel
Address :de Grippen 1103, 6605TA Wijchen
Date of entry into office :15-08-2004
Title :Gemachtigde
Powers :See Dutch extract

Name :Krul, Andreas Hendrik Pieter
Date and place of birth :05-06-1960, Velsen
Address :Nesciostraat 3, 6543KC Nijmegen
Date of entry into office :15-08-2004
Title :Gemachtigde
Powers :See Dutch extract

Name :Abhijit Bhattacharya
Date and place of birth :18-10-1961, Calcutta, India
Address :Ministerlaan 7, 5631NA Eindhoven
Date of entry into office :01-01-2005
Title :Senior vice president
Powers :See Dutch extract

Name :Heitbrink, Martijn Dinant
Date and place of birth :12-01-1972, Enschede
Address :Zwolseweg 40, 7412AN Deventer
Date of entry into office :01-05-2005
Powers :See Dutch extract

Name :Cornelisee, Ellen
Date and place of birth :24-03-1971, Zwolle
Address :Heelkruid 41, 3824NR Amersfoort
Date of entry into office :01-05-2005
Powers :See Dutch extract

Name :Annink, Gerardus Hermanus Carolus
Date and place of birth :06-10-1955, Enschede

Address :Dr.de Blecourtstraat 42, 6541DJ Nijmegen
Date of entry into office :01-05-2005
Title :Gemachtigde
Powers :See Dutch extract

Name :Biemond, Jacob
Date and place of birth :02-06-1962, Wageningen
Address :Burgemeester Mazairacln 105, 5242AZ Rosmalen
Date of entry into office :01-05-2005
Title :Gemachtigde
Powers :See Dutch extract

Name :Karres, Menno
Date and place of birth :24-05-1963, Hilversum
Address :Orionlaan 17, 1223AC Hilversum
Date of entry into office :01-05-2005
Title :Gemachtigde
Powers :See Dutch extract

Name :Eijselendoorn, Joop
Date and place of birth :05-04-1955, Rotterdam
Address :Bierbrouwershorst 501, 7328NJ Apeldoorn
Date of entry into office :01-05-2005
Powers :See Dutch extract

Name :Rouwen, Hendrik Antonius Hermanus
Date and place of birth :19-01-1956, Arnhem
Address :Grietakkers 4, 6905CD Zevenaar
Date of entry into office :01-05-2005
Title :Gemachtigde
Powers :See Dutch extract

Name :van Bommel, Petrus Antonius Maria
Date and place of birth :21-01-1957, Geldrop
Address :Villapark 29, 5667HX Geldrop
Date of entry into office :01-09-2005
Title :Lid Bestuur
Powers :See Dutch extract

Name :van der Zeeuw, Hendricus Cornelis Maria
Date and place of birth :27-11-1954, Leiden
Address :Goorstraat 9, 5613BL Eindhoven
Date of entry into office :01-10-2005

Title :Executive Vice President
Powers :See Dutch extract

Name :Marced Martin, Maria Angeles
Date and place of birth :25-07-1954, Valencia, Spain
Address :Bouvigne 25, 5653LE Eindhoven
Date of entry into office :01-10-2005
Powers :See Dutch extract

Name :de Jong, Marcus Johannes Cornelis
Date and place of birth :08-02-1961, ‘s-Gravenhage
Address :Soembastraat 2, 5631DE Eindhoven
Date of entry into office :01-ll-2005
Powers :See Dutch extract

Name :Hamersma, Mark Arjen
Date and place of birth :04-02-1968, Amsterdam
Address :Baron van Erplaan 1, 5991BH Baarlo Lb
Date of entry into office :01-01-2006
Title :Senior Vice President
Powers :See Dutch extract

Name :Luijten, Ludovicus Lambertus Emile
Date and place of birth :ll-01-1953 Wijchen
Address :Prinsenhage 29, 5263CT Vught
Date of entry into office :01-05-2006
Powers :See Dutch extract

Name :Schalken, Adrianus Antonius Maria
Date and place of birth :19-06-1974, Tilburg
Address :Sparrenstraat 50, 5038MK Tilburg
Date of entry into office :01-06-2006
Title :Gemachtigde
Powers :See Dutch extract

Name :Nooijen, Theodorus Petrus Wilhelmus

Date and place of birth :30-04-1965, Wanroij
Address :Klompenmakersstraat 49, 5446WL Wanroij
Date of entry into office :01-06-2006
Title :Gemachtigde
Powers :See Dutch extract

Name :Streng, Johannes Hermannus

12-10-2006 Page 00010 follows.

File number: 17070621 Page 00010

Date and place of birth :11-10-1954, Apeldoorn
Address :Oude Kerkstraat 9, 5581JH Waalre
Date of entry into office :15-06-2006
Title :Gemachtigde
Powers :See Dutch extract

Name :Koelma, Patrick Marinus Johannes
Date and place of birth :20-08-1970, Nijmegen
Address :Diemewei 4216, 6605XD Wijchen
Date of entry into office :01-08-2006
Title :Gemachtigde
Powers :See Dutch extract

Name :Hermsen, Marcel Bernhard Nicolaas
Date and place of birth :23-03-1970, Heythuysen
Address :het Halster 54, 6581JL Malden
Date of entry into office :01-08-2006
Title :Gemachtigde
Powers :See Dutch extract

Name :Tyka, Boguslaw Tadeusz
Date and place of birth :11-03-1972, Tarnow, Poland
Address :Van Westrheenelaan 4, 6815AC Arnhem
Date of entry into office :01-08-2006
Title :Gemachtigde
Powers :See Dutch extract

There may be incumbents with powers exclusively limited to branch establishments, who are then mentioned on the extract of the branch establishment(s) concerned.

Branch establishment(s):
Tradename(s) :Philips Semiconductors B.V.
Address :Electronicaweg 1, 9503GA Stadskanaal
Tradename(s) :Philips Semiconductors B.V.
Address :Gerstweg 2, 6534AE Nijmegen
Tradename(s) :Philips Semiconductors B.V.
Address :Rijksweg Noord 281, 6136AC Sittard
Tradename(s) :Philips Semiconductors B.V.
Address :Vredeoord 105, 5621CX Eindhoven
Tradename(s) :Philips Semiconductors B.V.
Address :Jan Campertstraat 5, 6416SG Heerlen

12-10-2006 Page 00011 follows.

File number: 17070621 Page 00011

Issued by the chamber of commerce

Eindhoven, 12-10-2006

For extract

/s/ [illegible]
Mevrouw mr. W.A.M. te Lintelo
Sectorhoofd Bedrijvenregister

[GRAPHIC] [GRAPHIC]

AKD
Prinsen
Van Wijmen

STATUTENWIJZIGING PHILIPS SEMICONDUCTORS B.V. (integraal)

Op zevenentwintig september tweeduizend zes verscheen voor mij, mr. Judith Hester Elizabeth van Brussel, kandidaat-notaris, hiema te noemen: 'notaris', waamemer van mr. Petra Maria de Jong, notaris te Eindhoven: Carolina Petronella Maria Vile-Bernaards, werkzaam bij de naamloze vennootschap AKD Prinsen Van Wijmen N.V., statutair gevestigd te Rotterdam, op haar vestiging te (5657 DA) Eindhoven, Flight Forum 1, geboren te Veghel op vijftien oktober negentienhonderdachtenveertig.

Inleiding

De comparant, handelend als gemeld, verklaarde:

A. De statuten van de besloten vennootschap met beperkte aansprakelijkheid Philips Semiconductors B.V., statutair gevestigd te Eindhoven, met adres: (5656 AG) Eindhoven, High Tech Campus 60, ingeschreven in het handels register onder nummer 17070621, zijn laatstelijk gewijzigd bij akte verleden voor mr. P.M. de Jong, notaris te Eindhoven, op achttien september tweeduizend zes, terzake van welke statutenwijziging de verklaring van geen bezwaar werd verleend op zeven september tweeduizend zes, onder Ministerie van Justitie nummer B.V. 400.136.

B. De algemene vergadering van aandeelhouders van de vennootschap heeft in haar vergadering op achttien september tweeduizend zes besloten tot wijziging van de statuten van de vennootschap. Voorts werd besloten onder meer de comparant te machtigen het genomen besluit ten uitvoer te brengen. Van voormelde besluiten blijkt uit de notulen van de desbetreifende vergadering, die aan deze akte worden gehecht.

Statutenwijziging

Ter uitvoering van het vorenstaande verklaarde de comparant, handelend als gemeld, de statuten van de vennootschap zodanig te wijzigen dat zij in hun geheel komen te luiden als volgt:

STATUTEN

NAAM EN ZETEL

ARTIKEL 1

De vennootschap is genaamd: **Philips Semiconductors B.V.**

Zij is gevestigd te Eindhoven.

DOEL

ARTIKEL 2

Het doel der vennootschap is de fabricage en verhandeling van elektrische, elektronische, mechanische en andere (systeem-)onderdelen en materialen op het gebied van consumenten- en professionele elektronica in de ruimste zin van het woord, zomede het deelnemen in, het op andere wijze een belang nemen in, het voeren van beheer over andere ondernemingen, van welke aard ook, voorts het verstrekken en aangaan van geldleningen, het op enigerlei wijze stellen van zekerheid of het zich verbinden voor verplichtingen van derden en tenslotte al hetgeen met het vorenstaande verband houdt of daartoe bevorderlijk kan zijn.

KAPITAAL

ARTIKEL 3

1. Het maatschappelijk kapitaal van de vennootschap bedraagt vijfenveertig miljoen euro (€ 45.000.000,00) verdeeld in eenhonderdduizend (100.000) aandelen van elk vierhonderdvijftig euro (€ 450,00);

2. De aandelen luiden op naam. Zij zijn doorlopend genummerd en wel vanaf een.

   Aandeelbewijzen worden niet uitgegeven.

AANDELEN

ARTIKEL 4

1. De vennootschap kan slechts ingevolge een besluit van de algemene vergadering van aandeelhouders (rechten op) aandelen uitgeven. De algemene vergadering kan haar bevoegdheid hiertoe overdragen aan een ander orgaan en kan deze overdracht herroepen.

2. De vennootschap zal niet medewerken aan de uitgifte van certificaten van aandelen.

3. Bij de vestiging van vruchtgebruik op de aandelen gaat het stemrecht op de aandelen, waarop zodanig vruchtgebruik wordt gevestigd, niet over op de vruchtgebruiker.

4. Aan een pandhouder die geen stemrecht heeft, kunnen de rechten, die door de wet zijn toegekend aan de houders van met medewerking ener vennootschap uitgegeven certificaten van aandelen, worden toegekend.

OVERDRACHT VAN AANDELEN

ARTIKEL 5

1. Indien een aandeelhouder een of meer van zijn aandelen wenst te vervreemden, onverschillig krachtens welke titel, kan zulks slechts rechtsgeldig geschieden met inachtneming van de navolgende bepalingen.

2. ledere overdracht van aandelen behoeft, wil zij geldig zijn, de goedkeuring van de algemene vergadering van aandeelhouders.

3. Op het verzoek om goedkeuring moet binnen drie maanden worden beslist. Indien binnen deze termijn geen beslissing bij brief ter kennis van de verzoeker is gebracht, wordt het verzoek geacht te zijn ingewilligd.

4. Een afwijzing van het verzoek wordt als een goedkeuring aangemerkt, indien de algemene vergadering van aandeelhouders niet gelijktijdig aan de verzoeker opgave doet van een of meer gegadigden die bereid en in staat zijn alle aandelen, waarop het verzoek om goedkeuring betrekking heeft, tegen contante betaling te kopen.

5. Indien de verzoeker en de door hem aanvaarde gegadigde(n) geen prijs overeen kunnen komen, zal de koopprijs worden vastgesteld door een of meer onafhankelijke deskundigen, aan te wijzen binnen een maand na een daartoe ontvangen verzoek door de algemene vergadering van aandeel-houders. De aangewezen deskundige(n) stelt (stellen) binnen een maand na zijn (hun) aanwijzing de prijs vast.

6. De verzoeker is bevoegd van de verkoop af te zien, mits dit geschiedt binnen een maand nadat hem de vastgestelde prijs en de gegadigden definitief bekend zijn.

7. Wordt het verzoek tot goedkeuring ingewilligd of wordt het geacht te zijn ingewilligd, dan kan de door de verzoeker voorgenomen overdracht slechts

geschieden gedurende een termijn van drie maanden nadat de goedkeuring is verleend of geacht wordt te zijn verleend.

8. De vennootschap zelf kan slechts met instemming van de verzoeker gegadigde zijn.

9. De voorgaande leden van dit artikel zijn niet van toepassing indien een aandeelhouder krachtens de wet tot overdracht van zijn aandeel/aandelen aan een eerdere houder verplicht is.

INKOPEN VAN EIGEN AANDELEN

ARTIKEL 6

1. Tot de door de wet maximaal toegelaten grenzen is de vennootschap bevoegd volgestorte aandelen in haar maatschappelijk kapitaal voor eigen rekening onder bezwarende titel te verkrijgen.

2. De door de vennootschap in haar eigen maatschappelijk kapitaal gehouden aandelen kunnen worden vervreemd met inachtneming van het in artikel 5 bepaalde.

AANDELENREGISTER

ARTIKEL 7

De aandeelhouders en zij die een recht van vruchtgebruik of een recht van pand op aandelen hebben, worden met naam en adres en onder vermelding van het op ieder aandeel gestorte bedrag casu quo onder vermelding van de aan de aandelen verbonden rechten, ingeschreven in een of meer daartoe door net bestuur der vennootschap gehouden registers, waarvan er tenminste een berust ten kantore van de vennootschap.

Op het register zijn de wettelijke bepalingen van toepassing.

HET BESTUUR

ARTIKEL 8

1. De vennootschap wordt bestuurd door een bestuur waarvan het aantal leden wordt vastgesteld door de algemene vergadering van aandeelhouders.

2. De leden van het bestuur worden benoemd en ontslagen door de algemene vergadering van aandeelhouders.

3. De algemene vergadering van aandeelhouders kan een van de leden van het bestuur benoemen tot voorzitter.

4. De bezoldiging en de overige arbeidsvoorwaarden van de leden van het bestuur worden vastgesteld door de algemene vergadering van aandeelhouders.

5. De leden van het bestuur kunnen, gezamenlijk of afzonderlijk, door de algemene vergadering van aandeelhouders worden geschorst.

6. Het bestuur is verplicht de aanwijzingen te volgen, welke door de algemene vergadering van aandeelhouders worden gegeven betreffende algemene lijnen van het te volgen financiele, sociale en economische beleid.

7. Het bestuur kan een huishoudelijk reglement vaststellen betreffende de wijze van oproeping tot haar vergaderingen en de interne orde op die vergaderingen.

ARTIKEL 9

1. De vennootschap wordt in en buiten rechte vertegenwoordigd door het bestuur, voor zover uit de wet niet anders voortvloeit. De bevoegdheid tot vertegenwoordiging komt mede toe aan twee gezamenlijk handelende leden van het bestuur. Is er slechts een bestuurder, dan is deze volledig bevoegd de vennootschap in en buiten rechte te vertegenwoordigen.

2. Het bestuur is bevoegd om na voorafgaande goedkeuring van de algemene vergadering van aandeelhouders een of meer van haar leden te machtigen de vennootschap binnen bepaalde in de machtiging omschreven grenzen te vertegenwoordigen.

3. Ingeval van belet of ontstentenis van een of meer leden van het bestuur zijn de overblijvende leden van het bestuur respectievelijk is het overblijvende lid van het bestuur met het gehele bestuur belast.

4. Ingeval van belet of ontstentenis van alle leden van het bestuur, is een nader door de algemene vergadering van aandeelhouders aan te wijzen persoon tijdelijk belast met het bestuur.

5. Indien een bestuurder in prive een overeenkomst met de vennootschap sluit of in prive enigerlei procedure tegen de vennootschap voert, kan de vennootschap, met inachtneming van het in het eerste lid bepaalde, terzake worden vertegenwoordigd door de overige bestuurders, tenzij de algemene vergadering daartoe een persoon aanwijst of de wet op andere wijze in de aanwijzing voorziet. Zodanige persoon kan ook zijn de bestuurder, te wiens aanzien het strijdig belang bestaat.

   Indien een bestuurder op een andere wijze dan in de eerste zin van dit lid omschreven een belang heeft dat strijdig is met dat van de vennootschap, is hij, evenals het bestuur casu quo de overige bestuurders, met inachtneming van het in het eerste lid bepaalde, bevoegd de vennootschap te vertegenwoordigen.

ARTIKEL 10

Het bestuur is bevoegd om na voorafgaande goedkeuring van de algemene vergadering van aandeelhouders een of meer procuratiehouders en daarmee gelijk te stellen functionarissen te benoemen en te ontslaan en hun taak, bevoegdheden en titulatuur vast te stellen en hen te machtigen de vennootschap in en buiten rechte te vertegenwoordigen op de wijze en tot het bedrag als vermeld in het besluit tot hun benoeming.

ALGEMENE VERGADERING VAN AANDEELHOUDERS

ARTIKEL 11

1. De algemene vergadering van aandeelhouders wijst ter vergadering een voorzitter aan.

2. Aandeelhouders kunnen zich op een algemene vergadering van aandeelhouders doen vertegenwoordigen door een schriftelijk gevolmachtigde.

3. De leden van het bestuur hebben als zodanig in de algemene vergadering van aandeelhouders een raadgevende stem.

ARTIKEL 12

Jaarlijks wordt, uiterlijk in de maand juni, de gewone algemene vergadering van aandeelhouders gehouden, waarin tenminste aan de orde worden gesteld:

a. het jaarverslag;

b. de jaarrekening;

c. de overige in de oproepingsbrief vermelde voorstellen, gedaan door het bestuur of door aandeelhouders.

ARTIKEL 13

1. Buitengewone algemene vergaderingen worden gehouden zo dikwijls het bestuur dat nodig acht en moeten worden gehouden, indien een of meer aandeelhouders - gezamenlijk tenminste eentiende gedeelte van het

   geplaatste kapitaal vertegenwoordigende - dit schriftelijk onder nauwkeurige opgave der te behandelen onderwerpen aan het bestuur verzoeken.

2. De termijn van oproeping tot de algemene vergaderingen is tenminste vijftien dagen, die van de oproeping en van de vergadering niet meegerekend. Was deze termijn korter of heeft de oproeping niet plaats gehad, dan kunnen geen wettige besluiten worden genomen, tenzij met algemene stemmen in

een vergadering waarin het gehele geplaatste kapitaal vertegenwoordigd is.

3. De aandeelhouders worden opgeroepen bij brief, gezonden aan het adres, vermeld in het register van aandeelhouders.

4. De oproeping vermeldt behalve plaats en tijdstip der vergadering de te behandelen onderwerpen, verder de onderwerpen welker plaatsing op de agenda tenminste twee dagen voor de dag der oproeping door een of meer aandeelhouders, die tenminste eenhonderste gedeelte van het geplaatste kapitaal vertegenwoordigen, aan het bestuur is verzocht.

   Omtrent onderwerpen, die niet in de oproepingsbrief of in een aanvullende oproepingsbrief met inachtneming van de voor oproeping gestelde termijn zijn aangekondigd, kan niet wettig worden besloten, tenzij het besluit met algemene stemmen wordt genomen in een vergadering waarin het gehele geplaatste kapitaal vertegenwoordigd is.

ARTIKEL 14

1. De besluiten van de algemene vergadering van aandeelhouders worden, tenzij de wet of deze statuten een grotere meerderheid voorschrijven, genomen met volstrekte meerderheid van de uitgebrachte stemmen. leder aandeel geeft recht op een stem.

2. Alle stemmingen geschieden mondeling tenzij de algemene vergadering van aandeelhouders een schriftelijke stemming verlangt.

3. Bij stemmingen inzake benoemingen wordt zonodig herstemd tot een der voorgestelde personen de volstrekte meerderheid heeft verkregen.

   De herstemming(en) kan (kunnen), indien de voorzitter zulks gewenst acht, in een nadere vergadering worden gehouden.

4. Van het verhandelde in een algemene vergadering worden door een door de voorzitter aan te wijzen aanwezige, notulen gehouden.

5. De besluitvorming van aandeelhouders kan op andere wijze geschieden dan in een vergadering. Zulk een besluitvorming is slechts mogelijk met algemene stemmen van de aandeelhouders. De stemmen kunnen alleen schriftelijk (daaronder begrepen telegrafisch, per telex of facsimile) worden uitgebracht.

BOEKJAAR, JAARREKENING, WINSTBESTEMMING

ARTIKEL 15

1. Het boekjaar is gelijk aan het kalenderjaar.

2. Het bestuur maakt jaarlijks binnen vijf maanden - behoudens verlenging van deze termijn met ten hoogste zes maanden door de algemene vergadering van aandeelhouders op grond van bijzondere omstandigheden - na afloop van het boekjaar een jaarrekening op, bestaande uit een balans per einde van het afgelopen boekjaar en een winst- en verliesrekening over het afgelopen boekjaar met als bijlage de toelichting op deze stukken. Binnen voormelde termijn legt het bestuur het jaarverslag over, een en ander voor zover noodzakelijk ingevolge wettelijke bepalingen.

3. De jaarrekening wordt ondertekend door de leden van het bestuur.

Ontbreekt de handtekening van en of meer van hen, dan wordt daarvan onder opgave van reden melding gemaakt.

ARTIKEL 16

1. De algemene vergadering van aandeelhouders stelt de jaarrekening vast.

2. De winst staat met inachtneming van de wettelijke bepalingen ter beschikking van de algemene vergadering van aandeelhouders.

3. Tot het doen van uitkeringen uit de winst over het afgelopen boekjaar of uit daarvoor in aanmerking komende reserves kan slechts worden besloten door de algemene vergadering van aandeelhouders.

   De algemene vergadering van aandeelhouders kan besluiten zodanige uitkeringen te doen plaatsvinden in de vorm van een uitgifte van aandelen.

4. Het bestuur kan reeds voor de vaststelling van de jaarrekening met inacht neming van de wettelijke bepalingen over enig boekjaar een of meer interim uitkeringen doen op de aandelen.

STATUTENWIJZIGING

ARTIKEL 17

1. De algemene vergadering van aandeelhouders is bevoegd de statuten te wijzigen.

2. Een besluit tot statutenwijziging kan slechts worden genomen indien het voorstel is opgenomen in de brief welke tot de vergadering oproept.

3. Degenen die zodanige oproeping hebben gedaan, moeten tegelijkertijd een afschrift van dat voorstel, waarin de voorgedragen wijziging woordelijk is opgenomen ten kantore der vennootschap neerleggen ter inzage voor iedere aandeelhouder tot na afloop der vergadering.

ONTBINDING

ARTIKEL 18

1. De algemene vergadering van aandeelhouders is bevoegd tot ontbinding der vennootschap te besluiten.

2. Indien een besluit tot ontbinding is genomen geschiedt de vereffening door het bestuur, tenzij de algemene vergadering van aandeelhouders anders mocht besluiten.

3. Na afloop der vereffening blijven de boeken en bescheiden der ontbonden vennootschap gedurende de wettelijke termijn onder berusting van de daartoe door de algemene vergadering van aandeelhouders aan te wijzen persoon.

ARTIKEL 19

Aan de algemene vergadering van aandeelhouders behoort, binnen de door de wet en de statuten gestelde grenzen, alle bevoegdheid, die niet aan het bestuur of aan anderen is toegekend.

Slotverklaring

De comparant, handelend als gemeld, verklaarde ten slotte dat terzake van deze statutenwijziging de verklaring als bedoeld in artikel 2:235 Burgerlijk Wetboek, is verleend op twintig september tweeduizend zes, nummer B.V. 400.136, welke verklaring aan deze akte zal worden gehecht.

Slot

De comparant is mij, notaris, bekend.

WAARVAN AKTE, in minuut verleden ter plaatse en op de datum in het hoofd van deze akte vermeld.

Na zakelijke opgave van de inhoud van deze akte en het geven van een toelichting daarop en nadat ik, notaris, heb gewezen op de gevolgen van de inhoud van deze

akte voor de partij, heeft de comparant verklaard van de inhoud van deze akte te hebben kennis genomen na daartoe tijdig in de gelegenheid te zijn gesteld, met de inhoud van de akte in te stemmen en op volledige voorlezing daarvan geen prijs te stellen.

Onmiddellijk na beperkte voorlezing is deze akte ondertekend door de comparant en mij, notaris, om tien uur en vijfenveertig minuten.

(volgt ondertekening)

[GRAPHIC]

UITGEGEVEN VOOR AFSCHRIFT:
door mij, mr. Judith Hester Elizabeth van Brussel, kandidaat-notaris, waarnemer van mr. Petra Maria de Jong, notaris te Eindhoven, op zevenentwintig september tweeduizend zes.

/s/ Illegible

ARTICLES OF ASSOCIATION

NAME AND SEAT
Article 1

The name of the company is Philips Semiconductors B.V.
It is registered at Eindhoven

OBJECTS
Article 2

The objects of the company are to manufacture and trade in electrical, electronic, mechanical and other (system-) components and materials in the field of consumer- and professional electronica in the widest sense, to participate in, to hold interests in any other way, to conduct the management of other companies or enterprises of any nature, and to borrow and lend monies, to provide security for a debt and to commit itself as guarantor or joint and several debtor for or to guarantee performance by a third party and to do everything pertaining thereto or connected therewith, including to render services to and to participate in other enterprises.

CAPITAL
Article 3

1. The authorised capital of the company amounts to fortyfive million Euro (€ 45,000,000.=) divided into one hundred thousand (100.000) shares of fourhundredfifty Euro (€ 450.=) each.

2. The shares are registered. They are numbered consecutively from one onwards. No share certificates shall be issued.

SHARES
Article 4

1. The company may only issue (rights to) shares pursuant to a resolution of the General Meeting of Shareholders. The General Meeting of Shareholders may transfer its authority to do this to another corporate body and may revoke this transfer.

2. The company shall not cooperate in the issue of depositary receipts.

3. If a right of usufruct is established on the shares, the voting right attached to the shares on which such usufruct is established shall not be transferred to the usufructuary.

4. A pledgee that does not have voting rights, may be granted the rights conferred by law on holders of depositary receipts for shares issued with the cooperation of a company.

TRANSFER OF SHARES
Article 5

1. If a shareholder wishes to dispose of one or more of his shares, regardless of the title under which such disposal is to take place, this may only be done lawfully by having due regard to the following stipulations.

2. In order to be valid, every transfer of shares shall require the approval of the General Meeting of Shareholders.

3. A petition for approval shall be decided upon within three months. If the petitioner has not been informed of any decision by letter within this period, the petition shall be deemed to have been granted.

4. A refusal of the petition shall be regarded as an approval if the General Meeting of Shareholders does not inform the petitioner simultaneously of one or more interested parties who are willing and able to buy for cash all the shares to which the petition for approval relates.

5. If the petitioner and the interested party or parties accepted by him cannot agree upon a price, the purchase price shall be established by one or more independent experts, to be appointed within one month after a request to this effect has been received by the General Meeting of Shareholders. The expert or experts appointed shall establish the price within one month after his or their appointment.

6. The petitioner is entitled to withdraw from the sale, provided this is done within one month after the price which has been established and the interested party or parties are definitively known to him.

7. If the petition for approval is granted, or is deemed to have been granted, the transfer proposed by the petitioner may only take place during a period of three months after the approval has been granted or is deemed to have been granted.

8. The company itself may be an interested party only with the consent of the petitioner.

9. The previous paragraphs of this Article do not apply in case a shareholder is statutorily required to transfer its share or shares to a previous shareholder.

PURCHASE OF OWN SHARES
Article 6

1. The company is entitled to acquire for its own account and for valuable consideration, fully paid-up shares in its own authorised share capital up to the maximum limits permitted by law.

2. The shares held by the company in its own authorised share capital may be disposed of subject to the stipulations of Article 5.

SHARE REGISTER
Article 7

The names and addresses of the shareholders and those who have a right of usufruct or a right of pledge on shares shall be entered in one or more registers kept by the Management Board of the company, stating the amount paid up on each share and/or stating the rights attached to each share. At least one of the registers shall be deposited at the office of the

---

company.

The provisions of the law shall apply to the register.

MANAGEMENT BOARD
Article 8

1. The company shall be managed by a Management Board, the number of members of which shall be determined by the General Meeting of Shareholders.

2. The members of the Management Board shall be appointed and dismissed by the General Meeting of Shareholders.

3. The General Meeting of Shareholders may appoint one of the members of the Management Board as Chairman.

4. The remuneration and the other terms of employment of the members of the Management Board shall be determined by the General Meeting of Shareholders.

5. The members of the Management Board may be suspended either collectively or individually by the General Meeting of Shareholders.

6. The Management Board is obliged to follow the instructions given by the General Meeting of Shareholders with regard to the general lines of the financial, social and economic policy to be pursued.

7. The Management Board may draw up standing orders with regard to the manner of convening Board meetings and the internal procedure at such meetings.

Article 9

1. The company shall be represented at law and otherwise by the Management Board, unless the law stipulates otherwise. The company may also be represented by two members of the Management Board acting jointly. If the Management Board consists of only one Board member, he shall be fully authorised to represent the company at law and otherwise.

2. The Management Board shall have the power, after prior approval of the General Meeting of Shareholders, to authorise one or more of its members to represent the company within certain limits specified in the authorization.

3. In the event of the absence or inability to act of one or more members of the Management Board, the remaining members or the remaining member of the Management Board shall be charged with the entire management.

4. In the event of the absence or inability to act of all the members of the Management Board a person to be appointed by the General Meeting of Shareholders shall be temporarily charged with the management.

5. If a member of the Management Board, acting in his personal capacity, enters into an agreement with the company or conducts any litigation against the company, the company may, with due observance of the provisions of the first paragraph, be represented in that matter by the other members of the Management Board, unless the General Meeting of Shareholders designates a person for that purpose or the law provides for the designation in a different manner. Such person may also be the managing director in respect of whom there is a conflict of interest.

If a member of the Management Board has a conflict of interest with the company other than as referred to in the first sentence of this paragraph, he as well as the Management Board or the other members of the Management Board shall have the power to represent the company, with due observance of the provisions of the first paragraph.

Article 10

The Management Board may appoint and dismiss, after the prior approval of the General Meeting of Shareholders, one or more attorneys ("*procuratiehouder*") and similar officers and to determine their duties, authorities and title and to authorise these persons to represent the company at law and otherwise in such manner and until such amount as stipulated in the resolution to appoint them.

GENERAL MEETING OF SHAREHOLDERS

Article 11

1. The General Meeting of Shareholders shall appoint a Chairman at the meeting.

2. Shareholders may cause themselves to be represented at the General Meeting of Shareholders by a proxy with written authority.

3. The members of the Management Board shall have in that capacity an advisory function at the General Meeting of Shareholders.

Article 12

The ordinary General Meeting of Shareholders shall be held no later than in the month of June of each year, at which meeting the following items at least shall be on the agenda:

a. the annual report;

b. the annual accounts;

c. the other proposals made by the Management Board or by shareholders, which are mentioned in the letter convening the meeting.

Article 13

1. Extraordinary General Meetings shall be held as often as the Management Board deems necessary and must be held if one or more shareholders - together representing at least one-tenth of the issued share capital - submit a request in writing to this effect to the Management Board, specifying the subjects to be dealt with.

2. The period of notice for convening General Meetings shall be at least fifteen days, not counting the day on which the notice is sent and the day of the meeting. If this period has been shorter, or if no notice convening the meeting has been sent, then no valid resolutions may be adopted, except by a unanimous vote at a meeting at which the entire issued share capital is represented.

3. The shareholders shall be convened by letter, sent to the address shown in the

shareholders' register.

4. The notice convening the meeting shall state, in addition to the place and time of the meeting, the issues to be dealt with at the meeting, and furthermore such matters as one or more shareholders, representing at least one-hundredth of the issued share capital, have requested the Management Board to place on the agenda at least two days before the date on which the meeting is convened.

No valid resolutions may be adopted regarding matters which have not been announced in the letter convening the meeting or in an additional letter which has been sent having due regard to the fixed period of notice for convening meetings, unless the resolution is adopted by an unanimous vote at a meeting at which the entire issued share capital is represented.

Article 14

1. The resolutions of the General Meeting of Shareholders shall be adopted by an absolute majority of the votes cast, unless a larger majority is stipulated by law or in these Articles of Association. Each share shall confer the right to cast one vote.

2. All votings shall be orally unless the General Meeting of Shareholders requests a poll in writing.

3. Where the voting concerns appointments, further polls shall be taken, if necessary, until one of the nominees has obtained an absolute majority. The further poll or polls may be taken, at the Chairman's discretion, at a subsequent meeting.

4. Minutes shall be kept of the items dealt with at a General Meeting of Shareholders by one of the persons present who shall be appointed by the Chairman.

5. Resolutions may be adopted by shareholders otherwise than at a meeting. Such resolutions may only be adopted by a unanimous vote of the shareholders. The votes may only be cast in writing (including by telegram, by telex or facsimile).

FINANCIAL YEAR, ANNUAL ACCOUNTS, PROFIT APPROPRIAT1ON
Article 15

1. The financial year shall be identical to the calendar year.

2. Within five months after the close of each financial year -unless this period is extended by the General Meeting of Shareholders because of exceptional circumstances for a period which in no event shall exceed six months- the Management Board shall draw up annual accounts consisting of a balance sheet as at the end of the preceding financial year and a profit and loss account of the preceding financial year, with explanatory notes appended thereto. The Management Board shall submit the annual report within the abovementioned period, all this in so far as necessary in pursuance of statutory provisions.

3. The annual accounts shall be signed by the members of the Management Board. If the signature of one or more of the members of the Management Board is missing, the reason for this shall be stated.

Article 16

1. The annual accounts shall be adopted by the General Meeting of Shareholders.

2. The profit shall be available to the General Meeting of Shareholders, having due regard to the provisions of the law.

3. Resolutions to make distributions from profit for the preceding financial year, or from reserves which are eligible for such distribution, may only be adopted by the General Meeting of Shareholders.

The General Meeting of Shareholders may resolve to make such distributions in the form of an issue of shares.

4. Subject to the provisions of the law, the Management Board may distribute one or more interim dividends on the shares before the annual accounts have been adopted.

ALTERATIONS TO THE ARTICLES OF ASSOCIATES
Article 17

1. The General Meeting of Shareholders is authorised to alter the Articles of Association.

2. A resolution to alter the Articles of Association may only be adopted if the proposal is contained in the letter convening the meeting.

3. Those who have convened such a meeting must simultaneously deposit a copy of that proposal, containing the wording of the proposed alteration, at the office of the company for inspection by any shareholder until the end of the meeting.

DISSOLUTION
Article 18

1. The General Meeting of Shareholders is authorised to adopt a resolution to dissolve the company.

2. If a resolution to dissolve the company is adopted, the liquidation shall be effected by the Management Board, unless otherwise resolved by the General Meeting of Shareholders.

3. On completion of the liquidation the books and documents of the dissolved company shall remain in the custody of the person to be appointed by the General Meeting of Shareholders for this purpose for the period specified by law.

Article 19

All powers which have not been conferred on the Management Board or on others shall be vested in the General Meeting of Shareholders, within the limits laid down by the law and the Articles of Association.

***

<Logo>
NXP Semiconductors Netherlands B.V.
de heer B.Dekker
High Tech Campus 60
5656 AG EINDHOVEN

- *KAMER VAN KOOPHANDEL OOST -BRABANT*
  KANTOOR EINDHOVEN:
  T (040) 232 39 11 F (040) 244 95 05
- *POSTADRES:*
  POSTBUS 735.5600 AS EINDHOVEN
  INFO@EINDHOVEN.KVK.NL

WWW.KVK.NL
BANK: 44.40.34.250

ONS KENMERK	*UW KENMERK*	*DATUM*
17070621/jhen		13 april 2007
E-MAIL	*DOORKIESNUMMER*	*BIJLAGE(N)*
jhennep@eindhoven.kvk.nl	0402323870	
ONDERWERP		
Verklaring Naamswijziging		

- Geachte heer Dekker,

DECLARATION

Herewith we certify that the name Philips Semiconductors B.V., commerical register number 17070621, has been changed into NXP Semiconductors Netherlands B.V., as a result of an amendment of Article of Association on 28-12-2006.

Other information of this company is not included in this certification.

Met vriendelijke groet,
Kamer van Koophandel Oost-Brabant

/s/ J.G. Hennep
J.G. Hennep
medewerkster Klantontvangst & infoverstrekking

202462/PJ/cv
version date 23 November 2006

AMENDMENT OF THE ARTICLES OF ASSOCIATION OF PHILIPS SEMICONDUCTORS B.V. (complete);
New name: NXP Semiconductors Netherlands B.V.

On the twenty-eighth of December two thousand and six, there appeared before me, *Meester* Petra Maria de Jong, civil-law notary of Eindhoven:

Meester Judith Hester Elizabeth van Brussel, born at Eindhoven on the second of October nineteen hundred and seventy-six, employed by the company limited by shares AKD Prinsen Van Wijmen N.V., whose registered office is situated in Rotterdam, at its establishment at (5657 DA) Eindhoven, Flight Forum 1.

Introduction

The appearer, acting as mentioned, stated:

A. The articles of association of the private company with limited liability **Philips Semiconductors B.V.**, whose registered office is situated at Eindhoven, with the address: (5656 AG) Eindhoven, High Tech Campus 60, entered in the Commercial Register under number 17070621, were recently amended by deed executed before a deputy of *Meester* P.M. de Jong, civil-law notary of Eindhoven, on the twenty-seventh of September two thousand and six, with regard to which amendment of the articles of association the ministerial certificate of no objection was granted on the twentieth of September two thousand and six, under Minister of Justice number B.V. 400.136.

B. The general meeting of shareholders of the company resolved by resolution without a meeting on the twentieth of November two thousand and six to amend the articles of association of the company, on which occasion the name of the company will be changed into NXP Semiconductors Netherlands B.V.

Furthermore it was resolved inter alia to authorize the appearer to execute the resolution passed.

The above-mentioned resolutions are evidenced by a shareholders' resolution, which will be attached to this deed.

Amendment of the articles of association

For the performance of the above the appearer, acting as mentioned, stated that he was amending the articles of association of the company in such a manner that they will read in their entirety as follows:

ARTICLES OF ASSOCIATION
NAME AND SEAT
ARTICLE 1

The name of the company is: **NXP Semiconductors Netherlands B.V.**

Its registered office is situated at Eindhoven.

OBJECT
ARTICLE 2

The object of the company shall be to manufacture and deal in electrical, electronic, mechanical and other (system) parts and materials in the field of consumer and professional electronics in the widest sense of the word, and also to

participate in, to be otherwise interested in, to conduct the management of other enterprises, of any nature whatsoever, furthermore to supply and enter into money loans, to give security in any way or to bind itself for obligations of third parties and finally everything that is related to the above or may be conducive thereto.

CAPITAL
ARTICLE 3

1. The authorized capital of the company amounts to forty-five million euros (EUR 45,000,000.00), divided into one hundred thousand (100,000) shares of four hundred and fifty euros each (EUR 450.00);

2. The shares shall be registered. They have been numbered consecutively from 1.

No share certificates shall be issued.

SHARES

ARTICLE 4

1. The company may only issue (rights to) shares in pursuance of a resolution of the general meeting of shareholders. The general meeting may transfer its power for the purpose to another body and may revoke this transfer.

2. The company shall not co-operate in the issue of depositary receipts.

3. When a usufruct of the shares is created, the right to vote on the shares of which such a usufruct is created shall not pass to the usufructuary.

4. The rights that have been granted by law to the holders of depositary receipts issued with the co-operation of a company may be granted to a pledgee who has no right to vote.

TRANSFER OF SHARES
ARTICLE 5

1. If a shareholder wishes to alienate one or more of his shares, no matter by virtue of what title, this may only be done in a legally valid manner with observance of the following provisions.

2. In order to be valid every transfer of shares shall require the approval of the general meeting of shareholders.

3. A decision must be made on the request for approval within three months. If no decision had been brought to the knowledge of the offeror by letter, the request shall be deemed to have been granted.

4. A refusal of the request shall be considered an approval if the general meeting of shareholders does not simultaneously give the offeror the name(s) of one or more prospective purchasers who are prepared and able to buy for cash all the shares to which the request for approval relates.

5. If the offeror and the prospective purchaser(s) accepted by him cannot agree on a price, the purchase price shall be determined by one or more independent experts, to be designated within one month after a request received for the purpose by the general meeting of shareholders. The designated expert(s) shall determine the price within one month after his (their) designation.

6. The offeror shall be empowered to decide against the sale, provided that this is done within one month after the price determined and the prospective purchasers have become definitively known to him.

7. If the request for approval is granted or if it is deemed to have been granted, the transfer intended by the offeror may only be made during a period of three months after the approval has been granted or is deemed to have been

granted.

8. The company itself may only be a prospective purchaser with the offeror’s consent.

9. The preceding paragraphs of this article shall not apply if a shareholder is obliged by virtue of the law to transfer his share/shares to an earlier holder.

PURCHASE OF THE COMPANY’S OWN SHARES
ARTICLE 6

1. Up to the maximum limits allowed by law the company shall be empowered to acquire fully paid-up shares in its authorized capital for a valuable consideration for its own account.

2. The shares held by the company in its own authorized capital may be alienated with observance of the provisions in article 5.

REGISTER OF SHARES
ARTICLE 7

The shareholders and the persons who have a usufruct or pledge in respect of shares shall be entered with names and addresses and with mention of the amount paid on every share and with mention of the rights attaching to the shares in one or more registers kept for the purpose by the management board of the company, of which at least one shall be kept at the office of the company.

The statutory provisions shall apply to the register.

THE MANAGEMENT BOARD
ARTICLE 8

1. The company shall be managed by a management board whose number of members shall be determined by the general meeting of shareholders.

2. The members of the management board shall be appointed and dismissed by the general meeting of shareholders.

3. The general meeting of shareholders may appoint one of the members of the management board as chairman.

4. The remuneration and the other conditions of employment of the members of the management board shall be determined by the general meeting of shareholders.

5. The members of the management board may be suspended, jointly or separately, by the general meeting of shareholders.

6. The management board shall be obliged to follow the instructions that are given by the general meeting of shareholders concerning the general lines of the financial, social and economic policies to be pursued.

7. The management board may lay down bye-laws concerning the manner of calling its meetings and the internal order at those meetings.

ARTICLE 9

1. The company shall be represented in and out of court by the management board, in so far as nothing else follows from the law. The power of representation shall also be due to two members of the management board acting together. If there is only one managing director, he shall be fully empowered to represent the company in and out of court.

2. After prior approval of the general meeting of shareholders the management board shall be empowered to authorize one or more of its members to represent the company within certain limits described in the authorization.

3. In the event of absence or prevention of one or more members of the management board the remaining members of the management board or the

remaining member of the management board shall be entrusted with the whole management.

4. In the event of absence or prevention of all the members of the management board, a person yet to be designated by the general meeting of shareholders shall be temporarily entrusted with the management.

5. If a managing director privately concludes an agreement with the company or privately conducts any action against the company, the company may be represented in the matter, with observance of the provisions in the first paragraph, by one of the other managing directors, unless the general meeting designates a person for the purpose or the law provides for the designation in another way. Such a person may also be the managing director in respect of whom the conflict of interests exists.

   If a managing director has a conflict of interests with the company in another manner than described in the first sentence of this paragraph, he shall be empowered to represent the company, just like the management board or the other managing directors, with observance of the provisions in the first paragraph.

ARTICLE 10

After prior approval of the general meeting of shareholders the management board shall be empowered to appoint and dismiss one or more confidential clerks and officers to be equated with them and to determine their titles and to authorize them to represent the company in and out of court in the manner and to the amount as mentioned in the resolution on their appointment.

GENERAL MEETING OF SHAREHOLDERS
ARTICLE 11

1. At the meeting the general meeting of shareholders shall designate a chairman.

2. Shareholders may be represented at a general meeting of shareholders by proxies authorized in writing.

3. As such the members of the management board shall have a consultative voice at the general meeting of shareholders.

ARTICLE 12

Every year, at the latest in the month of June, the ordinary general meeting of shareholders shall be held, at which meeting attention shall be given inter alia to:

a. the annual report;

b. the annual accounts;

c. the other proposals mentioned in the convening notice made by the management board or by shareholders.

ARTICLE 13

1. Extraordinary general meetings shall be held as often as the management board deems that necessary and must be held if one or more shareholders - jointly representing at least one tenth of the subscribed capital - ask this in writing from the management board with an accurate statement of the subjects to be discussed.

2. The convening period for the general meeting shall be at least fifteen days, not counting the day of the call and that of the meeting.

   If that period was shorter or if the call has not been made, no valid resolutions may be passed, unless it is done unanimously at a meeting at which the whole subscribed capital is represented.

3. The shareholders shall be called by letter sent to the addresses mentioned in the register of shareholders.

4. The convening notice shall state not only place and time of the meeting but also the subjects to be discussed, furthermore the subjects whose placement on the agenda has been requested from the management board at least two days before the day of the call by one or more shareholders representing at least one hundredth of the subscribed capital.

   About subjects that have not been announced in the convening notice or in a supplementary convening notice with observance of the period set for the call, no valid resolution may be passed, unless the resolution is passed unanimously at a meeting at which the whole subscribed capital is represented.

ARTICLE 14

1. The resolutions of the general meeting of shareholders shall be passed by an absolute majority of the votes cast unless the law or these articles of association prescribe a greater majority.

   Each share shall entitle its holder to cast one vote.

2. All votes shall be taken orally, unless the general meeting of shareholders desires a written vote.

3. In votes on appointments revotes shall be taken, if necessary, until one of the proposed persons has acquired the absolute majority.

   The revote(s) may be taken at a further meeting if the chairman deems this desirable.

4. The proceedings at a general meeting shall be laid down in minutes by a person present to be designated by the chairman.

5. Resolutions of shareholders may be passed in another manner than at a meeting. Such a passing of resolutions shall only be possible by a unanimous vote of the shareholders. The votes may only be cast in writing (including by telegram, by telex or fax).

FINANCIAL YEAR, ANNUAL ACCOUNTS, APPROPRIATION OF PROFIT
ARTICLE 15

1. The financial year shall be the calendar year.

2. Annually, within five months after the end of the financial year - barring extension of this period by a maximum of six months by the general meeting of shareholders on the strength of exceptional circumstances - the management board shall prepare annual accounts, consisting of a balance sheet at the end of the past financial year and a profit and loss account for the past financial year with the notes to these documents as an annex. Within the above-mentioned period the management board shall submit the annual report, everything in so far as necessary in pursuance of statutory provisions.

3. The annual accounts shall be signed by the members of the management board.

   If the signature of one or more of them is lacking, this shall be stated with the reason.

ARTICLE 16

1. The general meeting of shareholders shall adopt the annual accounts.

2. The profit shall be at the disposal of the general meeting of shareholders, with observance of the statutory provisions.

3. Resolutions on making distributions from the profit for the past financial year

or from reserves qualifying for the purpose may only be passed by the general meeting of shareholders.

The general meeting of shareholders may resolve to have such distributions made in the form of an issue of shares.

4. Before adoption of the annual accounts with observance of the statutory provisions for any financial year the management board may already make one or more interim distributions on the shares.

AMENDMENT OF THE ARTICLES OF ASSOCIATION
ARTICLE 17

1. The general meeting of shareholders shall be empowered to amend the articles of association.

2. A resolution on amendment of the articles of association may only be passed if the proposal has been included in the letter convening the meeting.

3. The persons who have made such a call must simultaneously make available a copy of that proposal in which the proposed amendment has been included verbatim at the office of the company for inspection by every shareholder until after the end of the meeting.

DISSOLUTION
ARTICLE 18

1. The general meeting of shareholders shall be empowered to resolve on dissolution of the company.

2. If a resolution on dissolution has been passed, the liquidation shall be effected by the management board, unless the general meeting of shareholders should decide differently.

3. After the end of the liquidation the books and documents of the dissolved company shall remain during the statutory term in the keeping of the person to be designated for the purpose by the general meeting of shareholders.

ARTICLE 19

All power that has not been granted to the management board or to others shall be due to the general meeting of shareholders, within the limits set by the law and the articles of association.

Final Statement

The appearer, acting as mentioned, finally stated that with regard to this amendment of the articles of association the certificate as referred to in section 2:235 of the Civil Code was granted on the twenty-seventh of November two thousand and six, number B.V. 400,136, which certificate will be attached to this deed.

End

The appearer is known to me, civil-law notary.

Whereof an original deed was executed in the place and on the date mentioned at the head of this deed.

After the gist of this deed had been stated and an explanation thereof had been given and after I, civil-law notary, had drawn attention to the consequences of the contents of this deed for the party, the appearer stated that she had taken note of the content of this deed after having been given an opportunity to do so in good time, that she agreed to the contents of the deed and did not want it to be read out in full.

Immediately after having been read out in part this deed was signed by the appearer and me, civil-law notary, at eleven hours and ten minutes.

Exhibit 3.5

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "NXP FUNDING LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE ELEVENTH DAY OF SEPTEMBER, A.D. 2006, AT 11:29 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY, "NXP FUNDING LLC".

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4217382 8100H [SEAL]

060866247

AUTHENTICATION: 5054246
DATE: 09-20-06

STATE *of* DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE *of* FORMATION

- **First:** The name of the limited liability company is NXP Funding LLC
- **Second:** The address of its registered office in the State of Delaware is 2711 Centerville Road Suite 400 in the City of Wilmington, DE 19808. The name of its Registered agent at such address is Corporation Service Company
- **Third:** (Use this paragraph only if the company is to have a specific effective date of dissolution: "The latest date on which the limited liability company is to dissolve is N?A.")
- **Fourth:** (Insert any other matters the members determine to include herein.) N?A

In Witness Whereof, the undersigned have executed this Certificate of Formation this 11th day of September, 2006.

By: /s/ Warren T. Oates
Authorized Person(s)

Name: Warren T. Oates, Jr.
Typed or Printed

State of Delaware
Secretary of State
Division of Corporation
Delivered 11:27 AM 09/11/2006
FILED 11:29 AM 09/11/2006
SRV 060836228 - 4217382

Exhibit 3.6

LIMITED LIABILITY COMPANY AGREEMENT
OF
NXP FUNDING LLC

This LIMITED LIABILITY COMPANY AGREEMENT ("Agreement") dated as of September 22, 2006, is entered into between by Philips Semiconductors International B.V., a limited liability company incorporated under the laws of The Netherlands, as sole member (the "Member").

RECITALS

A. On September 11, 2006, the Certificate of Formation (the "Certificate") of NXP Funding LLC (the "Company") was filed with the Secretary of State of Delaware and the Company was formed as a limited liability company pursuant to the Delaware Limited Liability Company Act (codified at Delaware Code Title 6, Section 18.101 et seq., the "Act").

B. The Member is the sole member of the Company.

C. This Agreement is intended to serve as the limited liability company agreement of the Company within the meaning of the Act.

SECTION 1. ORGANIZATION MATTERS AND CERTAIN DEFINITIONS

1.1 Name.

The name of the company is "NXP Funding LLC". The company may conduct business under any other name approved by its members, subject to the filing of such fictitious name registrations as are required by law.

1.2 Perpetual Existence.

The Company shall have perpetual existence, beginning on the date of filing its Certificate of Formation (the "Certificate"), unless dissolved under Section 5.1.

1.3 Office and Agent.

The Company shall continuously maintain an office and registered agent in Delaware as required by the Act. The registered agent shall be as stated in the Certificate or as otherwise determined by the members.

1.4 Purpose of Company.

The purposes for which the Company has been formed shall include the engagement in any other lawful act or activity for which limited liability companies may be organized under the Act.

1.5 Membership Interests.

The membership interests are "securities" governed by Article 8 of the Uniform Commercial Code of the State of Delaware in effect from time to time. Such membership interests shall be evidenced by a membership certificate substantially in the form of Exhibit I hereto.

SECTION 2. MEMBERS

2.1 Admission of Additional Members.

Members (or if more than one, a majority in interest of the members) may admit to the Company additional members who will participate in the management, net profits, net losses and distributions of the Company on such terms as are determined in writing by the members. A roster setting forth the name, address, tax identification number and percentage interest of each member shall be appended to this Agreement upon admission of any additional members.

2.2 Resignation of Members.

Provided that there is more than one remaining member, any member may resign as a member of the Company upon 30 days written notice to the remaining members, or such shorter period as the remaining member(s) may agree. Upon such resignation, such member shall have no further liability with respect to Company under the Act or otherwise.

2.3 Transfer and Assignment of Interest.

A member's interest in the Company is freely transferable and assignable by the member, notwithstanding any provision to the contrary in the Act.

2.4 Actions by Member.

Any action required or permitted to be taken by the members pursuant to this Agreement or the Act may be taken by a consent in writing, setting forth the action so taken, signed by the members.

2.5 Limited Liability.

Except as required under the Act or as expressly set forth in this Agreement, no member shall be personally liable for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise.

SECTION 3. CONTRIBUTION, ALLOCATIONS & DISTRIBUTIONS

3.1 Initial Contributions:

Each member will make an initial contribution consistent with its ownership interest in the Company, provided that, for so long as the Member remains the sole member of the Company, the Member may make capital contributions at such times and in such amounts as determined by the Member in its sole discretion.

3.2 Additional Contributions.

No member shall be required to make any additional contributions to the Company.

3.3 Allocations of Net Profit and Net Loss.

All profit and loss of the Company shall be allocated to the members. If there is more than one member, net profit and net loss shall be allocated among the members as agreed by them in writing.

3.4 Distribution of Assets by the Company.

Except (i) as otherwise agreed in writing or (ii) as provided in Section 5.3 hereof, cash and other assets of the Company shall be distributed to the members in accordance with their interests in profit and loss.

SECTION 4. MANAGEMENT AND CONTROL OF THE COMPANY

4.1 Management by Members.

The business and affairs of the Company shall be managed by the members. The members shall have the power and authority to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers and authorities, statutory or otherwise, possessed by members of limited liability companies under the laws of the State of Delaware. In connection with the foregoing, the members are hereby authorized and empowered to act through its officers and employees and other persons designated by the members in carrying out any and all of its powers and authorities under this Agreement, and to delegate any and all of the powers and authorities that the members possess under this Agreement to any of its officers and employees and to any other person designated by the members.

4.2 Officers.

The members shall have the power and authority to designate officers of the Company, who shall have such authority and perform such duties in the management of the Company as generally pertain to their respective offices, and shall have such other powers as the members may determine. The names and titles of the initial officers of the Company are as follows:

President	Peter van Bommel
Vice-President	Guido Dierick
Secretary	Jean Schreurs

Each such officer is hereby deemed to be an authorized person within the meaning of the Act. The members may remove any officer of the Company from office at any time.

4.3 Execution of Instruments.

All agreements, indentures, mortgages, deeds, conveyances, transfers, contracts, checks, notes, drafts, loan documents, letters of credit, undertakings and other instruments or documents may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of Company by the members, by each of the officers of the Company appointed herein or by any other officers, employees or agents of Company authorized by the Member to so act.

SECTION 5. DISSOLUTION AND WINDING UP

5.1 Conditions of Dissolution.

The Company shall dissolve upon the occurrence of any of the following events:

(1) Upon the entry of a decree of judicial dissolution pursuant to the Act;

(2) Upon the occurrence of the withdrawal, resignation, bankruptcy or dissolution of the Member (if it is the sole member) or the last remaining member (if there was more than one member); or

(3) Upon written agreement of the members if there is more than one member.

5.2 Winding Up.

Upon the dissolution of the Company, Company's assets shall be disposed of and its affairs would up by the members.

5.3 Payment of Liabilities and Distribution of Assets Upon Dissolution.

After determining that all the known debts and liabilities of the Company have been paid or adequately provided for, the remaining assets shall be distributed to the Member or, if there is more than one member, among the members in accordance with their respective interests.

SECTION 6. MISCELLANEOUS

6.1 Governing Law.

This Agreement shall be governed by the laws of Delaware (without regard to principles of conflicts of laws).

6.2 Amendment.

This Agreement may be amended by a written instrument executed by a majority in interest of members from time to time in their sole discretion.

IN WITNESS WHEREOF, the Members has executed this Agreement effective as of the date first above written.

Philips Semiconductors International B.V.

By: /s/ G.R.C. Dierick

Name: G.R.C. Dierick

Title: SVP & General Counsel

[NXP Funding LLC Agreement Signature Page]

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "PHILIPS SEMICONDUCTORS USA, INC.", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF JUNE, A.D. 2006, AT 2:37 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4176573 8100 [SEAL] *AUTHENTICATION: 4833736*

060583861 *DATE: 06-16-06*

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:38 PM 06/16/2006
FILED 02:37 PM 06/16/2006
SRV 060583861 – 4176573 FILE

CERTIFICATE OF INCORPORATION

OF

PHILIPS SEMICONDUCTORS USA, INC.

FIRST: The name of the corporation is:

PHILIPS SEMICONDUCTORS USA, INC.

SECOND: The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is One Thousand (1,000) and the par value of each of such shares is One Dollar ($1.00) amounting in the aggregate to One Thousand Dollars ($1,000.00).

FIFTH: The Board of Directors is authorized to make, alter or repeal the by-laws of the corporation. Election of directors need not be by written ballot.

SIXTH: The name and mailing address of the incorporator is:

Joseph E. Innamorati
1251 Avenue of the Americas
New York, New York 10020

I, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 16th day of June, 2006.

/s/ Joseph E. Innamorati

Joseph E. Innamorati

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PHILIPS SEMICONDUCTORS USA, INC.", CHANGING ITS NAME FROM "PHILIPS SEMICONDUCTORS USA, INC.", TO "NXP SEMICONDUCTORS USA, INC.", FILED IN THIS OFFICE ON THE FIFTH DAY OF DECEMBER, A.D. 2006, AT 1:42 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE TWENTY-EIGHTH DAY OF DECEMBER, A.D. 2006.

/s/ Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4176573 8100 [SEAL] *AUTHENTICATION: 5248955*

061108154 *DATE: 12-05-06*

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:56 PM 12/05/2006
FILED 01:42 PM 12/05/2006
SRV 061108154 - 4176573 FILE

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

PHILIPS SEMICONDUCTORS USA, INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is

PHILIPS SEMICONDUCTORS USA, INC.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article "First" thereof and by substituting in lieu of said Article the following new Article:

"First: The name of the corporation is NXP Semiconductors USA, Inc."

3. The amendment of the certificate of incorporation herein certified has been duly adopted and written consent has been given in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

4. This amendment shall become effective on December 28, 2006.

Signed on November 30, 2006

/s/ James N. Casey

James N. Casey
Vice President, General Counsel and Secretary

PHILIPS SEMICONDUCTORS USA, INC.

* * * * *

BY - LAWS

*****

As of June 23, 2006

ARTICLE I
OFFICES

Section 1. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held in the City of New York, State of New York, at such place as may be fixed from time to time by the board of directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders shall be held on the third Tuesday of April at which time they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation require a different vote in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III
DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall be not less than two nor more than seven. The number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may. upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the president without notice to each director; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors unless the board consists of only one director; in which case special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the sole director.

Section 8. At all meetings of the board a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more of the directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence of disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in Section 151(a) fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation) adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless the resolution or the certificate of incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 12. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 13. Unless otherwise restricted by the certificate of incorporation or these by-laws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or by-laws, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V
OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice-presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 8. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI
CERTIFICATES FOR SHARES

Section 1. The shares of the corporation shall be represented by a certificate or shall be uncertified. Certificates shall be signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation.

Within a reasonable time after the issuance or transfer of uncertified stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151,156, 202(a) or 218(a) or a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Any of or all the signatures on a certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or

certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the corporation.

FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS
DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may de declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. The board of directors shall present at such annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware”. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

Section 7. The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

ARTICLE VIII
AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors, when such power if conferred upon the board of directors by the certificate of incorporation at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alternation, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting. If the power to adopt, amend or repeal by-laws is conferred upon the board of directors by the certificate of incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

Extract of the Company Register Hamburg regarding
NXP Semiconductors Germany GmbH, listed under HRB 84865
(translation)

as recorded on April 10, 2007.

1. Number of Entries hitherto
5.

2. a) Company Name
NXP Semiconductors Germany GmbH

b) Commercial Seat, Branches
Hamburg

c) Business Subject
The development, production and distribution and marketing of semiconductors components.

3. Nominal Capital
75,600,000.00 EUR

4. a) General Representation of the Company
The company is represented through one general manager if he is the sole general manager or if the shareholders have authorized him to represent the company alone. Beyond this, the company is jointly represented through two general managers or jointly through one general manager and one authorized signatory, entitled through procuration.
The entitlement to represent the company alone may be granted. The general managers may be authorized to conclude on their own behalf or as representatives of a third party transactions with the company.

b) Board of directors, management body, personally liable shareholders, general manager, representatives and specific rights to represent the company
Entitled to represent the company together with another general manager or an authorized signatory, entitled through procuration:
General Manager: Dr. Hummel, Michael, resident in Weil im Schönbuch, bom April 2, 1959

Entitled to represent the company together with another general manager or an authorized signatory, entitled through procuration:
General Manager: Dr. Kuckhermann, Volker, resident In Herrenberg, bom March 15, 1955

5. Authorized Signatories entitled through Procuration
Joint procuration together with a general manager or another authorized signatory, entitled through procuration:

Atorf, Manfred, resident in Allersberg, born January 4, 1952
Dr. Barthel, Thomas, resident in Wentorf, bom July 1, 1965
Behnke, Günter, resident in Langerwehe-Schlich, born November 7, 1952
Clauss, Sonja, resident in Escheburg, born October 13, 1958
Dr. Diehl, Frank, resident in Hamburg, born December 16, 1969
Duverne, Christophe Benoit Quention, resident in Hamburg, born August 20, 1966
Kamenzky, Hans-Erich, resident in Hamburg, born October 1, 1946
Langlois, Pascal, resident in München, born April 16, 1960
Leydag, Bernd, resident in Bargteheide, born January 18, 1945
Dr. Podbielski, Rainer, resident in Jork, born April 21, 1953
Dr. Ridder, Wigand, resident in Hamburg, born December 30, 1947

Rolla, Peter, resident in Hamburg, born September 27, 1960
Sauer, Willem, resident in EX Bennekom/NL, born March 25, 1964
Schachtschneider, Jürgen, resident in Tiefenbach, born April 11, 1953
Schwenk, Rudi, resident in Herrenberg, born March 28, 1945
Siemers, Heinz-Jürgen, resident in Tramm, born December 20, 1945
Weggen, Wolfgang, resident in Hamburg, born July 11, 1957
De Jong, Marc, resident in DE Eindhoven, Niederlande, born February 8, 1961
Zur Verth, Stephan, resident in Buchholz i.d.N., born November 27, 1956

6. a) Legal form, Effective Date, Articles of Association or Deed of Partnership
Limited Liability Company

Articles of Association of August 14, 2002
Last modified through shareholder resolution of November 20, 2006

b) Further Legal Relationships
The company has been, as the absorbing legal entity under the stipulations of the merger treaty of November 27, 2006 as well as the approving shareholder resolutions of the company's shareholder meeting and the general meeting of the absorbed legal entity effected on the same day, merged with Philips

Semiconductors AG having its commercial seat in Dresden (district court Dresden, HRB 18227).

7. Date of the Last Entry
April 3, 2007

Exhibit 3.10

Articles of Association of
NXP Semiconductors Germany GmbH,
(translation)

as amended by the changes of November 20, 2006.

§1

The company is a company with limited liability, acting under the company name

NXP Semiconductors Germany GmbH.

The commercial seat of the company is in Hamburg.

§2

The company's business subject comprises the development, production and distribution and marketing of semiconductors components. The company is entitled to execute any transactions and to take any measures which are related to the company's business subject or which appear to be beneficial for it.

§3

The nominal capital of the company amounts to Euro 75,600,000.00
(in words: Euro seventy five million six hundred thousand).
It is fully paid in,

§4

The company has one or several general managers. The general managers are obliged to comply with the instructions of the shareholders, in particular to comply with the management organization regulations provided by the shareholders and to execute those specific transactions that are defined by the shareholders as transactions that require approval upon the shareholders' consent only.

§5

The company is represented through one general manager if he is the sole general manager or if the shareholders have authorized him to represent the company alone. Beyond this, the company is jointly represented through two general managers or jointly through one general manager and one authorized signatory, entitled through procuration.

A release from the limitations of section 181 of the German Civil Code may be granted.

§6

The financial year of the company starts with January, 1st and ends with December, 31st of a calendar year.

§7

The announcements of the company are effected through publication in the electronic Federal Gazette of the Federal Republic of Germany.

§8

The company bears the taxes and costs of its establishment up to an overall amount of Deutsche Mark 2.000.00.

Exhibit 3.11

[Chinese Characters] :
[Chinese Characters] :
File Number:
Retention Period:

[Chinese Characters]
Letter of Export Processing Zone Administration, MOEA

[Chinese Characters] : 811[Chinese Characters]600[Chinese Characters]
[Chinese Characters] : 07-3682247
[Chinese Characters] : huifang@epza.gov.tw
[Chinese Characters] : [Chinese Characters]
[Chinese Characters] : 07-3611212 [Chinese Characters] : 333

Organ Address: No.600, Chia-Chang Road Nantze, Kaohsiung City 811, Taiwan
Fax: 07-3682247
Email: huifang@epza.gov.tw
Contact Person: Zhong Huifang
Contact Phone: 07-3611212 ext.333

[Chinese Characters] : [Chinese Characters]
[Chinese Characters] : [Chinese Characters]96[Chinese Characters]1[Chinese Characters]9[Chinese Characters]
[Chinese Characters] : [Chinese Characters]09600002150[Chinese Characters]
[Chinese Characters] : [Chinese Characters]
[Chinese Characters] : [Chinese Characters]
[Chinese Characters] : [Chinese Characters]

To: NXP Semiconductors Taiwan Ltd.
Document Date: January 9, 2007
Document No.: JJSSHZ NO.09600002150
Importance: Normal
Classification Level, Conditions to Declassify or Confidentiality Term: Common
Appendix: as below

[Chinese Characters] : [Chinese Characters], [Chinese Characters], [Chinese Characters]

Subject: Submission of Your Company’s application for change registration due to change of representative appointed by the legal person shareholder

[Chinese Characters]:
[Chinese Characters] [Chinese Characters]95[Chinese Characters]12[Chinese Characters]28[Chinese Characters]
[Chinese Characters] [Chinese Characters]NXP B.V.
[Chinese Characters] [Chinese Characters]([Chinese Characters] : 89002500)[Chinese Characters] 000845[Chinese Characters]1[Chinese Characters]
[Chinese Characters] [Chinese Characters], [Chinese Characters]30[Chinese Characters]
[Chinese Characters]

Notes:

1. Reply to Your Company’s application (FFZ NO.28) dated on December 28, 2006
2. The name of legal person shareholder is changed to NXP B.V.
3. One original of Company Change Registration Form (Unified Business No.: 89002500) and one original of Bill of Payment (NSHDZ NO.000845) are checked and returned to you.
4. In the case of any objection to this decision, please submit an appeal to us within 30 days from the second day after this decision is made.

[Chinese Characters] : [Chinese Characters]
[Chinese Characters]:

Original: NXP Semiconductors Taiwan Ltd.
Duplicate:

[Chinese Characters] : [Chinese Characters]

Division Chief: Zeng Canbao

[Chinese Characters]

According to responsibility stratification provisions, the person in charge of an organ is authorized to publish the Letter.

([Chinese Characters]) ([Chinese Characters])

(Seal of company) (Seal of company's legal representative)

[Chinese Characters] [Chinese Characters]

Check when changed Check when changed

[Chinese Characters], [Chinese Characters]

Please use oil-based ink when affixing seal and keep seal within the borders of the box.

[Chinese Characters]

Change Registration Form of NXP Semiconductors Taiwan Ltd.

[Chinese Characters] :
[Chinese Characters] : 89002500
[Chinese Characters] : 07-3612511[Chinese Characters]8113
[Chinese Characters] : [Chinese Characters] :
[Chinese Characters] : [Chinese Characters]

Name reservation No.:
Unified Business No.:
Company's Contact Phone: 07-3612511 ext. 8113

Enterprise with Investment by Overseas Chinese and Foreigners: o yes o no

Approved date of establishment:
Original name: NXP Semiconductors Taiwan Ltd.

[Chinese Characters] [Chinese Characters]([Chinese Characters]):[Chinese Characters]
[Chinese Characters] ([Chinese Characters])[Chinese Characters] : (811)[Chinese Characters]
[Chinese Characters] [Chinese Characters] : [Chinese Characters]
[Chinese Characters] [Chinese Characters] ([Chinese Characters]): 1,000[Chinese Characters]
[Chinese Characters] [Chinese Characters] ([Chinese Characters]): 5,330,007,000[Chinese Characters]
[Chinese Characters] [Chinese Characters] ([Chinese Characters]): 5,330,007,000[Chinese Characters]
[Chinese Characters] [Chinese Characters] : 5,330,007[Chinese Characters]
[Chinese Characters] [Chinese Characters] : 1[Chinese Characters] : 5,330,007[Chinese Characters];2[Chinese Characters]: [Chinese Characters]
[Chinese Characters] [Chinese Characters] : [Chinese Characters]
[Chinese Characters] [Chinese Characters] : [Chinese Characters]
[Chinese Characters] [Chinese Characters] : 3[Chinese Characters]95[Chinese Characters]11[Chinese Characters]30[Chinese Characters]98[Chinese Characters]9[Chinese Characters]23[Chinese Characters]
[Chinese Characters] [Chinese Characters] : 1[Chinese Characters] [Chinese Characters]95[Chinese Characters]11[Chinese Characters]27[Chinese Characters]98[Chinese Characters]9[Chinese Characters]23[Chinese Characters]

[Chinese Characters][Chinese Characters]([Chinese Characters]9, 10, 11, 12[Chinese Characters])

1. Company's name (changed): NXP Semiconductors Taiwan Ltd.
2. (Zip code) company's address: 10, Chin 5th Rd., Nantze Export Processing Zone, Kaohsiung City 811, Taiwan
3. Company's legal representative: Lv Xuezheng
4. Amount per share (in Arabic numerals): 1,000
5. Total capital (in Arabic numerals): 5,330,007,000
6. Total paid-up capital (in Arabic numerals): 5,330,007,000
7. Number of total shares: 5,330,007 shares
8. Number of total shares issued: (1) ordinary shares: 5,330,007 shares; (2) special shares: shares
9. Number of shares covered by warrants: shares
10. Number of shares covered by convertible bonds: shares
11. Number and tenure of office of directors: three persons, from November 30, 2006 to September 23, 2009
12. Number and tenure of office of supervisors: one person, from November 27, 2006 to September 23, 2009
13. Kind and amount of this capital increase (if the equity kind is merge of 9, 10, 11 and 12, please complete Box 16 below):

1, [Chinese Characters] : [Chinese Characters]
2, [Chinese Characters] : [Chinese Characters]
3, [Chinese Characters] : [Chinese Characters]
4, [Chinese Characters] : [Chinese Characters]
5, [Chinese Characters] : [Chinese Characters]
6, [Chinese Characters] : [Chinese Characters]
7, [Chinese Characters] : [Chinese Characters]
8, [Chinese Characters] : [Chinese Characters]
9, [Chinese Characters] : [Chinese Characters]
10, [Chinese Characters] : [Chinese Characters]

11, [Chinese Characters] : [Chinese Characters]
12, [Chinese Characters] : [Chinese Characters]

(1) Cash:
(2) Property other than cash:
(3) Shares set off by credit rights:
(4) Reserved funds:
(5) Dividend and bonus:
(6) Shares covered by convertible bonds:
(7) Shares covered by warrants:
(8) Share exchange:
(9) Amalgamation:
(10) Division:
(11) Share conversion:
(12) Acquisition:

[Chinese Characters] : [Chinese Characters]
[Chinese Characters] : [Chinese Characters]

14. Amount of this capital decrease:
15. Amount of the shares written off due to this amalgamation:

- [Chinese Characters] : 95[Chinese Characters]1[Chinese Characters]9[Chinese Characters]09600002150 [Chinese Characters]
- [Chinese Characters]:

- Approval Registration Date and Document No.: January 9, 2006, JJSSHZ NO.09600002150
- File number:

[Chinese Characters]

[Chinese Characters]

(1) Application shall be made in duplicate. After processing, one copy will be retained by the processing unit and the other shall be issued to the applicant
(2) In order to facilitate computer processing, please use type or use computer printout to complete this form. Use Arabic numerals. Do not fold, erase, label or alter this form.
(3) Leave the Boxes for Change Registration Date and Document No. and file number blank.
(4) If the company's capital is not substantial due to violation of the company law, the company's legal representative may be sentenced to not more than five years imprisonment.
(5) In order to facilitate postal processing, please enter the zip code in the address boxes.

[Chinese Characters]

Change Registration Form of NXP Semiconductors Taiwan Ltd.

[Chinese Characters]:

1, [Chinese Characters]
2, [Chinese Characters]

Notes:

1. If the space provided is insufficient, you may copy and attach sections of this form, and delete unnecessary sections to make space. If this page is insufficient, you may copy this complete page and delete unnecessary sections to make space.
2. If you are including additional pages please indicate so by checking the appropriate box at the end of this page. Please do not delete it.

[Chinese Characters]

16. details of the merged or acquired company
Check when changed
Kind of merger & acquisition:
Baseline date of merger & acquisition:
Unified Business No. of the merged or acquired company:
Name of the company:

[Chinese Characters]

Business Scope:
Check when changed
No.:
Code:
Description of business scope:

1, [Chinese Characters]
2, [Chinese Characters]

3, [Chinese Characters]
4, [Chinese Characters]
5, [Chinese Characters]
6 [Chinese Characters]
7 [Chinese Characters]
8, [Chinese Characters]

(1) Processing, assembling, manufacturing and selling the finished products, semi-finished products, parts and components of various kinds of electronic products.
(2) Processing, assembling, manufacturing and selling the machinery, equipment, instruments, relevant accessories, parts and components of the above products.
(3) Purchasing, domestically and overseas, the semi-finished products, raw materials, parts and components of the originally approved products, and providing the same to overseas parent company or affiliates after inspection.
(4) Providing technical services of design and manufacturing of integrated circuits.
(5) Providing industrial and commercial consultation and technical services to the industrial and commercial fields.
(6) General import trade business (except for licensed business).
(7) Environmental inspection and testing services.
(8) Other business relating to the above business.

[Chinese Characters]

Check here if there are additional pages.
Check here if there are no additional pages.
This box for official use only.

[Chinese Characters]

List of Directors and Supervisors ([Cont.])

[Chinese Characters]

Check when changed
No.:
Title:
Name (or name of the legal person):
ID No. (or Unified Business No. of the legal person):
Shares held (shares):
(Zip code) Address or residence (or address of the legal person):

1, [Chinese Characters]

M100017346
5,330,007

(813)[Chinese Characters]17[Chinese Characters]60[Chinese Characters]15[Chinese Characters]

1. Chairman of board of directors
Lv Xuezheng

M100017346
5,330,007
F/15, No.60 Lingminghua 1st Road, 17 Haoxinshang Li, Tso Ying District, Kaohsiung City 813, Taiwan

2, [Chinese Characters]

BA03766100
5,330,007

( ) 620A Lorong 1 Toa Payoh, Singapore 319762

2. Director
Wen Dakai
BA03766100
5,330,007
( ) 620A Lorong 1 Toa Payoh, Singapore 319762

3, [Chinese Characters]

G101095215
5,330,007

(104)[Chinese Characters]601[Chinese Characters]7[Chinese Characters]1

3. Director
Wang Junjian
G101095215
5,330,007
F/7, No.601, 11th Lingmingshui Road, Chenggong Li, Jhongshan District, Taipei City 104, Taiwan

4, [Chinese Characters]

ND71422574
5,330,007
( ) Dorpsstraat 5A, 5561 AS Riethoven, The Netherlands

4. Supervisor
Kuan Tan
ND71422574
5,330,007
( ) Dorpsstraat 5A, 5561 AS Riethoven, The Netherlands

[Chinese Characters]

List of Managers ([Cont.])

[Chinese Characters]
[Chinese Characters] : 0
[Chinese Characters]

Check when changed
No.:
Title:
Name:
ID No.:
Date started (year/month/date):
Shares held (shares): 0
(Zip code) Address or residence:

[Chinese Characters]

Represented Legal Person ([Cont.])

([Chinese Characters])
01 - 04

NXP B.V.

( ) High Tech Campus 60, 5656 AG Eindhoven, The Netherlands

Check when changed
No.:
No. of directors and supervisors:
Name of the represented legal person:
Unified Business No. of the legal person:
(Zip code) company’s address:
01 - 04
NXP B.V.

( ) High Tech Campus 60, 5656 AG Eindhoven, The Netherlands

[Chinese Characters]

Check here if there are additional pages.
Check here if there are no additional pages.
This box for official use only.

Exhibit 3.12

ARTICLES OF INCORPORATION
OF
NXP SEMICONDUCTORS TAIWAN LTD

Section I - General Provisions

Article 1 - The Corporation shall be incorporated as a company limited by shares under the Company Law of the Republic of China, and its name shall be NXP Semiconductors Taiwan Ltd.

Article 2 - The scope of business engaged in by the Corporation shall be:

1. Processing, assembly, manufacture and sale of various kinds of electronic products, unfinished products and related accessories, parts and components thereof;
2. Processing, assembly, manufacture and sale of machinery equipment, instruments and their related accessories, parts and components of the above-mentioned products;
3. Purchasing the originally approved products and products of parent company, their raw materials, components, parts and unfinished products from the domestic and the overseas, after inspection, for patent or the affiliates abroad;
4. Providing the technical services for integrated circuit design and manufacture;
5. Providing commercial and industrial consulting and technical services to commercial and industrial enterprises.
6. Engaging in the general importing and exporting as well as local trading business (excluding dealing with special permitted business);
7. Providing environmental inspection services;
8. Engaging in any other business connected with or related to the foregoing business.
9. In addition to the permitted business, to engage in any other business which is not prohibited or restricted by any regulation.

Article 2-1 The Corporation may act as a guarantor according to a resolution adopted by the Board of Directors whenever the Corporation deems it necessary to carry out its activity.

Article 3 - The Corporation shall have its head office at Kaohsung, Republic of China and may set up branch offices at various locations within and without the territory of the Republic of China wherever the Corporation may deem it necessary or advisable to carry out its activities.

Article 4 - Public announcement of the Corporation shall be made by means of publication at a conspicuous place in one or more daily newspapers circulating in the Taiwan.

Section II - Capital Stock

Article 5 - The total capital stock of the Corporation shall be in the amount of Five Billion Three Hundred Thirty Million Seven Thousand New Taiwan Dollars, divided into Five Million Three Hundred Thirty Thousand Seven shares, at One Thousand New Taiwan Dollars each.

Article 5-1 The Corporation is not suject to the restriction stipulated in Article 13 of the Company Law of the Republic of China, that the total amount of its reinvestment in other companies shall not exceed forty(40) per cent of the amount of its paid-in capital. The Corporation's practice in relation to the reinvestment shall be made according toresolution adopted at the meeting of the Board of Directors.

Article 6 - After registration of this Corporation, the stock certificates of the Corporation serially numbered and bearing the signatures and seals of at least three Directors and the items provided for under Article 162 of the Chinese Company Law shall be duly attested according to the Chinese Company Law and issued.

Article 7 - The stock certificates of the Corporation shall all be name-bearing Stock certificates and shall bear the true full names of the respective stockholders. In case corporate names, tong name, artificial or aliases are used, the true full names and places of residence of the respective stockholders and/or their representatives shall be entered in the Stockholders' Register of the Corporation. In the case of joint ownership by two or more stockholders, one of the stockholders shall be designated as their representative.

Article 8 - Deleted.

Article 9 - Deleted.

Article 10 - Deleted.

Article 11 - Deleted.

Article 12 - Registration for transfer of stock shall be suspended one month before the assembling of any regular meeting of stockholders or fifteen days before the assembling of any special meeting of stockholders or within five days before the day on which interest, dividend, or any other benefit is scheduled to be paid by the Corporation.

Section III - Stockholders' Meetings

Article 13 - Stockholders' meetings of the Corporation are of two kinds: (1) Regular Meetings and (2) Special Meetings. Regular Meetings shall be convened by the Board of Directors within six months after the close of the fiscal year. Special Meetings shall be convened by the Board of Directors whenever important events occur, or upon the written request of two or more Directors, or of stockholders who have been holding three percent or more of the total outstanding capital stock continuously for more than one year.

When Directors or Supervisor cannot convene a meeting of stockholders according to the provisions of this article because of assignment of shares or for other reasons, stockholders who have more than three percent of the total number of issued shares may apply to the local authority for permission to convene the meeting themselves.

A meeting of stockholders may also be convened by the Supervisor when deemed necessary by him.

Regular and special meetings or stockholders may be held within or without the territory of the Republic of China.

Article 14 - Written notices shall be sent to all stockholders at their places of residence as last registered with the Corporation for the convening of stockholders' meetings, twenty days in advance in the case of regular meetings and ten days in advance in the case of special meetings. The purposes for convening such meetings shall be given in the written notices.

Article 15 - A stockholders' meeting may proceed on its conference if attended by stockholders representing more than one half of the total outstanding capital stock of the Corporation. Resolutions shall be made at the meeting with the concurrence of a majority of the votes held by stockholders present at the meeting. However, resolutions provided for in Articles 185, 209, 240, 241, 277 and 316 of the Chinese Company Law shall be made respectively in accordance with these Articles.

Article 16 - Deleted.

Article 17 - A stockholder shall be entitled to one vote for each share of stock held by him provided, however, that any stockholder holding more than three per cent of the total outstanding capital stock shall have his voting rights on the shares exceeding 3 per cent of the total outstanding capital stock discounted at one percent i.e. 99 voting rights for every 100 shares.

Article 18 - In case a stockholder is unable to attend a meeting, he may appoint a representative to attend and to exercise all rights at the meeting for him in accordance with Article 177 of the Chinese Company Law. A representative need not be a stockholder of the Corporation.

Article 19 - The stockholders' meeting shall be presided over by the Chairman of The Board of Directors of the Corporation. In case of his absence, one of the Directors shall preside in his place according to Article 208 of the Chinese Company Law.

Article 20 - The resolutions of the stockholders' meeting shall be recorded in the minutes, and such minutes shall be signed by the Chairman of the Board of Directors or the Chairman of meeting. Such minutes together with the attendance lists and powers of attorney, shall be filed with the Board of Directors to be kept in the Corporation.

Article 20-1- If the Corporation is organized by a single juristic person shareholder, the functional duties and power of the shareholders' meeting of the Corporation shall be exercised by its board of directors, to which the provisions governing the shareholders' meeting as set out in this Article shall not apply.

Section IV - Directors and Supervisor

Article 21 - The Corporation shall have three to five Directors and one Supervisor.

Article 22 - The term of office for both Directors and Supervisor shall be three years. both Directors and Supervisor shall be eligible for re-election.

Article 22-1- If the Corporation is organized by a single juristic person shareholder, the directors and supervisors of the Corporation shall be appointed by such juristic person shareholder, and may be replaced as new ones appointed by such juristic person shareholder so as to fulfill the unexposed term of office of the predecessor.

Article 23 - The functions of the Board of Directors shall be:

1) Framing the Business Policy;

2) Validating major regulations and contracts;

3) Employing and discharging executive officers;

4) Setting up and winding up branches;

5) Validating budgets and financial reports;

6) Deciding on the mortgage, sale or otherwise disposing of any real property of the Corporation;

7) Deciding on the opening of banks accounts and the borrowing of money;

8) Submitting proposals to the stockholders' meeting on resolutions affecting amendments of the Articles of Incorporation, alterations in the amount of authorized capital stock, and dissolution or amalgamation of the Corporation;

9) Submitting proposals to the stockholders' meeting on resolutions concerning the appropriation of the net profits or covering of losses of the Corporation; and

10) Determining other matters of importance.

Article 24 - The Directors shall elect from among themselves a Chairman of the Board of Directors.

Article 25 - The Chairman of the Board of Directors shall be authorized to Represent the Corporation. In addition, the Chairman of the Board of Directors shall take full and complete charge of all important affairs of the Corporation, his authority being subject only to laws, ordinances, the Articles of incorporation, the resolutions of the stockholders' meetings and the resolutions of the Board of Directors.

Article 26 - Except that the first Board meeting of every term of the newly elected Board of Directors shall be convened by the Directors who shall have received the largest number of votes, a meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors and may be held at any time upon written notice of the convenor mailed or cabled to all the other Directors at least seven days prior to the date of the meeting, specifying the date and place of the meeting and the agenda of the meeting. Such prescribed notice may be waived by any Director or Directors in writing either before or after the meeting. The meetings of the Board of Directors may be convened at any time without such prescribed notice in case of urgent circumstances. The meetings of Board of Directors may be held within or without the territory of the Republic of China. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 27 - The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors. In case of his absence, one of the Directors shall preside in his place according to Article 208 of the Chinese Company Law.

Article 28 - Except otherwise provided in the Chinese Company Law, a meeting of the Board of Directors may proceed on its conference, if attended by a majority of Directors. Resolutions shall be made at the meeting with the concurrence of a majority of the Directors present at the meeting.

Article 29 - A Director may by written authorization appoint another Director to

attend a meeting of the Board of Directors on his behalf and to vote for him on all matters presented at such meeting but no Director may act as proxy for more than one other Directors.

Article 30 - The Directors shall exercise their functions by resolutions adopted at a meeting of the Board of Directors.

Article 31 - The functions of the Supervisor shall be:

1) Reviewing the financial conditions of the Corporation;

2) Examining the accounts and documents;

3) Other functions legally empowered by law or ordinance.

Article 32 - The Supervisor, in addition to executing his own duties according to law, may attend meeting of the Board of Directors and voice opinions but shall not be entitled to participate in voting.

Article 33 - The Board of Directors shall have a Secretary who shall handle and keep for the Board as well as for the Corporation all the important documents, contracts and stock certificates.

Section V - Personnel

Article 34 - Appointment and discharge and the remuneration of the managerial personnel shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the corporation. A managerial personnel shall be empowered to manage the operation of the company and to sign relevant business documents for the company, subject to the scope of his/her duties and power as specified in his/her employment contract. However, a managerial personnel shall not make any change or alteration in any resolution adopted by the shareholders' meeting or the board of directors, or go beyond the scope of his/her duties and power when exercising his/her functional duties.

Article 35 - The General Manager, if any, and Manager or Managers, if any, shall perform such duties as are designated by the Board of Directors or, in the absence of such designation, by the Chairman of the Board of Directors.

Article 36 - The Chairman of the Board of Directors, with the consent of the Board of Directors, may appoint such other officers of the Corporation, and prescribe their duties, as he shall deem desirable.

Section VI - Financial Reports

Article 37 - The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and shall, after being audited by the Supervisor of the Corporation, be submitted by the Board of Directors to the regular stockholders' meeting for acceptance:

1) Report on Operations;

2) Balance Sheet;

3) Inventory of Properties;

4) Profit and Loss Statement;

5) Statement of Change in Shareholders' Equity;

6) Statement of Cash Flows;

7) Statement of Retained Earnings.

Article 38 - When allocating the net profits for each fiscal year, the Corporation shall first set aside a legal reserve at 10% of the net profit, unless the accumulated legal reserve has equalled the total capital of the Corporation; and then set aside 0.1% of the balance as bonus issued to employees of the Corporation. Any balance left over shall then be allocated according to the resolution of the meeting of stockholders.

Section VII - Supplementary Provisions

Article 39 - No contract or other transaction between the Corporation and any other corporation shall be affected or invalidated by the fact that any one or more of the Directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporation, and any Director or Directors individually or jointly, may be a party or parties to or may be interested in any contract or transaction of this Corporation or in which this Corporation is interested, and no contract, act or transaction of this Corporation with any person or persons, firms or corporations, shall be affected or invalidated by the fact that Director or Directors of this Corporation is a party or are parties to, or interested in, such contract, act or transaction, or in any way connected with such person or persons, firms or corporation, and each and every person who may become a Director of this corporation is hereby relieved from any liability that might otherwise exist, from contracting with the Corporation for the benefit of himself or any firm or corporation in which he may be in any wise interested.

Article 40 - Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator, or intestate, is or was a Director, officer or employee of this Corporation or of any corporation which he serves as such at the request of this Corporation shall be indemnified by this Corporation against reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in

such action, suit or proceeding that such Director, officer or employee is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director, officer or employee may be entitled apart from statute.

Article 41 - The internal organization of the Corporation and the detailed Procedures of business operation shall be determined by the Board of Directors.

Article 42 - In regard to all matters not provided for in these Articles of Incorporation, the Chinese Company Law shall govern.

Article 43 - These Articles of Incorporation were originally adopted on November 30, 1966; subsequently amended on January 27, 1968; August 2, 1969; May 9, 1970; May 8, 1972; May 25, 1972; May 8, 1974; June 24, 1974; December 31, 1975; March 17, 1976; June 24, 1977; December 21, 1979; December 9, 1980; June 4, 1981; September 10, 1981; June 14, 1982; July 30, 1982; September 6, 1983; September 20, 1984; December 16, 1985; February 28, 1986; November 6, 1987; July 6, 1989; November 7, 1989; April 4, 1990; January 16, 1991; June 28, 1991; February 28, 1994; July 20, 1995; June 27, 1996; October 4, 1996; October 22, 1996; August 20, 1997; November 10, 1997; October 12, 1998; July 15, 1999; November 1, 2001; March 18, 2002; December 2, 2002; December 4, 2003; December 1, 2004; July 13, 2006; November 27, 2006.

Exhibit 3.13

[SEAL]

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 96995

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

NXP SEMICONDUCTORS PHILIPPINES, INC.
(Formerly: PHILIPS SEMICONDUCTORS PHILIPPINES, INC.)
(Amending Articles I & III thereof.)

copy annexed, adopted on December 04, 2006 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 15th day of December, Two Thousand Six.

[SEAL]

/s/ Benito A. Cataran
BENITO A. CATARAN
Director
Company Registration and Monitoring Department

P H I L I P S

S E M I C O N D U C T O R S

P H I L I P P I N E S, I N C.

(Company's Full Name)

PHILIPS AVENUE, SEP2, LISP1, CABUYAO, LAGUNA

(Business Address No Street City / Town / Province

CHRISTIANE B. ALONZO			830 8000	
Contact Person			Company Telephone Number	
12	31	Amendment of AOI/Bylaws	2nd Monday of May of each year	
Month	Day	FORM TYPE	Month	Day

Secondary License Type, if applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders | Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number | [SEAL]

Document I.D. | /s/ [ILLEGIBLE] Cashier

STAMPS

Remarks- pls. Use black ink for scanning purposes

AMENDED ARTICLES OF INCORPORATION

OF

NXP SEMICONDUCTORS PHILIPPINES, INC.

FORMERLY: PHILIPS SEMICONDUCTORS PHILIPINES, INC.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporated, all of legal age and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

FIRST: The name of the Corporation shall be:

NXP SEMICONDUCTORS PHILIPPINES, INC.

AS AMENDED ON DEC 04, 2006

The Corporation is entitled to use the word PHILIPS as part of its corporate name only by virtue of a permission granted by N.V. Philips Gloeilampenfabrieken of Eindbaven, Netherlands. Upon request of N.V. Philips Gloeilampenfabrieken, the Corporation shall change its corporate name by deleting the word PHILIPS therefrom and by replacing the same by a word or words not in any way similar to the word PHILIPS and all the stockholders of the Corporation, their heirs, successors and assigns, shall cause a special meeting of the stockholders to be convened and shall vote in favor of a resolution approving such change in corporate name.

SECOND: The purposes for which the Corporation is incorporated are:

PRIMARY PURPOSE

To engage in the development, manufacture, production, processing, and/or assembly for export, sale, or wholesale distribution, and/or other disposition, of electronic equipment, accessories, parts or components, including but not limited to semi-conductors, integrated circuits, micro-processors, printed circuit board assemblies, computer systems and sub-systems and accessories, parts and components thereof;

SECONDARY PURPOSES

(a) To engage in the marketing, distribution, or other disposition of and to deal in electronic products and equipment, wastner as principal, agent, indentor, distributor, lessor or in any other capacity;

(b) To conduct studies and surveys, create and install business systems, methods, plans or controls with respect to the use and utilization of, and where appropriate, to construct, build, or establish or cause to be constructed, built or established, all kinds of facilities or processes relating to electronic products and equipment;

IN FURTHERANCE OF THE AFORESAID PURPOSES, the Corporation shall have, among others, the following powers:

(a) To import, purchase or otherwise acquire or obtain from foreign and/or domestic sources such goods, products, materials or properties which may be necessary, convenient and conducive to the development, manufacture, production, processing and/or assembly of electronic equipment, accessories, parts or components;

(b) To purchase or otherwise acquire, lease, own, hold, construct, manage, control and operate factories, plants, warehouses, shops, installations, facilities, buildings and other structures, machinery, equipment, tools, and other personal property useful or incidental to the business of the Corporation;

(c) To purchase or otherwise acquire, lease, own, hold, manage and control any and all real estate and/or real property useful or incidental to the business of the Corporation and to the fullest extent permitted by Philippine laws, rules and regulations;

(d) To apply for, obtain, purchase, register, lease, or otherwise acquire, hold, use, own, exercise, develop, operate and introduce, and to sell, assign, grant licenses in respect of, or otherwise dispose of, any trademarks, tradenames, brands, labels, copyrights, patents, inventions, designs, processes, options, grants, concessions, franchises, privileges, easements, estates, interests and properties of every kind and description whatsoever which the Corporation may deem necessary or appropriate in connection with the conduct of any business in which the Corporation may lawfully engage, and to hold, operate, improve, develop, manage, grant, lease, sell, exchange or otherwise dispose of the whole or any part thereof;

(e) To the fullest extent permitted by Philippine laws, rules and regulations, to sell, lease, exchange, transfer, alienate, assign or otherswise dispose of any and all property, real or personal, tangible or intangible, which are no longer used or useful in the business of the corporation or where such sale, lease, exchange, transfer, alienation, assignment or disposition is necessary, desirable or incidental to the purposes or to the furtherance of the powers of the

Corporation;

(f) To employ, hire, or engage the services of technicians, professionals, workers, laborers, employees or agents as may be necessary or desirable in the business of the Corporation;

(g) Subject to Philippine laws, rules and regulations, to borrow money from any and all foreign and/or domestic sources and, for moneys borrowed or in payment for property acquired or for any other objects and purposes of the Corporation or otherwise in connection with the transaction of any part of its business, to issue bonds, debentures, notes and other obligations, secured or unsecured, and to mortgage, pledge, encumber or hypothecate any or all of its properties or assets as security therefor; to make accept, endorse, guarantee, execute and issue notes, bills of exchange and other obligations; to mortgage, pledge or hypothecate any stocks, bonds, other evidences of indebtedness or securities and any other property held by it or in which it may be interested and to loan money with or without collateral or other security;

(h) To invest its surplus funds in shares of stocks, securities, bonds, debentures and other evidences of indebtedness of the Corporation;

(i) To guarantee and/or assume the obligations or liabilities of any corporation, partnership, association or individual, particularly its affiliated companies, to the fullest extent permitted by Philippine laws, rules and regulations;

(j) To do all such other acts as may be necessary, useful or proper for the attainment of its corporate purposes or any of them, or for the enhancement, directly or indirectly, of the value of any property or any business of the Corporation;

(k) To perform all acts necessary or desirable for the attainment of its corporate purposes or the furtherance of any powers above set forth either alone or in association with any corporation, partnership, association or individual; and

(l) To do and perform all acts and things necessary, suitable, convenient or proper for the accomplishment of any of the purposes herein enumerated or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation, including the exercise of the powers, authorities and attributes conferred upon corporations organized under the laws of the Philippines in general and upon domestic corporations of like nature in particular.

THIRD: The principal office of the Corporation shall be located in **No. 9 Mountain Drive, Light Industry and Science Park of the Philippines-II, Brgy, La Mesa, Calamba City, Laguna**; Provided, however, that the Corporation may establish branch offices, liaison offices, representative offices and/or plants or facilities anywhere within or outside the Philippines to the fullest extent permitted by applicable laws, rules and regulations.

FOURTH: The term for which the Corporation is to exist is fifty (50) years from and after the date of issuance of the Certificate of Incorporation.

FIFTH: The names, nationalities and residences of the incorporators of the Corporation shall be as follows:

Name	Nationality	Residence
J.A. M. Romme	Dutch	No. 12, Balete Street Forbes Park, Makati MM
A.S. Catecart	British	1740 Sampaguita Street Dasmarinas Village, Makati
G.C. Ploegema	Dutch	34 Encarnacion Street, Magallanes Vill., Makati MM
A.Q. Ongsioco	Filipino	94 Segundo St., Gatchalian Subdivision, Paranaque, MM
J.M. Manalastas	Filipino	11-A Mabini St., San Roque Marikina, Metro Manila

SIXTH: The number of directors of the Corporation shall be five (5). The names, nationalities and residences of the first directors of the Corporation shall be as follows:

Name	Nationality	Residence
J.A. M. Romme	Dutch	No. 12, Balete Street Forbes Park, Makati MM
A.S. Cathcart	British	1740 Sampaguita Street Dasmarinas Village, Makati
G.C. Ploegema	Dutch	34 Encarnacion Street, Magallanes Vill., Makati MM
A.Q. Ongsioco	Filipino	94 Segundo St., Gatchalian Subdivision, Paranaque, MM

J.M. Manalastas	Filipino	11-A Mabini St., San Roque Marikina, Metro Manila

SEVENTH: The authorized capital stock of the Corporation is TWO HUNDRED FIFTY MILLION (250,000,0000.00) PESOS in lawful money of the Philippines, divided into Two Hundred Fifty Thousand (250,000) shares with a par value of One Thousand (1,000.00) Pesos per shares.

EIGHTH: At least twenty-five (25%) percent of the authorized capital stock above stated has been subscribed as follows:

Names of Subscriber	Nationality	No. of Shares Subscribed	Amount Subscribed
J.A. M. ROMME	Dutch	4,166	4,166,000
A.S. CATHCART	British	4,166	4,166,000
G.C. PLOEGSMA	Dutch	4,166	4,166,000
A.Q. ONGSIOCO	Filipino	1	1,000
J.M. MANALASTAS	Filipino	1	1,000
	Total	12,500	12,500,000

NINTH: The above-named subscribers have paid at least twenty-five (25%) percent of the total subscription as follows:

Name of Subscriber	Amount Subscribed	Total Paid-In
J.A. M. ROMME	4,166,000	1,041,000
A.S. CATHCART	4,166,000	1,041,000

G.C. PLOEGSMA	4,166,000	1,041,000
A.Q. ONGSIOCO	1,000	1,000
J.M. MANALASTAS	1,000	1,000
Total	12,500,000	3,125,000

TENTH: A.S. CATHCART has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the By-laws, and that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the Corporation all subscriptions paid by the subscribers.

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation this 8th day of January 1981 at Makati, Metro Manila, Philippines.

(Sgd.) J.A. M. ROMME
TAN: 577227

(Sgd.) A. S. CATHCART
TAN: 583527

(Sgd.) G. C. PLOEGSMA

(Sgd.) A. Q. ONGSIOCO

TAN: 6399-907-X TAN: 1418-913-8

(Sgd.) J.M. MANALASTAS
TAN: 5154-491-4

Signed in the Presence of:

(Sgd.) Illegible (Sgd.) Illegible

REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA) S.S.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the above locality, this 8th day of January 1981, personally appeared:

Name	Res. Cert. No.	Date/Place of Issue
J. A. M. ROMME	6168984	Feb. 20, 1980/Makati M.M.
A. S. CATHCART	8419917	Nov. 12, 1980/Makati M.M.
G. C. PLOEGSMA	6168979	Feb. 20, 1980/Makati M.M.
A. Q. ONGSIOCO	6242292	Feb. 19, 1980/Makati M.M.
J. M. MANALASTAS	0222025	Feb. 28, 1980/Makati M.M.

all known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed

WITNESS MY HAND AND SEAL on the date and at the place first above written.

(Sgd.) BARBARA ANNE. C. MIGALLOS
Notary Public
Until December 31, 1981
PTR#4065768, May 26, 1981
Pasig, Metro Manila

Doc. No. 361:
Page No. 74:
Book No. I:
Series of 1981.

DIRECTORS' CERTIFICATE OF AMENDMENT
OF THE ARTICLES OF INCORPORATION OF
PHILIPS SEMICONDUCTORS PHILIPPINES, INC.

[STAMP]

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, who constitute at least a majority of the members of the Board of Directors, the Chairman and the Assistant Corporate Secretary of the special meeting of the stockholders of PHILIPS SEMICONDUTORS PHILIPPINES, INC. (the "Corporation"), held on 04 December 2006, do hereby certify that:

1. The accompanying Amended Articles of Incorporation embodying the amendments to: (a) Article ONE thereof changing the name of the Corporation from Philips Semiconductors Philippines, Inc. to NXP Semiconductors (Philippines), Inc. and (b) Article THREE thereof changing the principal office of the Corporation from Cabuyao, [ILLEGIBLE] to No. 9 Mountain Drive, Light Industry and Science Park of the Philippines-II, [ILLEGIBLE] La Mesa, Calamba City, Laguna, is a true and correct copy of the Amended Articles of Incorporation of the Corporation;

2. The amendments were approved by the majority of the Board of Directors of the Corporation at their special meeting held on 04 December 2006, through the adoption of the following resolutions:

"**RESOLVED**, that the Corporation's Articles of Incorporation be amended to change the name and the principal office of the Corporation.

"**RESOLVED**, that Article One of the Corporation's Articles of Incorporation be amended to read as follows:

"FIRST: The name of the Corporation shall be:

NXP SEMICONDUCTORS PHILIPPINES, INC.

The Corporation is entitled to use the word PHILIPS as part of its corporate name only by virtue of a permission granted by N.V. Philips [ILLIGIBLE], the Corporation shall change its corporate name by deleting the word PHILIPS therefrom and by replacing the same by a word or words not in any way similar to the word PHILIPS and all the stockholders of the Corporation, their heirs, successors and assigns, shall cause a special meeting of the stockholders to be convened and shall vote in favor of a resolution approving such change in corporate name.

"**RESOLVED**, that Article Three of the Corporation's Articles of Incorporation be amended to read as follows

"THIRD: The principal office of the Corporation shall be located in No. 9 Mountain Drive, Light Industry and Science Park of the Philippines-II, Brgy, La Mesa, Calamba City, Laguna: Provided, however, that the Corporation may establish branch offices, liaison offices, representative offices and/or plants or facilities anywhere within or outside the Philippines to the fullest extent permitted by applicable laws, rules and regulations.

3. The amendments were likewise approved by the affirmative vote of stockholders owning and/or representing at least two thirds (2/3) of the outstanding capital stock of the Corporation at their special meeting also held on 04 December 2006 at [ILLEGIBLE].

IN WITNESS WHEREOF, we have hereunto signed these presents 08 day of December 2006 at Makati City.

/s/ Virginia Melba Cuyahon
VIRGINIA MELBA CUYAHON
(Tin#110-209-639-000)

/s/ Steven Brader
STEVEN BRADER
([ILLEGIBLE]-444-893-000)

/s/ Sin See Ooi
SIN SEE OOI
(Tin#219-768-749-000)

/s/ Ruby Rose J. Yusi
RUBY ROSE J. YUSI
(TIN No. 102-089-058)
[ILLEGIBLE]

SUBSCRIBED AND SWORN to before me this 08 day of December 2006, at Makati City, the above-mentioned persons exhibiting to me their Community Tax Certificate / Passport Nos. as follows:

Name	CTC No./Passport No.	Date/Place Issued
Virginia Melba Cuyahon	PP0899574	Feb. 23, 2005/Manila
Steven Brader	16777754	Mar 4, 2006/Calamba
Castelo Ooi	A12280	July 24, 2002/Pulan Pinang
Ruby Rose J. Yusi	3549023	April 12, 2006/Las Pinas

Doc. No. 79
Page No. 17
Book No. III
Series of 2006.

/s/ Rudyard S. Arbolado
RUDYARD S. ARBOLADO
[SEAL]
[ILLEGIBLE]

[SEAL]
[ILLEGIBLE]

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

AFFIDAVIT OF UNDERTAKING TO CHANGE NAME

I, Ruby Rose J. Yusi, of legal age, Filipino and resident of 745 Citadella Village, Pulang Lupa, Las Pinas City, after having been sworn to in accordance with law hereby depose and state:

I am the Assistant Corporate Secretary of NXP Semiconductors Philippines, Inc. which is in the process of registration with the Securities and Exchange Commission.

That I, in behalf of said corporation, hereby undertake to change its corporate name in the event another person, firm or entity has acquired a prior right to the use of the said firm name by virtue of registration with other government agencies or our name is identical or deceptively or confusingly similar to that of any existing corporation or to any other name already protected by law or is patently deceptive, confusing or contrary to existing laws.

That this affidavit is executed to attest to the truth of the foregoing and for whatever legal purpose and intent it may serve.

IN WITNESS WHEREOF, I hereby sign this affidavit this 11th day of December 2006 at Makati City.

/s/ Ruby Rose J. Yusi
RUBY ROSE J. YUSI
Affiant

SUBSCRIBED AND SWORN to before me this 11th day of December 2006, affiant exhibiting to me his/her Community Tax Certificate No. 3549023 issued on 12 April 2006 at Las Pinas City.

[ILLEGIBLE]
NOTARY PUBLIC
[SEAL]
[ILLEGIBLE]

Doc. No. 209
Page No. 43
Book No. I
Series of 2006.

[SEAL]
[ILLEGIBLE]

[ILLEGIBLE]

[SEAL]

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. 96995

CERTIFICATE OF FILING
OF
AMENDED BY-LAWS

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

NXP SEMICONDUCTORS PHILIPPINES, INC.
(Formerly: PHILIPS SEMICONDUCTORS PHILIPPINES, INC.)

copy annexed, adopted on December 04, 2006 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 15th day of December, Two Thousand Six.

[SEAL]

/s/ Benito A. Cataran
BENITO A. CATARAN
Director
Company Registration and Monitoring Department

AMENDED BY-LAWS

OF

NXP SEMICONDUCTORS PHILIPPINES, INC.
FORMERLY: PHILIPS SEMICONDUCTORS PHILIPPINES, INC.

ARTICLE I

OFFICES

The principal office of the Corporation shall be located in **No. 9 Mountain Drive, Light Industry and Science Park of the Philippines-II, Brgy, La Mesa, Calamba City, Laguna**, Philippines. The Corporation may have such other offices, either within or without the Philippines, as the Board of Directors

may designate or as the business of the Corporation may from time to time require. AS AMENDED ON DEC. 04, 2006

ARTICLE II

STOCKHOLDERS

Section 1. Meeting. - Stockholders' meetings may either be regular or special.

Section 2. Regular Meetings. - The regular meetings of the stockholders shall be held annually on the third Monday of May each year for the purpose of electing directors and for the transaction of such business as may come before the meeting. If the day fixed for the regular meeting shall be a legal holiday, such meeting shall be held at the same time on the succeeding business day. (As amended on November 9, 1999)

The regular meeting may be postponed by the Chairman or, in his absence, by the President to a later date for a justifiable cause.

Section 3. Special Meetings. Special meetings of the stockholders may be called at the order of the Board of Directors, the Chairman, or the President, or at the written request of stockholders representing not less than one -fourth (1/4) of the subscribed capital stock entitled to vote at such meeting.

A scheduled special meeting may be postponed by the Chairman or, in his absence, by the President to another date for a justifiable cause.

Section 4. Place of Meeting. - All meetings of the stockholders, whether regular or special, shall be held at the place where the principal office is established or located and if practicable in the principal office of the Corporation.

Section 5. Notice of Meetings. - Notice of the time and place of regular or special meetings of the stockholders shall be given either by posting the same enclosed in a postage prepaid envelope, addressed to each stockholder of record entitled to vote at the addressed left by such stockholder with the Secretary of the Corporation, or at his last known post-office address, or by delivering the same to him in person, at least 21 days before the date set for such meeting. The notice of every special meeting shall state briefly the purpose of the meeting, and no other business shall be transacted at such meeting, except by consent of all the stockholders of the Corporation entitled to vote. No notices of any meeting need be published in any newspaper.

Where the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting.

Notice of the meeting need not be given to any shareholder who submits a signed waiver of notice in person or by proxy. Such a waiver of notice shall be valid even if submitted after the meeting.

Section 6. Proxy. - At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact.

Section 7. Quorum. - A majority of the outstanding capital stock entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of stockholders. Except as otherwise provided by law, a majority of such quorum shall decide any question that may come up before the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. - The corporate powers, business and properties of the Corporation shall be exercised, conducted and controlled and held by the Board of Directors.

Section 2. Qualification. Every director must be a stockholder of record of at least one (1) share of the capital stock of the Corporation. A majority of the directors must be residents of the Philippines.

Section 3. Meetings. - Meetings of the Board of Directors may be regular or special and may be held anywhere in or outside of the Philippines.

Section 4. Regular Meetings. - Unless the Board of Directors shall determine otherwise, if regular meetings shall be held at the principal office of the Corporation at such times as may be fixed by the Board.

Section 5. Special Meetings. - Special meetings of the Board of Directors may be called at the order of the Chairman or the President or upon the written request of any two (2) directors and shall be held at the principal office of the Corporation or at such other place as may be designated in the notice.

Section 6. Notice. - No notice need to be given for regular meetings.

Notice of special meetings shall be made either personally, by telephone or in writing to each director at least one (1) day previous to the date fixed for the meeting.

Section 7. Quorum. - The directors shall act only as a Board, and the individual director shall have no power as such. Unless the law provides otherwise, a majority of the entire number of directors as fixed in the articles of incorporation shall be necessary at all meetings to constitute a quorum for the transaction of any business and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Vacancies. - Whenever any vacancy shall occur in the Board of Directors, by reason of death, resignation, disqualification or disability, a majority of the remaining directors constituting a quorum may fill such vacancy. The successor so chosen shall hold office for the unexpired term.

ARTICLE IV

OFFICERS

Section 1. Officers. - The following shall be the officers of the Corporation: the Chairman of the Board of Directors, the President, the General Manager, one or more Vice Presidents, the Treasurer, the Secretary, and one or more Assistant Secretaries. They shall perform and discharge such functions as are provided by law, these By-Laws, and as may be prescribed by the Board from time to time.

Two or more offices may be held concurrently by the same person provided that they are not incompatible with each other and provided further that the occupancy of such offices by the

same person is not detrimental to internal control.

The offices shall be subject to the control and supervision of the Board of Directors.

Section 2. Election of Officers. - The officers of the Corporation shall be elected by a majority of all the directors. The directors elected in the regular stockholders' meeting shall, immediately or within a reasonable time thereafter, meet to elect the officers.

Section 3. Other Officers. - The Board of Directors may appoint such other officers as it may deem advisable and prescribe the duties, functions and responsibilities thereof.

Section 4. Chairman of the Board. - The Chairman of the Board, who must a director, shall preside at all meetings of the Board of Directors.

Section 5. President. - The President, who must be a director, shall preside at all meetings of stockholders and, in the absence of the Chairman, at all meetings of the Board.

Section 6. Vice-President. - The Vice President, or, in case there is more than one, such Vice-President as the Board of Directors, shall fulfill the duties of the President whenever the latter is absent from the Philippines. The Vice-President or Vice-Presidents shall exercise such other duties as may from time to time be conferred on them by the Board.

Section 7. General Manager. - The General Manager shall be chief executive officer of the Corporation. HE shall have the general supervision of the business affairs and properties of the Corporation and over its several agents and employees, with authority to hire said employees, determine their compensation and dispense with their services at his discretion. He shall see to it that all orders and resolutions of the Board of Directors are carried into effect. He shall submit to the stockholders at each regular meeting, a complete report of the operations of the Corporation for the preceding year, and the state of its affairs, and he shall from time to time report to the Board all matters within his knowledge which the interests of the Corporation may require to be brought to their attention. He shall sign contracts on behalf of the Corporation. In addition to the above duties expressly vested in him by these By-Laws, he shall do and performs such other acts and duties as from time to time may be assigned to him by the Board of Directors.

Section 8. Treasurer. - The Treasurer shall have charge of the funds, securities, receipts and disbursements of the Corporation. He shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Corporation in such banks or trust companies, or with such bankers or other depositaries as the Board of Directors may from time to time designate. He shall render to the General Manager or to the Board of Directors whenever required an account of the financial condition of the Corporation, and of all his transactions as Treasurer. Soon after the close of each fiscal year, he shall make and submit to the Board of Directors like report for such fiscal year. He shall keep correct books of account of all the

business transactions of the Corporation.

Section 9. Secretary. - The Secretary, who must be a citizen and resident of the Philippines, shall perform the following duties.

a) Keep full minutes of all meetings of the Board of Directors and of the stockholders and of any other committee(s) of the Board;

b) Keep the stock and transfer book as well as all other records required by law, unless a stock transfer agent has been designated;

c) Keep in safe custody the corporate seal, and when authorized by the Board, shall affix said seal on all documents requiring such seal of the Corporation;

d) Fill and countersign all the certificates of stock issued;

e) Give, or cause to be given, notices of all meetings of the Board of Directors and of the stockholders, as well as all notices required by law or by the By-laws of the Corporation; and

f) Perform such other duties as may be prescribed by the Board of Directors or the President.

Section 10. Assistant Secretary. - The Assistant Secretary shall assist the Secretary in the performance of his functions, perform the duties and exercise the powers of the Secretary in the event of his absence or disability, and discharge such other duties as may be prescribed by the Board of Directors or the

President.

Section 11. Tenure of Office. - All officers shall hold office until their successors are elected and qualified but in any event at the pleasure of the Board. They may be removed at any time , with or without cause, by the Board of Directors.

Section 12. Compensation. - All officers shall receive such salaries or compensation as may be fixed by the Board of Directors.

ARTICLE V

CAPITAL STOCK

Section 1. Issue of Shares. - The Board of Directors shall have the power to issue, repurchase, or dispose of shares of stock of the Corporation. Subscription to the capital

stock of the Corporation shall not earn interest unless otherwise determined by the Board of Directors.

Section 2. Certificates Representing Shares. - The certificate of stock shall be in such form and design as may be determined by the Board of Directors. Every certificate shall bear the signatures, or the facsimile thereof, of the President or Vice-President and the Secretary or Assistant Secretary, sealed with the seal of the Corporation and shall state on its face its number, the date of issue and the number of shares for which it was issued and the name of the person in whose favor it was issued.

The certificates shall be issued in consecutive order and must be corresponding stubs on which must appear the name of the stockholder, the number of the certificate and the number of shares, as well as the basis for such issuance, and, in case of cancellation, the date thereof.

Section 3. Transfer of Stock. - Shares of stock shall be transferred by delivery of the certificates endorsed by the registered owner or his attorney-in-fact or any other person legally authorized to make the transfer. Shares of stock against which the Corporation holds any unpaid claim shall be transferable on the books of the Corporation only with the consent of the Corporation and upon submission thereto of the corresponding deed of assignment/transfers. No transfer shall be valid except as between the parties until the transfer is entered and noted upon the books of the Corporation so as to show the names of the parties to the transaction, the date of the transfer, the number of the certificate, if any, and the number of shares transferred.

ARTICLE VI

AUDIT OF BOOKS AND FISCAL YEAR

Section 1. External Auditors. - At the regular stockholders' meeting, the external auditor or auditors of the Corporation for the ensuing year shall be appointed. The external auditor of auditors shall examine, verify and report on the earnings and expenses of the Corporation and shall certify the annual balance sheets. Such audits shall be made at least once a year. The remuneration of the external auditor or auditors shall be determined by the Board of Directors.

Section 2. Fiscal Year. - The fiscal year of the Corporation shall begin on the first day of January and end of the 31st day of December of each year.

ARTICLE VII

BANKS, CHECKS AND DRAFTS

All checks and drafts and all funds of the Corporation shall be deposited from time to time

to the credit of the Corporation in such bank or banks, or with such other depositaries as the Board of Directors may, from time to time, designate. The funds of the Corporation shall be disbursed by checks or drafts drawn upon the authorized depositories of the Corporation in such manner as the Board of Directors may decide.

ARTICLE VIII

SEAL

The corporate seal of the Corporation unless otherwise ordered by the Board of Directors, shall be circular in form and shall bear the words.

NXP SEMICONDUCTORS PHILIPPINES, INC.
Incorporated 1981
Manila, Philippines

ARTICLE IX

AMENDMENTS

These By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the affirmative vote of stockholders holding or owing at least a majority of the outstanding capital stock of the Corporation.

The foregoing By-Laws were adopted by the affirmative vote of stockholders are holding or representing at least a majority of the outstanding capital stock of the Corporation at the first meeting of stockholders held at Makati, Metro Manila on the 19th day of January 1981.

IN WITNESS WHEREOF, we, the undersigned stockholders present and represented at said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names this 19th day of January 1981.

(original signed)
J. A. M. ROMME

(original signed)
A. S. CATIICART

(original signed)
L. SANDRUCCI

DIRECTORS CERTIFICATE OF AMENDMENT
OF THE BY-LAWS OF **[SEAL]**
PHILIPS SEMICONDUCTORS PHILIPPINES, INC.

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, who constitute at least a majority of the members of the Board of Directors, the Chairman and the Assistant Corporate Secretary of the special meeting of the stockholders of PHILIPS SEMICONDUCTORS PHILIPPINES, INC. (the "Corporation"), held on 04 December 2006, do hereby certify that:

1. The accompanying Amended By-Laws embodying the amendments to: (a) Article ONE thereof changing the principal office of the Corporation from Cabuyao, Laguna to No. 9 Mountain Drive; Light Industry and Science Park of the Philippines-II, Brgy, La Mesa, Calamba City, Laguna, and (b) Article EIGHT thereof changing the name in the corporate seal of the Corporation from Philips Semiconductors Philippines, Inc. to NXP Semiconductors (Philippines); Inc., is a true and correct copy of the Amended By Laws of the Corporation;

2. The amendments were approved by the majority of the Board of Directors of the Corporation at their special meeting held on 04 December 2006, through the adoption of the following resolutions

"**RESOLVED**, that the Corporation's By Laws be amended to change the principal office and the name in the corporate seal of the Corporation;

"**RESOLVED**, that Article One of the Corporation's By-Laws be amended to read as follows:

ARTICLE 1

OFFICES

The principal office of the Corporation shall be located in No. 9 Mountain Drive, Light Industry and Science Park of the Philippines-II, Brgy La Mesa, Calamba City, Laguna, Philippines. The Corporation may have such other offices, either within or without the Philippines as the Board of Directors may designate or as the business of the Corporation may from time to time require;

"**RESOLVED**, that Article Eight of the Corporation's By-Laws be amended to read as follows:

ARTICLE VIII

SEAL

The corporate seal of the Corporation unless otherwise ordered by the Board of Directors, shall be circular in form and shall bear the words.

NXP SEMICONDUCTORS PHILIPPINES, INC.
Incorporated 1981
Manila, Philippines

3. The amendments were likewise approved by the affirmative vote of stockholders owning and/or representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation at their special meeting also held on 04 December 2006 at [ILLEGIBLE]

IN WITNESS WHEREOF, we have hereunto signed these prescribed 08 day of December 2006 at Makati City.

/s/ Verginia Melba Cuyabon
VERGINIA MELBA CUYAHON
(Tin #110-209-639-000)

/s/ Steven Brander
STEVEN BRADER
(Tin#203-444-893-000)

/s/ Sin See OOI
SIN SEE OOI
(Tin#219-768-749-000)

/s/ Ruby Rosei Yust
RUBY ROSE I. YUST
(Tin No. 102-089-058)

SUBSCRIBED AND SWORN to before me this 08 day of December 2006, at Makati City, the above mentioned persons exhibiting to me their Community Tax Certificate/ Passport Nos. as follows:

Name	CTC No./Passport No.	Date/Place Issued
Virginia Melba Cuyabon	PP0899574	Feb. 23, 2005/Manila
Steven Brader	16777754	Mar 4, 2006/Calamba
Castelo Ooi	AI2280	July 24, 2002/Pulau Pinang
Ruby Rose J. Yusi	3549023	April 12, 2006/Las Pinas

Doc. No. 80: /s/ [ILLEGIBLE]
Page No. 17: [ILLEGIBLE]
Book No. III: [ILLEGIBLE]
Series of 2006. [ILLEGIBLE]
[SEAL]

Exhibit 3.14

[STAMP]

[CHINESE]
FORM 2
[CHINESE]
BUSINESS REGISTRATION ORDINANCE (Chapter 310)
[CHINESE]
BUSINESS REGISTRATION REGULATIONS
[CHINESE]
Business/[ILLEGIBLE] Registration Certificate
[GRAPHIC]

[CHINESE] Name of Business/ Corporation	[CHINESE] NXP SEMICONDUCTORS HONG KONG LIMITED
[CHINESE] Business/ Branch Name	********** **********
[CHINESE] Address	MAIN BLDG 2-11/F & W WING G/F U1/F-2/F & E WING G/F 1/F U1/F 2/F 100-110 KWAI CHEONG RD NT
[CHINESE] Nature of Business	MANUFACTURING AND TRADING
[CHINESE] Status	BODY CORPORATE

[CHINESE] Date of Commencement	[CHINESE] Date of Expiry	[CHINESE] Certificate No.	[CHINESE] Fee and Levy
25/05/2006	24/05/2007	36816322-000-05-06-8	$2,600 ([CHINESE] FEE = $2,000) ([CHINESE] LEVY = $600)

[CHINESE] (SEE OVERLEAF FOR ENGLISH VERSION)
[CHINESE]
[CHINESE]
[CHINESE]
[CHINESE]
[CHINESE]
[CHINESE]

[CHINESE]
PLEASE PRODUCE THIS CERTIFICATE AND DEMAND NOTE INTACT AT TIME OF PAYMENT. THIS DEMAND NOTE WILL ONLY BECOME A VALID BUSINESS REGISTRATION CERTIFICATE UPON PAYMENT.

[CHINESE]
RECEIVED FEE AND LEVY HERE STATED IN PRINTED FIGURES. (Please see payment instructions overleaf.)

I.R.D.B. [CHINESE] 101B 06/06/2006 839772900 $2,600.00
I.R.D.B. 16/2006)

Exhibit 3.15

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

NXP SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

Incorporated the 25th day of May, 2006.

WILKINSON & GRIST
Solicitors
HONG KONG

Form IVC (B) 09.08.05

No. 1047797
[Chinese Characters]

COMPANIES ORDINANCE
(CHAPTER 32)
[Chinese Characters]
[Chinese Characters]

CERTIFICATE OF CHANGE OF NAME
[Chinese Characters]

* * *

I hereby certify that
[Chinese Characters]

PHILIPS SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

having by special resolution changed its name, is now incorporated under
[Chinese Characters]

the name of
[Chinese Characters]

NXP SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

Issued by the undersigned on 29 December 2006.
[Chinese Characters]

/s/ Nancy O. S. Yau
Miss Nancy O. S. YAU
for *Registrar of Companies*
Hong Kong
[Chinese Characters]
[Chinese Characters]

PHILIPS SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

Written resolution of the Sole Shareholder of the above-named Company passed in accordance with Section 116B of the Companies Ordinance on the 18th day of December, 2006.

AS SPECIAL RESOLUTION

"Resolved that subject to the approval of the Registrar of Companies, the Company's name be changed to **'NXP SEMICONDUCTORS HONG KONG LIMITED** [Chinese Characters]'."

For and on behalf of
NXP B.V.

/s/ Chong Sum Yee
Chong Sum Yee
Authorized Representative

COMPANY NUMBER 1047797

THE COMPANIES ORDINANCE (Chapter 32)

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

PHILIPS SEMICONDUCTORS HONG KONG LIMITED
(the Company)

(passed on 29 September 2006)

By a written resolution dated 29 September 2006 pursuant to Section 116B of the Companies Ordinance, Cap. 32 of the Laws of Hong Kong (the **Companies Ordinance**), the sole shareholder of the Company passed the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

THAT:

The Articles of Association of the Company be amended:

1. by replacing the first "The" in the existing Article 35 with "Subject to Article 35A, the";

2. by inserting a new Article 35A after the existing Article 35:

   "35A. Notwithstanding anything contained in Article 35, the directors may not decline to register any transfer of shares in the event of enforcement of the security created and/or constituted by the charge over shares and receivables dated on or about 29 September 2006 between NXP B.V. as chargor and Morgan Stanley Senior Funding, Inc. as global collateral agent (as may be amended, supplemented, novated or restated from time to time)."

3. by replacing the first "The" in the existing Article 36 with "Subject to Article 36A, the"; and

4. by inserting a new Article 36A after the existing Article 36:

   "36A. Notwithstanding anything contained in Article 36, the directors may not suspend registration of any transfer of shares in the event of enforcement of the security created and/or constituted by the charge over shares and receivables dated on or about 29 September 2006 between NXP B.V. as chargor and Morgan Stanley Senior Funding, Inc. as global collateral agent (as may be amended, supplemented, novated or restated from time to time)."

For and on behalf of
NXP B.V.

/s/ [ILLEGIBLE]

Name:
Title:

SPECIAL RESOLUTION
PHILIPS SEMICONDUCTORS
HONG KONG LIMITED

PHILIPS SEMICONDUCTORS HONG KONG LIMITED

Written Resolution of all the shareholders of Philips Semiconductors Hong Kong Limited ("the Company") passed on the 15th day of September 2006 pursuant to Section 116B of the Companies Ordinance and Article 69A of the Company's Articles of Association, the following resolution was passed.

As Ordinary Resolutions

1. "Resolved that the authorized capital of the Company be increased from HK$1,000 to HK$10,000,000 by the creation of 9,999,000 ordinary shares of HK$1.00 each and that all such new shares shall rank pari passu in all respects with the existing shares."

2. "Resolved that a general mandate be given to the Directors unconditionally to issue and dispose of all or any of the unissued shares in the capital of the Company to such persons and for such consideration as the Directors may think fit."

(signed)
Koninklijke Philips Electronics N.V.
Shareholder

No. 1047797
[Chinese Characters]

COMPANIES ORDINANCE
(CHAPTER 32)
[Chinese Characters]
[Chinese Characters]

CERTIFICATE OF INCORPORATION
[Chinese Characters]

* * *

I hereby certify that
[Chinese Characters]

PHILIPS SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

is this day incorporated in Hong Kong under the Companies Ordinance,
[Chinese Characters]

and that this company is limited.
[Chinese Characters]

Issued by the undersigned on 25 May 2006.
[Chinese Characters]

/s/ Nancy O. S. Yau
Miss Nancy O. S. YAU
for *Registrar of Companies*
Hong Kong
[Chinese Characters]
[Chinese Characters]

THE COMPANIES ORDINANCE (CHAPTER 32)

Private Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

NXP SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

1. The name of the Company is NXP SEMICONDUCTORS HONG KONG LIMITED [Chinese Characters].

2. The registered office of the Company will be situate in Hong Kong.

3. The objects of the Company are to engage in any acts or activities that are not prohibited under any law from time to time in force in Hong Kong.

4. The liability of the Members is limited.

5. The share capital of the Company is HK$10,000,000 divided into 10,000,000 shares of HK$1.00 each.

6. The shares in the original or any increased capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine. Subject to the provisions of the Companies Ordinance (Chapter 32), the rights and privileges attached to any of the shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions for the time being of the Company's Articles of Association.

We, the person whose name, address and description are hereto subscribed, are desirous of being formed into a Company, in pursuance of this memorandum of association, and we agree to take the number of shares in the capital of the Company set opposite our name:-

Name, Address and Description of Subscriber	**Number of shares taken by Subscriber**
WILVESTOR LIMITED (Sd.) Chan Wah Tip, Michael BY _____ Chan Wah Tip, Michael Director 6th Floor, Prince's Building, Chater Road, Central, Hong Kong. Body Corporate	One
Total Number of Shares Taken:	One

Dated the 19th day of May, 2006.

WITNESS to the above signature:-

(Sd.) Ho Man Kei, Keith

Ho Man Kei, Keith
Solicitor,
601, Prince's Building,
Chater Road,
Central,
Hong Kong.

THE COMPANIES ORDINANCE (CHAPTER 32)

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

NXP SEMICONDUCTORS HONG KONG LIMITED
[Chinese Characters]

Preliminary

Table A not to apply

1. The regulations in Table A in the First Schedule to the Companies Ordinance (Chapter 32) shall not apply to the Company.

Definitions

2. In these Articles (if not inconsistent with the subject or context) the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

Words	Meanings
Articles	These Articles of Association as from time to time altered by special resolution.
Chairman	The Chairman of the Board of Directors who is also a Director.
Directors	The Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present or the sole Director where the Company has only one Director.
Dividend	Dividend and/or bonus.
In writing	Written or produced by any substitute for writing in a legible form, including photocopies, printing, telex or facsimile or other visual representation or electronic or similar message which may be visually displayed with or without the

	interface of other equipment or software or programme if the person to whom the communication is given consents to it being given to him in that form, or partly written and partly so produced.
Month	Calendar Month.
Office	The Registered Office of the Company.
Ordinance	The Companies Ordinance (Chapter 32) and any statutory modification or re-enactment thereof for the time being in force.
Paid	Paid or credited as paid.
Seal	The Common Seal of the Company.
Year	Calendar Year.

The expressions “debenture” and “debenture-holder” shall include “debenture stock” and “debenture stockholder”.

The expression “Secretary” shall include a Deputy or Assistant Secretary or any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

Save as aforesaid any words or expressions defined in the Ordinance shall (if not inconsistent with the subject or context) bear the same meaning in these Articles.

The marginal notes are inserted for convenience and shall not affect the interpretation of these Articles.

Private Company

Restrictions on private company

3. The Company is a private company, and accordingly:-

(a) The right to transfer shares in the Company shall be restricted in manner hereinafter appearing.

(b) The number of members of the Company (not including persons who are in the employment of the Company and persons who having been formerly in the employment of the Company were

while in such employment and have continued after determination of that employment to be members of the Company) is limited to fifty: Provided that where two or more persons hold one or more shares in the Company jointly they shall for the purposes of this paragraph be treated as a single member.

(c) No invitation shall be made to the public to subscribe for any shares or debentures of the Company.

Capital

Issue of shares

4. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by the next following Article) any share in the Company may be issued with such preferred, deferred or other special rights or subject to such restrictions, whether in regard to Dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine and subject to the provisions of the Ordinance the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue thereof may by special resolution determine.

Variation of Rights

How special rights of shares may be varied

5. If and whenever the capital of the Company is divided into shares of various classes the rights and privileges of any such class may, subject to the provisions of the Ordinance, be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of such class. To every such general meeting all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be any person or persons holding or representing by proxy not less than one-third of the issued shares of such class.

Creation or issue of further shares

6. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

Alteration of Capital

Power to increase capital

7. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

Rights and liabilities attached to new shares

8. All new shares shall be subject to the provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Power to consolidate shares

9. (a) The Company may by ordinary resolution:-

(i) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares.

Power to cancel shares

(ii) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.

Power to sub-divide shares

(iii) Sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the memorandum of association (subject nevertheless, to the provisions of the Ordinance), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

Settlement of difficulties arising on consolidation

(b) Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof and any transfer executed in pursuance

thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.

Power to reduce capital

10. The Company may by special resolution reduce its share capital or any capital redemption reserve fund or share premium account in any manner and with and subject to any incident authorised and consent required by law.

Purchase of own shares

10A. Subject to the provisions of the Ordinance, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of any of its own shares wholly or partly otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by the relevant provisions of the Ordinance.

Shares

Shares at disposal of Directors

11. Subject to Section 57B of the Ordinance all unissued shares in the Company shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of the same to such persons, at such times and on such terms as they think proper.

Power to pay commissions and brokerage

12. The Company may exercise the powers of paying commissions conferred by the Ordinance. The rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Ordinance, and such commission shall not exceed 10 per cent of the price at which the shares in respect of which the commission is paid are issued. The Company may also on any issue of shares pay such brokerage as may be lawful.

Exclusion of equities

13. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Certificates

Certificates to be under seal

14. Every certificate for shares or debentures shall be issued under the Seal affixed in accordance with the provisions of these Articles.

Issue of certificate

15. Every person whose name is entered as a member in the register of members shall be entitled without payment within two months after allotment or lodgment of transfer (or within such other period as the terms of issue shall provide) to one certificate for all his shares of any one class or (upon payment of such sum not exceeding one dollar for every certificate after the first, as the Directors shall from time to time determine) several certificates, each for one or more of his shares of any one class.

Balance certificate

16. Where a member transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

Replacement of share certificate

17. If a share certificate shall be damaged, defaced, lost, stolen or destroyed, it may (if damaged or defaced) be replaced by a new certificate on payment of such fee (if any) not exceeding HK$5.00 and on delivery up of the certificate or (if lost, stolen or destroyed) on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request for a new certificate as the Directors think fit.

Calls on Shares

Calls

18. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times. Each member shall (subject to

receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

Time when made

19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by the instalments.

Liability of joint holders

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on calls

21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 12 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

Sums due on allotment to be

22. Any sum (whether on account of the nominal value of the share or by way of premium) which by the

treated as calls

terms of issue of a share becomes payable upon allotment or at any fixed day shall for all the purposes of these Articles be deemed to be a call duly made on and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Power to differentiate

23. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

Payment in advance of calls

24. The Directors may if they think fit or by agreement with any member receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled upon the shares held by him and upon the money so received (until and to the extent that the same would become payable) the Company may pay interest at such rate as the member paying such sum and the Directors agree upon.

Forfeiture

Notice requiring payment of calls

25. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued.

Notice to state time and place for payment

26. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

Forfeiture on non-compliance with notice

Surrender in lieu of forfeiture

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

Sale of shares forfeited or surrendered

28. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Rights and liabilities of members whose shares have been forfeited or surrendered

29. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at the rate of 12 per cent. per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

Lien

Company’s lien

30. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Company shall also have a first and paramount lien on all shares (including fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company’s lien (if any) on a share shall extend to all Dividends payable thereon. The Directors may waive any lien which has arisen and may resolve or agree that any share shall for a limited period or otherwise be (or be issued on terms that it is) exempt wholly or partially from the provisions of this Article.

Sale of shares subject to lien

31. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in

default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Application of proceeds of sale

32. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the

sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

Title to share forfeited or surrendered or sold to satisfy a lien

33. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Transfer and Transmission of Shares

Form of transfer

34. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and (save as otherwise permitted by law) the transferee and each transfer shall be accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

Refusal to register transfers

35. Subject to Article 34A, the Directors may, in their absolute discretion, decline to register the transfer of any shares. If the Directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

35A. Notwithstanding anything contained in Article 35, the directors may not decline to register any transfer of shares in the event of enforcement of the security created and/or constituted by the charge over shares and receivables dated on or about 29 September 2006 between NXP B.V. as chargor and Morgan Stanley Senior Funding, Inc. as global collateral agent (as may be amended, supplemented, novated or restated from time to time).

Suspension of registration

36. Subject to Article 35A, the registration of transfers may be suspended for such period as the Directors may from time to time determine and either generally or in respect of any class of shares. The register of members shall not be closed for more than thirty days in any year.

36A. Notwithstanding anything contained in Article 36, the directors may not suspend registration of any transfer of shares in the event of enforcement of the security created and/or constituted by the charge over shares and receivables dated on or about 29 September 2006 between NXP B.V. as chargor and Morgan Stanley Senior Funding, Inc. as global collateral agent (as may be amended, supplemented, novated or restated from time to time).

Recognition of transfers

37. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is deposited at the Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

Transfers may be retained

38. All instruments of transfer which are registered may be retained by the Company.

No fees chargeable for registration

39. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or notice in lieu of distringas or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

Transmission on death

40. In case of the death of a shareholder the survivors or survivor where the deceased was a joint holder, and the executors and administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

Registration of executors

41. Any person becoming entitled to a share in consequence of the death of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. In the case of a deceased shareholder the Directors shall have no right to refuse the registration of a transfer to a person or persons entitled under the will or intestacy of the deceased.

Rights of executors and trustee in bankruptcy

42. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be

entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

General Meetings

General Meetings

43. An annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors. All other general meetings shall be called extraordinary general meetings.

Calling of meetings

44. The Directors may whenever they think fit, and shall on requisition in accordance with the Ordinance, proceed to convene an extraordinary general meeting.

Notice of General Meetings

Notice of meetings

45. (a) An annual general meeting and any general meeting at which it is proposed to pass a special resolution shall be called by twenty-one days' notice in writing at the least, and any other general meeting by fourteen days' notice in writing at the least except at any general meeting at which it is proposed to pass a resolution requiring special notice pursuant to Section 116C of the Ordinance (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in the manner hereinafter mentioned to the auditors and to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company: Provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

(b) The accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meetings.

Contents of Notice

46. (a) Every notice calling a general meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not be a member of the Company.

(b) In the case of an annual general meeting, the notice shall also specify the meeting as such.

(c) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

Routine business

47. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:-

(a) declaration of Dividends;

(b) consideration of the accounts, the reports of the Directors and auditors and other documents required to be annexed to the accounts;

(c) appointment of auditors and fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed;

(d) the election of Directors in place of those retiring.

Proceedings at General Meetings

Quorum

48. No business shall be transacted at any general meeting unless a quorum is present throughout the meeting. Two members present in person or by proxy or one member present in person or by proxy holding not less than 51% of the issued voting share capital of the Company shall be a quorum. Notwithstanding any provision to the contrary in these Articles and where the Company has only one member, one member present in person or by proxy shall be a quorum of a general meeting.

Adjournment if quorum not present

49. (a) If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such later day and at such time and place as the Directors may by notice to the members specify.

(b) If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting, the members present shall be a quorum.

Chairman to preside

50. The Chairman shall preside as chairman at a general meeting. If there be no such Chairman or if at any meeting he is not present within five minutes after the time appointed for holding the meeting or is not willing to act, the Directors present shall choose one of their number to be chairman of the meeting. If no Director be present or if all the

Directors present decline to take the chair, the members present shall choose one of their number to be chairman of the meeting.

Adjournment

51. The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as mentioned in Article 49(a), it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

Method of voting

52. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by either:-

(a) the chairman of the meeting; or

(b) any member present in person or by proxy and entitled to vote.

How poll taken

53. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Errors in counting votes can be ignored

54. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same meeting or at any adjournment thereof, and not in those cases unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the resolution.

Chairman has no casting vote

55. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote.

When poll taken

56. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately.

Continuance of business after demand for poll

57. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Votes of Members

Voting rights

58. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.

Votes of joint holders

59. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

Votes on behalf of member of unsound mind

60. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal curator, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.

No voting right if calls unpaid

61. No member shall, unless the Directors otherwise determine, be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company unless calls or other sums presently payable by him in respect of shares in the Company have been paid.

Objections

62. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

Votes on a poll

63. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Status of proxy

64. A proxy need not be a member of the Company.

Form of proxy

65. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may accept and:-

(a) in the case of an individual shall be signed by the appointor or by his attorney; and

(b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.

Deposit of proxies

66. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in the notice convening the meeting (or, if no place is so specified, at the Office) not less than twenty-four hours before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which it is to be used and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered in relation to any subsequent meetings to which it relates.

Effect of proxies

67. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Validity of proxies

68. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or the time appointed for the taking of the poll at which the vote is cast.

Corporations Acting by Representatives

Representatives

69. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

Resolution in writing

69A. Subject to the provisions of the Ordinance, a resolution in writing signed by or on behalf of all the members or the member where the Company has only one member for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as a resolution passed at a meeting duly convened and held on the date on which it was signed by the last member to sign. The signature of any member may be given by his attorney. Any such resolution may be contained in one document or separate copies prepared and circulated for the purpose and signed by one or more of the members. Each such copy shall be certified in advance by the Secretary to contain the correct version of the proposed resolution. A cable or telex or facsimile or telecopier message or electronic or similar message (which may be visually displayed with or without the interface of other equipment or software or programme) sent by a member or his attorney shall be deemed to be a document signed by him for the purposes of this Article.

Written record of sole member

69B. Where the Company has only one member and that member takes any decision that may be taken by the Company in general meeting and that has effect as if agreed by the Company in general meeting, that member shall (unless that decision is taken by way of a written resolution subject to the provisions of the Ordinance and these Articles) provide the Company with a written record of the decision. Such written record shall be sufficient evidence of the decision having been taken by the member.

Directors

Number of Directors

70. Until otherwise determined by the Company by ordinary resolution the Directors shall be at least one and not more than eighteen in number. The names of the first Directors shall be determined in writing by the subscribers or the subscriber (where the Company has only one subscriber) of the memorandum of association of the Company.

No qualifications

71. A Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

Remuneration

72. The ordinary remuneration of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they

may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Expenses

73. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise in or about the business of the Company.

Extra remuneration

74. Any Director who is appointed to any executive office including the office of Chairman or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

Pensions

75. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director of the Company or any of its subsidiaries or associated companies and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Directors may contract with Company

76. A Director (or alternate Director) may contract or be interested in any contract or arrangement with the Company or any other company or body corporate or unincorporate in which the Company may be interested and hold any office or place of profit (other than the office of auditor of the Company) thereunder and he (or any firm of which he is a member) may act in a

professional capacity for the Company or any such other company or body and (unless otherwise agreed) may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom.

Executive Directors

77. (a) The Directors may from time to time appoint one or more of their body to be holder of any executive office (including, where considered appropriate, the office of Managing or Joint or Deputy or Assistant Managing Director) on such terms and for such period as they may determine.

(b) The appointment of any Director to any of the executive offices specifically mentioned above shall be subject to termination if he ceases from any cause to be a Director, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(c) The appointment of any Director to any other executive office shall be subject to termination if he ceases from any cause to be a Director (unless the contract or resolution under which he holds such office shall expressly state otherwise) in which event the termination of such office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Delegation of powers

78. The Directors may entrust to and confer upon any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers (other than the power to make calls or forfeit shares) and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Appointment and Removal of Directors

Term of Office

79. A Director shall hold office until such time as such office is terminated pursuant to the provisions of either Article 80 or 82.

Vacation of office of Director

80. Without prejudice to the provisions hereinafter contained the office of a Director shall be vacated in any of the following events namely:-

(a) if he shall become prohibited by law from acting as a Director;

(b) if he shall resign by writing under his hand left at the Office or if he shall tender his resignation and the Directors shall resolve to accept the same;

(c) if he shall become bankrupt or suspend payments or compound with his creditors generally;

(d) if he shall become of unsound mind;

(e) if he shall be removed from office pursuant to Article 82 of these Articles.

Appointment by General Meeting

81. The Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the number fixed by these Articles.

Removal

82. The Company may by ordinary resolution remove any Director from office notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have damages for breach of any such agreement, and appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy. Special notice pursuant to Section 116C of the Ordinance is required of a resolution to remove a Director or to appoint another person in place of a Director so removed at the meeting at which that Director is removed.

Appointment by Directors

83. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles.

Alternate Directors

Alternates

84. (a) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person, or if he be unable to act some other person, to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved, but so that no approval shall be required where another Director is appointed as alternate.

(b) The appointment of an alternate Director shall terminate on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director or if the approval of the Directors to his appointment is withdrawn.

(c) An alternate Director shall be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present (so that such vote shall be in addition to any other vote to which such person may be entitled in his

own right) and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing sentence shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) in his capacity as such have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles .

(d) An alternate Director so appointed shall be deemed to be the agent of the Director who appoints him and a Director who appoints an alternate Director shall be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director.

(e) An alternate Director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

Reserve Directors

Reserve Directors

84A. (a) If the Company has only one member and that member is the sole Director of the Company, the Company may in general meeting, notwithstanding any provision to the contrary in these Articles, nominate a person (other than a body corporate) who has attained the age of 18 years as a reserve Director of the Company to act in the place of the sole Director in the event of his death.

(b) The nomination of a reserve Director shall cease to be valid if:-

(i) before the death of the Director in respect of whom he was nominated he resigns as reserve Director pursuant to Section 157D of the Ordinance or the Company in general meeting revokes the nomination; or

(ii) the Director in respect of whom he was nominated ceases to be the sole member and sole Director of the Company for any reason other than the death of that Director.

Proceedings of Directors

Meetings of Directors

85. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. A Director may, and

the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Directors shall be given to all the Directors including any for the time being absent from Hong Kong and such notice may be given by letter or cable or telex or facsimile or telecopier message or electronic or similar message (which may be visually displayed with or without the interface of other equipment or software or programme). Any notice so given shall be sent to each Director at the address shown in the register of directors or to such other address as the Director or his alternate Director may from time to time notify to the Secretary for the purpose.

Director may authorise another Director to represent him

86. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Any such authority must be in writing or by cable or telex or facsimile or telecopier message which must be produced at the meeting at which the same is to be used, and be left with the Secretary for filing.

Quorum

87. The quorum necessary for the transaction of the business of the Directors shall be two Directors or alternate Directors present throughout the meeting. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Declaration of interests

88. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Ordinance.

Directors may vote on contract in which he is interested

89. Subject to his compliance with the provisions of the preceding Article a Director may be counted in the quorum and may vote at a meeting of the Directors at which any contract or arrangement or proposed contract or arrangement in which he is interested is considered by the Directors.

Continuing Directors may act

90. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any member may summon a general meeting for the purpose of appointing Directors.

Chairman

91. The Directors may elect the Chairman as chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the same or is not willing to act, the Directors present may choose one of their number to be chairman of the meeting. The Chairman of the meeting shall not be entitled to a casting vote.

Present at meeting by Conference call etc.

92. Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of electronic or conference telephone or similar communications equipment whereby all persons participating in the meeting in this manner shall be deemed to constitute presence in person at such meeting.

Signed resolutions

93. A resolution in writing signed by all the Directors (or their alternates) for the time being or by all the members for the time being of a committee of the Directors shall be as effective as a resolution passed at a meeting of the Directors or the committee duly convened and held. Such resolution may consist of several documents in like form each signed or approved as aforesaid by one or more of the Directors (or his or their alternates) or, as the case may be, one or more members of the committee. A cable or telex or facsimile or telecopier message or electronic or similar message (which may be visually displayed with or without the interface of other equipment or software or programme) sent by a Director or his alternate shall be deemed to be a document signed by him for the purposes of this Article.

Written record of sole Director

93A. Where the Company has only one Director and that Director takes any decision that may be taken in a meeting of the Directors and that has effect as if agreed in a meeting of the Directors, that Director shall (unless that decision is taken by way of a resolution in writing) provide the Company with a written record of that decision. Such written record of a decision shall be sufficient evidence of the decision having been taken by the Director.

Committees

94. The Directors may delegate any of their powers to committees consisting of such one or more members of their body as they think fit. Any

committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors.

Proceedings of Committees

95. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Validation of acts of Directors

96. All acts done by any meeting of Directors, or of a committee of Directors or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

General Powers of Directors

Directors' powers

97. Subject to the provisions of the Ordinance, the Memorandum and Articles of Association of the Company and to any directions given by special resolution of the Company, the business and affairs of the Company shall be managed by the Directors, who may exercise all the powers of the Company. No alteration of the Memorandum and Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article, and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors .

Local Boards

98. The Directors may establish any local boards managers or agencies for managing any of the affairs of the Company, either in Hong Kong or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Attorneys

99. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain

such provisions for the protection and convenience of persons dealing with any such Attorney as the Directors may think fit, and may also authorise any such Attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

Foreign seal

100. The Company may exercise the powers conferred by the Ordinance with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

Branch register

101. Subject to and to the extent permitted by the Ordinance the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside Hong Kong a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

Borrowing power

102. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Cheques

103. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

Restrictions on subscription or purchase of shares in the Company or its holding company

104. Except to the extent permitted by the Ordinance no part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of shares in the Company or in any company which is its holding company nor shall the Company directly or indirectly give any financial assistance for the purpose of or in connection with a subscription for or purchase of such shares.

Deputy, Departmental, Divisional or Local Directors

Local directors

105. The Directors may from time to time appoint any person to be a Deputy, Departmental, Divisional, Local, Associate or other Director and define, limit or restrict his powers and duties and determine his remuneration and the designation of his office and may at any time remove any such person from such office. Such a person (notwithstanding that the designation of his office may include the word "Director") shall not by virtue of such office be or have power in any respect to act as a Director of the Company nor be entitled to receive notice of or attend or vote at meetings of the Directors nor be deemed to be a Director for any of the purposes of these Articles.

Secretary

Secretary

106. The Secretary shall be appointed by the Directors on such terms (including remuneration) and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of

service between him and the Company.

The Seal

Seal

107. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of

the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by such person or persons from time to time appointed for the purpose by the Directors.

Dividends

Declaration of Dividends

108. The Company may by ordinary resolution declare Dividends but no Dividend shall be payable except out of the profits of the Company in accordance with the provisions of Part IIA of the Ordinance, or in excess of the amount recommended by the Directors.

Apportionment

109. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all Dividends shall (as regards any shares not fully paid throughout the period in respect of which the Dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the Dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

Interim Dividends

110. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim Dividends of such amounts and on such dates and in respect of such periods as they think fit.

Dividends not to bear interest

111. No Dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Deductions from Dividends

112. The Directors may deduct from any Dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Application of Dividends

113. The Directors may retain any Dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Retention of Dividends

114. The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Unclaimed Dividends

115. The payment by the Directors of any unclaimed Dividend or other moneys payable on or in respect of a share into a separate account shall not

constitute the Company a trustee in respect thereof and any Dividend unclaimed after a period of twelve years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

Dividends in specie

116. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Payment

117. Any Dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holders, to any one of such persons), or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Receipts

118. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.

Distribution of capital profits

118A. The Company in general meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realisation of any capital assets of the Company or any investment representing the same instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of Dividend provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

Reserves

Reserves

119. The Directors may from time to time set aside out of the profits

of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits.

Capitalisation of Profits and Reserves

Capitalisation

120. The Company may upon the recommendation of the Directors by ordinary resolution resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution, provided that such sums be not required for paying the Dividends on any shares carrying a fixed cumulative preferential Dividend, and to authorise the Directors to appropriate the sum resolved to be capitalised to the members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any such shares held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way and partly in the other: Provided that share premium account and capital redemption reserve fund may only be applied hereunder in the paying up of unissued shares to be issued as fully paid.

Consequential matters

121. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit in the case of the shares or debentures becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment credited as fully paid up of any shares or debentures to be issued upon such capitalisation and for matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Minutes and Books

Minutes

122. The Directors shall cause Minutes to be made in books to be provided for the purpose of:-

(a) all appointments of officers made by the Directors;

(b) the names of the Directors or their alternates present at

each meeting of Directors and of any committee of Directors;

(c) all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of

Methods of keeping books

123. Subject to the provisions of the Ordinance any register, index, minute book, book of account or other book required by these Articles or the Ordinance to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

Accounts

Inspection of books of account

124. The books of account shall be kept at the Office or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors.

Annual accounts

125. The Directors shall from time to time in accordance with the provisions of the Ordinance cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

Annual Accounts to be sent to members

126. A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member and to every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Ordinance or of these Articles: Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware,

but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Auditors

Auditors

127. The auditors shall be appointed and their duties regulated in accordance with the provisions of the Ordinance.

Notices

Methods of service

128. (a) Any notice or other document may be served on or delivered to any member by the Company either personally or in any of the other manners hereinafter mentioned to the member's address as recorded in the register of members or to such other address as the

member may from time to time notify in writing to the Company for the service of notices.

(b) A notice or other document may be sent by prepaid mail (air mail in the case of an address outside Hong Kong) or by cable or telex or facsimile or telecopier message or electronic or similar message (which may be visually displayed with or without the interface of other equipment or software or programme). Where a notice or document is sent by mail to an address in Hong Kong it shall be deemed to have been served on the day following that on which it is posted and, in the case of an address outside Hong Kong, it shall be deemed to have been served on the seventh day following that on which it is posted, and in proving such service it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted. Where a notice is sent by cable or telex or facsimile or telecopier message it shall be deemed to have been served on the day following that on which the cable or telex or facsimile or telecopier was despatched. Where a notice or other documents is sent by electronic or similar message it shall be deemed to have been served on the day following that on which it is transmitted to the member at the member's address as he may provide for such purpose except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or other document so served.

Notice to joint holders

129. In respect of joint holdings all notices or other documents shall be given to that one of the joint holders whose name stands first in the register of members and any notice so given shall be sufficient notice to all the joint holders.

Where members dead or bankrupt

130. A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share and also upon supplying an address for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder.

Winding Up

Distribution of assets

131. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may with the authority of a special resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Indemnity

Indemnity

132. Every Director, alternate Director, auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him as such Director, alternate Director, auditor, Secretary or other officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 358 of the Ordinance in which relief is granted to him by the Court.

Name, Address and Description of Subscriber

WILVESTOR LIMITED

(Sd.) Chan Wah Tip, Michael

BY_____
Chan Wah Tip, Michael
Director

6th Floor, Prince's Building,
Chater Road, Central, Hong Kong.
Body Corporate

Dated the 19th day of May, 2006.

WITNESS to the above signature:-

(Sd.) Ho Man Kei, Keith

Ho Man Kei, Keith
Solicitor,
601 Prince's Building,
Chater Road,
Central,
Hong Kong.

Exhibit 3.16

MEMORANDUM
OF
SIGNETICS THAILAND COMPANY LIMITED

****

We, the undersigned, having agreed to promote a Company with limited liability, did on this 18th day of April, A. D. 1974, jointly make a Memorandum of Association in two copies in the following terms:

1. The name of the Company is "SIGNETICS THAILAND COMPANY LIMITED", written in English characters, and is [THAI] written in Thai script.

2. The registered office of the Company will be situated in Bangkok Metropolis, Thailand.

3. The objectives for which the Company is established are :

   (1) To engage in the business of assembling, manufacturing and buying of electronic instruments, tools, devices, and creations of all kinds, including equipment component parts and various pieces pertaining to electronics, whether they be in furnished, manufactured form or not.

   (2) To engage in the business of assembling, manufacturing and buying of machinery, machines and utensils; to prepare drawing plans for any such items or for many of them in concert, which might be beneficial, pertaining to or for use in or in connection with electronic instruments, tools, devices and creations of as kinds.

   (3) To import and export all kinds of goods involved with the various business activities aforestated in sub-clauses (1) and (2).

   (4) For the Company's business purposes to purchase, self exchange, buy on hire-purchase, pledge, mortgage and guarantee machinery, equipment and tools which are used for industrial purposes.

   (5) For the Company's business purpose to purchase, sell, change, lease out, buy on hire-purchase, mortgage or advance money on the security of, any land or other immovable property in Thailand and abroad, but subject to any restrictions and conditions imposed by Thai law.

   (6) To apply for, purchase, transfer and accept transfers of trademarks, licenses, patents and tradenames, including concessions, protections or privileges in carrying out the objectives of the Company.

   (7) For the Company's business purposes to execute, draw, accept and endorse bills of exchange, drafts and bills of lading.

   (8) For the Company's business purposes to borrow and to lend money with or without interest, and with or without having any person or property by way of security, except in such a way as to constitute finance company activity, and to be guarantor for the payment of loans by any natural or juristic person.

   (9) For the Company's business purposes to accept pledges, and to pledge and mortgage on the security of loans or any other benefits obtained.

   (10) To have an interest in any other limited companies or partnerships whose objectives are similar to or different from those of the Company.

   (11) To establish agents, brokers, commission agents and branch offices of the Company in any place in the world.

[SEAL]

/s/ Mr. Victor George Tee
Mr. Victor George Tee

---

   (12) To bring and defend actions in the courts, submit disputes to arbitration, and enter into any agreement or compromise in carrying out the objectives of the Company in any court in any place in the world.

   (13) To Issue guarantees for the purposes of the Company or its officers and employees to the Thailand Immigration, Customs, Revenue and Police authorities, and to provide bail and security in criminal or civil cases.

   (14) The Company is empowered to issue shares at prices higher than par value, and to issue shares for considerations other than money.

4. The liability of the shareholders in limited to the amount unpaid on the shares in the capital of the Company held by them.

5. The capital of the Company is fixed at Twelve Million Six Hundred Thousand Baht (Ticals 12,600,000.00) divided into One Hundred and Twenty-Six Thousand (126,000) shares each of the nominal (par) value of One Hundred Baht (Ticals 100.00) per share.

We do hereby authorize Mr. Prasong Thammasara, one of the promoters, to do and perform on our behalf, with the Registrar of the Business Registration Division of the Thailand Ministry of Commerce, all acts and things pertaining to the establishment and registration of this Limited Company.

The names, addresses and occupations of the seven (7) promoters of the Company, the number of shares in its capital for which they have subscribed, and their signatures are set out below:

1. I, Mr. James Edward Stokes, American national, age 53, residing at No. 986 Rama IV Road, Tambon Silom, Khet Bangrak, Bangkok Metropolis, trader, have subscribed for one (1) share.

(signed) James Edward Stokes.

2. I, Mr. Andrew Roderick Walter Wynne, British national, age 28, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis, attorney, have subscribed for one (1) share.

(Signed) Andrew Roderick Walter Wynne

3. I, Mr. Annop Srisuphll, Thai national, age 48, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis, employee, have subscribed for one (1) share.

(Signed) Annop Srisuphll

4. I, Mr. U Tiu Shwe, Burmese national, age 31, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis, attorney, have subscribed for one (1) share.

(Signed) U Tiu Shwe

5. I, Mr. Udom Rosemon, Thai national, age 33, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis, employee, have subscribed for one (1) share.

(Signed) Udom Rosemon

6. I, Mr. Pramote Phamomphibun, Thai national, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis, employee, have subscribed for one (1) share.

(Signed) Pramote Phamomphibun

7. I, Mr. Prasong Thammasara, Thai national, age 24, residing at No. 547 Community No. 1, Sol 48, Suksawat Road, Tambon Bang Mot, Khet Rathurana, Bangkok Metropolis, employee, have subscribed for one (1) share.

(Signed) Prasong Thammasara

[SEAL]

/s/ Mr. Victor George Tee
Mr. Victor George Tee

Certification by Witnesses:

I, Mrs. Wilailak Choenaksom, Thai national, age 24, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis;

And I, Miss Somchai Lamalkul, Thai national, age 23, residing at No. 297 Surawong Road, Tambon Surawong, Khet Bangrak, Bagnkok Metropolis;

Do hereby certify that all the above-named promoters of this company did sign their names in our presence.

(Signed) Wilailak Choenaksom

(Signed) Somchai Lamalkul

****

[SEAL]

/s/ Mr. Victor George Tee
Mr. Victor George Tee

(Translation)

GARUDA

No. Sor Jor Kor.019257

Partnership and companies
Registration Office

CERTIFICATION

This is to certify this Company has been registered under the Civil and Commercial Code as a juristic person, being classified as a limited company, Registration No. 0105517007286 (former no. 735/2517] on the 7 day of June 1974. Information appearing in the registration records on the day of issuance of this document is as follows :

1. Name of the Company is **NXP Manufacturing (Thailand) Ltd.**

2. The Company has 6 directors as follows :-
   (1) Mr. Douglas Gene Sampson
   (3) Mr. Carlo Anthony van den Akker
   (5) Mr. Phaisal Prommomes

3. Number and names of the directors who are authorized to sign to bind the Company are as follows:-

   "The signatures of any two directors of the Company are required to bind with the Company Seal."

4. The registered capital is fixed at Baht 51,000,000.-

5. The address of the head office is no.303 Moo 3, Chaengwattana Road, Kwaeng Talad Bangkhen, Khet Laksi, Bangkok.

6. The objects of the Company comprise 14 items and are as appear in the copy annexed hereto in 2 pages which bears the signature of the Registrar who is the competent official and is affixed with the seal of the Partnership and Companies Registration Office.

(Official Seal) Issued on this day the December 29, 2006

(Signed) _____
Registrar

Remark :

1. This Company was formerly known as 'Signetics Thailand Co., Ltd.' The Company has changed its name to 'Philips Semiconductors (Thailand) Co., Ltd.' on 22 January 1993, and changed to NXP Manufacturing (Thailand) Ltd. on the 29th December 2006.

2. This juristic person has sent 2005 Annual Financial Statement.

3. This certificate certifies only the statements the partnership/company registered for legal effect only. The fact should be sourced for consideration.

4. The Registrar may cancel the registration later if the registration is proved to be incorrect.

The objectives for which the Company is established are:

(1) To engage in the business of assembling, manufacturing and buying of electronic instruments, tools, devices, and creations of all kinds, including equipment component parts and various pieces pertaining to electronics, whether they be in furnished, manufactured form or not.

(2) To engage in the business of assembling, manufacturing and buying of machinery, machines and utensils; to prepare drawing plans for any such items or for many of them in concert, which might be beneficial, pertaining to or for use in or in connection with electronic instruments, tools, devices and creations of as kinds.

(3) To import and export all kinds of goods involved with the various business activities afore-stated in sub-clauses (1) and (2).

(4) To purchase, sell, exchange, lease, let, hire purchase, pledge, mortgage or give warranty over any industrial machinery, tools, and devices or any other assets for any purposes and to take mortgage of any assets as security to the obligations of any of its customers arising from the sales of goods either by credit or by installment or as security to the performance of its employee.

(5) For the Company's business purpose to purchase, sell, change, lease out, buy on hire-purchase, mortgage or advance money on the security of, any land or other immovable property in Thailand and abroad, but subject to any restrictions and conditions imposed by Thai law.

(6) To apply for, purchase, transfer and accept transfers of trademarks, licenses, patents and trade names, including concessions, protections or privileges in carrying out the objectives of the Company.

(7) For the Company's business purposes to execute, draw, accept and endorse bills of exchange, drafts and bills of lading.

(8) To borrow and lend money with or without interest, and with or without any personal guarantee or asset provided as collateral for any purposes, except in such a way which constitute financial institution activity and to provide guarantee for payments of loans in favor of any individual or juristic person for any purposes.

(9) To take pledge and to pledge or mortgage to secure the loan or any other benefits for any purposes.

(10) To have an interest in any other limited companies or partnerships whose objectives are similar to or different from those of the Company.

(11) To establish agents, brokers, commission agents and branch offices of the Company in any place in the world.

(12) To bring and defend actions in the courts, submit disputes to arbitration, and enter into any agreement or compromise in carrying out the objectives of the Company in any court in any place in the world.

---

(13) To issue guarantees for the purposes of the Company or its officers and employees to the Thailand Immigration, Customs, Revenue and Police authorities, and to provide bail and security in criminal or civil cases.

(14) The Company is empowered to issue shares at prices higher than par value, and to issue shares for considerations other than money.

ARTICLES OF ASSOCIATION
OF
PHILIPS SEMICONDUCTORS (THAILAND) CO., LTD.

****

Shares and Shareholders

1. The shares of the Company shall be divided into two groups, i.e.

a) Groups A shares are common shares consisting of shares number 000001 to 250000 inclusive.

b) Group B shares are preferred shares consisting of shares number 250001 to 510000 inclusive.

Unless otherwise clearly provided by these Articles, the rights and status of Group A and Group B shares shall be the same.

2. In the event that the Company is dissolved or liquidated, the remaining money or property of the Company which shall be divided among shareholders shall be divided into two parts.

2.1 The first part shall be distributed to each of Group A share at the rate of 7,950 per share and each of Group B share at the rate of Baht 7,950 per share.

2.2 The remaining amount after the first division shall be equally distributed to each share.

If the remaining money or property is inadequate to be distributed to each share as mentioned in 2.1 above the amount shall be distributed to each of Group A and Group B share on the pro rata basis.

3. The Directors may from time to time pay to the shareholders such interim dividend as appeared to the Directors to be justified by the profit of the Company and provided that after the payment of such dividend, the retained earning shall remain not less than Baht 1,299,508,000.-

Any declaration of dividend by a shareholders' meeting which shall reduce the retained earning to be less than Baht 1,299,508,000.- is subject to a majority vote of the Group A shareholders attending such meeting. The detail of the dividend to be declared and the remaining retained earning thereafter must be clearly stated in the notice calling for such shareholders' meeting.

4. The share certificates of the Company shall be issued under the Seal of the Company, and shall bear the signatures of at least two (2) Directors.

---

5. Only such natural or juristic persons as are listed in the Register of Shareholders of the Company shall be considered shareholders of the Company.

6. Any share may be transferred by a shareholder of the Company, or other person entitled to transfer, to another shareholder selected by the transferor, but no share shall be transferred to any person who is not a shareholder, except to such person as may be expressly and in writing approved by the Board of Directors as being in the interest of the Company to admit as a shareholder.

7. The Directors, in their sole discretion, may refuse to register the transfer of any share(s) to a person not already a shareholder whom they shall not approve as being a shareholder of the Company.

8. The Company shall, upon any increase of authorized its capital, have power to issue fully paid bearer shares.

9. The Company shall, upon any increase of its capital, have power to issue preference shares, on such terms as may be resolved in General Meeting of the shareholders.

10. If any shares certificate is defaced, lost or destroyed, it may renewed on such terms, if any, as to evidence and indemnity as the Directors may deem fit.

Directors

11. The number of the Directors on the Board shall be not more than ten (10).

12. Not less than one - third of the Directors shall retire annually. All retired Directors shall be eligible for re-election.

13. A Director need not be a shareholder of the Company.

14. Meeting of the Board of Directors shall be hold upon such notice (if any) as the Directors themselves may determine from time to time in Meeting.

15. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed a majority of the Directors holding office must be present, in order to constitute a quorum for a Meeting of the Board of Directors.

However, decisions of the Board of Directors may be taken either at a Meeting duly convened with or without prior written notice, or by resolutions circulated by registered post and voted upon by all of the Directors, or if necessary or appropriate by cable or telex provided the proposal to use this means is confirmed in the same manner by all of the Directors.

16. Decisions in Board Meetings shall require the affirmative vote of a majority of the Directors present, in person or by proxy, at the Meeting. Resolutions proposed by post, cable or telex shall be passed only by the unanimous vote of all Directors holding office. At any Board Meeting, the Chairman of the Board of Directors shall have a casting vote in the event of a tie.

Power of Directors

17. The signatures of the Directors which shall be binding upon the Company, when combined with the Company Seal, shall be determined by the Board of Directors, and the same shall be registered with the competent authorities.

18. The Board of Directors shall manage the business of the Company in accordance with the objects enumerated in the Company's Memorandum, and particularly they have authority to acquire, buy, sell, mortgage, pledge, or charge the Company's movable and immovable property for its business purposes, and to issue all usual types of commercial security for the Company's general use, or as security for any debt, liability or obligation of the Company or of any third party. Likewise, the Directors have authority to lease immovable property for more than three (3) years, as well as for lesser periods, and may effect registrations with any governmental office, department, ministry, or instrumentality in Thailand or aboard.

19. The Directors, in the name of the Company, may issue guarantees and bind the Company as guarantor, bailor or surety for any natural or juristic person (s).

20. The Directors shall have the authority to submit matters to arbitration, enter into compromises, and to commence, prosecute and defend court actions in the courts of any country, as well as to participate in bankruptcy, reorganization and liquidation proceedings of any of the debtors of the Company, and to receive money or property from any person, natural or juistic, including courts and governmental authorities.

21. The Directors shall have the power to designate by resolution or power of attorney or otherwise, any person or persons, natural or juristic, whether or not a director, to act on behalf of the Company and whose signature or signatures shall be binding upon the Company, subject to such limitations as may be placed on his/their signing authority by the Board of Directors.

22. The Directors shall have the power to appoint, remove, or suspend such managers, officers, clerks, employees, agents, and servants for permanent, temporary or special services as they may from time to time deem appropriate, and to determine their titles, powers and duties and fix their remuneration, whether by way of salary, commission, participation in profits, or otherwise, as they deem appropriate.

In no way limiting the generality of the foregoing, the Board of Directors may appoint, remove, or suspend any one or more of their body as committees, manager or managers, which or who may by designated by such title or titles as the Board of Directors shall deem appropriate and to whom the Board of Directors may delegate and limit the powers mentioned in these Regulations.

23. The Directors may appoint one or more Managing Director(s) for such period(s) as the Directors may decide, and the Directors may confer upon him/them such powers of the Company as they deem fit which are not by law or by these Articles required to be exercised by the Company in General Meeting.

Shareholders' Meetings

24. The first Annual General Meeting of the Shareholders shall be held within six (6) months after incorporation of the Company. Thereafter an Annual General Meeting shall be held at least once in every twelve months, to consider and act upon the following business:

(1) To receive and consider the report of the directors, the audited profit and loss account and balance sheet of the Company for the past fiscal year, and the auditor's report thereon;
(2) To elect directors in the place of those retiring by rotation or otherwise;
(3) To consider the declaration of dividend;
(4) To elect an auditor for the ensuing year, and fix his/her remuneration;
(5) To transact other business.

The above mentioned General Meeting of the Shareholders shall be called Ordinary General Meeting; all other General Meetings of the Shareholders shall be called Extraordinary General Meetings.

25. Ordinary and Extraordinary General Meetings of the shareholders of the Company may be held during normal business hours at any place in Thailand.

26. Written notice of any Meeting of the shareholders, signed by any Director or by any person authorized by the Board of Directors, shall be served upon or delivered by hand or by registered mail to each shareholder, at his last known address as shown in the Register of Shareholders of the Company, having the right and entitled to vote at such Meetings, at least fourteen (14) clear days before the scheduled date of the Meeting. Any notice sent by mail in a letter properly addressed is deemed to have been served at the time when such letter would have been delivered in the ordinary course of post.

27. An Ordinary or Extraordinary General Meeting of the shareholders may not transact any business unless registered shareholders who between them represent at least fifty-one per centum (51%) of the issued shares in the capital of the Company are present, either in person or by proxy, in order to constitute a quorum. Failing to obtain a quorum, a subsequent General Meeting can be summoned on fourteen (14) days' notice, and at such subsequent Meeting the same quorum shall be necessary.

28. Any shareholder, having a special interest in any proposal to be decided upon in a meeting shall not be entitled to vote on that proposal.

29. The Register of Shareholders of the Company shall be closed during the seven (7) days immediately preceding every Ordinary or Extraordinary General Meeting of the share holders, during which period no share transfer may be registered by the Company.

Accounts

30. The Board of Directors shall cause to be kept, at the registered office of the Company, proper accounts of the assets and liabilities of the Company and all other accounts which by law or business practice should be kept by the Company, and such accounts shall be audited periodically by the qualified auditor appointed by the Company.

Seal

31. The Board of Directors shall provide for establishment of a Seal of the Company, and the Seal shall never be used except by the authority of the Directors as set forth in these Articles, the Memorandum of Association and the law.

General

32. In addition to the above Regulations, the provisions of the Thailand Civil and Commercial Code as now enacted or as may be amended hereafter, except as they may be inconsistent herewith, are hereby adopted as the Articles of Association and Regulations of the Company.

(Translation)

Articles of Association
of
Philips Semiconductors (Thailand) Co., Ltd.
(Amendment)

The special resolution of the Extraordinary General Meeting of Shareholders No. 3/2006, held on 15 September 2006 and the Extraordinary General Meeting of Shareholders No. 4/2006, held on 2 October 2006 resolved to amendment to Article 6 and Article 7 of the Articles of Association of the Company to read as follows:-

Article 6 Any shareholder of the Company or any other person entitled to transfer shares in the Company may transfer any shares held by that person to any other shareholders of the Company as they deem fit, provided that no share shall be transferred to any person who is not an existing shareholder of the Company, except for a transfer of shares which occurs as a result of an enforcement of a share pledge or a transfer of shares which was expressly approved in writing by the Board of Directors such that it is in the interest of the Company to accept such person as a shareholder.

Article 7 The Directors, in their sole discretion, may refuse to register any transfer of shares to any person who is not an existing shareholder and who is not approved by the Board to be a shareholder of the Company except for the registration of the share transfer to any person as contemplated in Article 6.

We hereby certify that the above statements are true and corresponded to the resolutions of the meeting of shareholders.

(Mr. Jan Pieter Eggebeen)
Director

/s/ Mr. Douglas Gene Sampson

(Mr. Douglas Gene Sampson)
Director

Exhibit 3.17

FILE COPY

CERTIFICATE OF INCORPORATION

ON CHANGE OF NAME

Company No. 5814335

The Registrar of Companies for England and Wales hereby certifies that

PHILIPS SEMICONDUCTORS UK LIMITED

having by special resolution changed its name, is now incorporated under the name of

NXP SEMICONDUCTORS UK LIMITED

Given at Companies House, Cardiff, the 28th December 2006

C05814335R

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

Companies House
for the record

Company No: 05814335

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

PHILIPS SEMICONDUCTORS UK LIMITED

Passed the 13th of December 2006

By a Written Resolution of the above named Company duly passed on the above date, pursuant to section 381A of the Companies Act 1985 the following Resolution was duly passed as a Special Resolution of the Company as follows:

SPECIAL RESOLUTION

THAT the name of the Company be changed to:

NXP Semiconductors UK Limited

Director/Secretary

THE COMPANIES ACTS 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

PHILIPS SEMICONDUCTORS UK LIMITED

Exhibit 3.18

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY
(ACRA) [GRAPHIC]

Company No: 200606863D

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 11/05/2006 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 15/05/2006.

/s/ Chua Siew Yen

CHUA SIEW YEN
ASSISTANT REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

[SEAL]

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA) **[GRAPHIC]**

Company No: 200606863D

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY UNDER THE NEW NAME

This is to confirm that PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD. incorporated under the Companies Act on 11/05/2006 did by a special resolution resolve to change its name to NXP SEMICONDUCTORS SINGAPORE PTE. LTD. and that the company is now known by its new name with effect from 28/12/2006.

GIVEN UNDER MY HAND AND SEAL ON 29/12/2006.

/s/ Nurhayati Nongchik

NURHAYATI NONGCHIK
ASST REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

[SEAL]

ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA) **[GRAPHIC]**

Company No: 200606863D

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 11/05/2006 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 15/05/2006.

/s/ Chua Siew Yen

CHUA SIEW YEN
ASSISTANT REGISTRAR
ACCOUNITING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE

[SEAL]

Company Registration No.: 200606863D

THE COMPANIES ACT, CAP 50

REPUBLIC OF SINGAPORE

PRIVATE COMPANY LIMITED BY SHARES

Memorandum

And

Articles of Association

of

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

Incorporated on the 11th day of May 2006

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

1. The name of the Company is PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.,

2. The registered office of the Company will be situated in the Republic of Singapore.

3. The liability of the Members is limited.

See Page 2

We, the persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Names, Addresses and Descriptions of Subscribers	Number of Share Taken by Subscriber
KONINKLIJKE PHILIPS ELECTRONICS N.V. Groenewoudseweg 1 5621 BA Eindhoven The Netherlands.	**One**
MOURAD BECHIR MANKARIOS 38 Andrew Road, Singapore 299955.	
CEO	
Total Number of Shares Taken	**One**

Dated this 10th day of May, 2006

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

Table "A" Excluded

1. The regulations in Table "A" in the Fourth Schedule to the Companies Act, Cap 50 shall not apply to the Company, except so far as the same are repeated or contained in these Articles.

Interpretation

2. In these Articles-

"Act" means the Companies Act, Cap. 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act;

"Company" means the above named Company by whatever name from time to time called;

" Director" means the Director for the time being of the Company;

'Office" means the registered office for the time being of the Company;

"Seal" means the common seal of the Company or in appropriate cases, the official seal or duplicate common seal;

"Secretary" means any person appointed to perform the duties of a secretary of the Company and includes any person appointed to perform the duties of secretary temporarily;

words importing the singular number only shall include the plural number, and vice versa;

words importing the masculine gender only shall include the feminine gender;

words importing persons shall include corporations;

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form; and

words or expressions contained in these Articles shall be interpreted in accordance with the provisions of the Interpretation Act, and of the Act as in force at the date at which these Articles become binding on the company.

The headers are inserted for convenience only and shall not affect the construction of these Articles.

Business

3. Subject to the provisions of the Act, any branch or kind of business which the Company is expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

Private Company

4. The company is a private company and accordingly the following provisions shall have effect, namely:-

(a) The right to transfer shares in the Company shall be restricted in manner hereinafter provided.

(b) The number of members of the Company (counting joint holders of shares as one person and not counting any person in the employment of the Company or of its subsidiary or any person who while previously in the employment of the Company or of its subsidiary was and thereafter has continued to be member of the Company) shall be limited to fifty.

Share Capital and Variation of Rights

5. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the Directors, subject to any ordinary resolution of the Company, determine.

6. Subject to the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of 75% of the issued shares of that class, or with sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution section 184 of the Act shall with such adaptations as are necessary apply.

*7A. Notwithstanding anything contained in these Articles (including, without limitation Article 7), the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company which have been charged by way of security, from time to time, to any person, shall not be modified, affected, varied, extended or surrendered in any manner without the prior written consent of such person.

*** Included pursuant to Special Restitution potential on 29th September 2006**

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

9. The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10% of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in [Illegible]

or unit of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute rights to the entirety thereof in the registered holder.

11. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive a certificate under the seal of the Company in accordance with the Act in respect of each class of shares held by him for all his shares of that class or several certificates each for one or more of his shares of that class upon payment of two dollars (or such lesser sum as the Directors shall from time to time determine) for every certificate after the first. Provided that (i) the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several

persons and delivery thereof to one of several joint holders shall be sufficient delivery to all such holders and (ii) a member who has transferred part of his shares comprised in a share certificate shall be entitled to receive without payment a certificate in respect of the shares not transferred.

12. If any such certificate or other document of title to shares be worn out, defaced, destroyed or lost, it may be renewed on payment of such sum not exceeding two dollars, and in the case of wearing out or defacement on delivery of the old certificate and in the case of destruction or loss, subject to compliance with the provisions of the Act.

13. The certificates of shares, or options in respect of shares, registered in the names of two or more persons may be delivered to the person first named in the register of members.

Lien

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a single person for all money presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

15. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exist as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

16. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

17. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

*17A. Notwithstanding anything contained in Articles 14 to 17, any person to whom any shares have been charged by way of security, from time to time, shall have a first fixed charge over such shares, ranking in priority over the lien expressed to be created under Article 14 (which shall in all respects be subject to such charge), which have been so charged to secure the relevant secured debt, whether the period for the payment, fulfilment or discharge shall have actually arrived or not, and, regardless of when such charge and such security has been created by the charge and shall, as the case may be, extend to all dividends from time to time declared in respect of such shares.

*** Included pursuant to Special Restitution potential on 29th September 2006**

Calls on Shares

18. The Directors may from time to time make calls upon the members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed [Illegible] provided that no call shall be payable at less than one month from the date fixed for the payment

of the last preceding call, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 8% per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

22. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable OR the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

23. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

24. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 8% per annum as may be agreed upon between the Directors and the member paying the sum in advance.

Forfeiture of Shares

25. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

26. The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.

28. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

29. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest at the rate of 8% per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.

30. A statutory declaration in writing that the declarant is a Director or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

31. The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

32. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

Transfer of shares

33. Subject to these Articles, any member may transfer all or any of his shares by instrument in writing in any usual or common form or in any other form which the Directors may approve. The instrument shall be executed by or on behalf of the transferor, transferee and by the witness or witnesses thereto and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.

34. No share in the Company shall be transferred to a person other than the existing members of the Company, any infant, bankrupt or person of unsound mind.

35. The instrument of transfer must be left for registration at the Office of the Company together with such fee, not exceeding $1/- as the Directors from time to time may require, accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by these Articles register the transferee as a shareholder and retain the Instrument of transfer.

*35A. For the purposes of Article 35, any person to whom any shares have been charged by way of security, shall not be required to provide any other evidence to prove its title to the shares apart from the certificate of the shares to be transferred.

*** Included pursuant to Special Restitution potential on 29th September 2006**

36. The Directors may, in their absolute discretion, decline to register any transfer of shares, not being fully paid shares to a person of whom they do not approve and may also decline to register any transfer of shares on which the Company has a lien.

*36A. Notwithstanding anything contained in these Articles (including, without limitation, Article 36), the directors shall not refuse to register any transfer of shares (whether because the Company has a lien on such shares or otherwise), nor may they suspend registration thereof, where such transfer is executed by any person to whom such shares have been charged by way of security, or by any nominee of such person, pursuant to the power of sale under such security, and a certificate by any officer of such person that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.

*** Included pursuant to Special Restitution potential on 29th September 2006**

37. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole 30 days in any year.

Transmission of Shares

38. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a decreased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration

would have had in the case of a transfer of the share by that member before his death or bankruptcy.

40. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions, and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. Where the registered holder of any share dies or becomes bankrupt his personal representative or the assignee of his estate, as the case may be. shall, upon, the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if he had not died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Articles, be deemed to be joint holders of the share.

Conversion of Shares into Stock

42. The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares.

43. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

44. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

45. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

Alteration of Capital

46. The Company may from time to time by ordinary resolution do one or more of the following -

(a) increase the share capital by such sum as the resolution shall prescribe;

(b) consolidate and divide all or any of its share capital;

(c) subdivide its shares or any of them, so however that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(d) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.

47. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they [Illegible]

beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

48. The Company may by special resolution reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required by law.

49. Without prejudice to the generality of the foregoing, the Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. The Company may hold the shares purchased or otherwise acquired by it or deal with any of them in accordance with the Act.

General Meetings

50. An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

51. Any Director may, whenever he thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

52. Subject to the provisions of the Act and agreements for shorter notice, 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of that business shall be given to such persons as are entitled to receive such notices from the Company.

53. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the report of the Directors and auditors, the election of Directors in the place of those retiring, and the appointment and fixing of the remuneration of the auditors.

Written Resolution

54. Save for a resolution to dispense with the annual general meeting of the Company or a resolution for which special notice is required, the Company may pass any resolution agreed by or on behalf of the members entitled to vote by written means in accordance with the provisions of the Act. Any reference in these Articles to the passing or making of a resolution, or the passing or making of a resolution at a meeting, includes a reference to the passing of the resolution by written means in accordance with this Article. Any reference in these Articles to the doing of anything at a general meeting of the Company includes a reference to the passing of a resolution authorising the doing of that thing by written means in accordance with this Article. And any such resolution passed by written means may consist of several documents in like form, each agreed by or on behalf of one or more such members. In the case of a corporate body which is a member such resolution may be signed on its behalf by any two of its directors or by any person (whether identified by name or by reference to the holding of any particular office) duly authorised by such corporate body by resolution of its directors or other governing body or by Power of Attorney to sign resolutions on its behalf.

55. Section 179(6) of the Act shall apply where a body corporate is beneficially entitled to the whole of the issued shares of the Company.

56. Where the Company has only one individual member, he may pass a resolution by recording it and signing the record.

Proceedings at General Meetings

57. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two members present in person shall form a quorum, but in the event of a corporation being beneficially entitled to the whole of the issued capital of the Company one person represents the corporation shall be a quorum and a meeting thereto shall be deemed duly convened and, if

applicable, the provisions of Section 179 of the Act shall apply. For the purposes of this article "member" includes a person attending as a proxy or as representing a corporation or a limited liability partnership which is a member.

58. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine.

59. The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the members present shall elect one of their number to be chairman of the meeting.

60. The chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

61. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -

(a) by the chairman;

(b) by at least 3 members present in person or by proxy;

(c) by any member or members present in person or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the meeting; or

(d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

62. If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

64. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or a representative of a member shall have one vote, and on a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds.

65. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

66. A member who is of unsound mind or whose person or estate is liable to be dealt with [Illegible]

under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney.

67. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

68. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

69. The instrument appointing a proxy shall be in writing, in the common or usual form, under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation or a limited liability partnership, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

70. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

I/We, of being a member/members of the abovenamed Company, hereby appoint of , or failing him, of , as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, *as the case may be*] general meeting of the Company, to be held on the day of 20 , and at any adjournment thereof.

Signed this day 20

This form is to be used * in favour of / against the resolution

*Strike out whichever is not desired. [Unless otherwise instructed the proxy may vote as he thinks fit.)

71. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office of the Company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

72. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid not withstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.

73. Any corporation which is a member of the Company may, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meetings of the Company or of any class of members of the Company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual member of the Company.

Director: Appointment, etc

74. Subject to the provisions of Section 145 of the Act, the number of the Directors all of whom shall be natural persons shall not be less than one.

75. A Director need not be a member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in general meeting but shall be entitled to attend and speak at general meetings.

76. The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

77. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles.

78. The Company may by ordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

79. The remuneration of the Directors shall from time to time be determined by the Company in general meeting. That remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

80. The office of Director shall become vacant if the Director-

(a) cease to be a Director by virtue of the Act;

(b) becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) becomes prohibited from being a Director by reason of any order made under the Act;

(d) becomes disqualified from being a Director by virtue of section 148, 149,154 or 155 of the Act;

(e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;

(f) subject to section 145 of the Act, resigns his office by notice in writing to the Company;

(g) for more than 6 months is absent without permission of the Directors from meetings of the Directors held during that period;

(h) without the consent of the Company in general meeting, holds any other office of profit under the Company except that of managing Director or manager, or

(i) is directly or indirectly interested in any transaction or proposed transaction with the Company and fails to declare the nature of his interest in manner required by the Act.

Powers and Duties of Directors

81. (1) The business of the Company shall be managed by or under the direction of the Directors.

(2) The Directors may exercise all the powers of the Company except any power that the Act or the Memorandum and these Articles, require the Company to exercise in general meeting.

82. The Directors may exercise all the power of the Company to borrow money and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

83. The Directors may exercise all the powers of the Company in relation to any official seal for use outside Singapore and in relation to branch registers.

84. The Directors may from time to time by power of attorney appoint any corporation, firm, limited liability partnership or person or body of persons, whether nominated directly or indirectly Directors, to be the attorney or attorneys of the Company for such purposes and [Illegible]

powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities, and discretion vested in him.

85. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two Directors or in such other manner as the Directors from time to time determine.

86. The Directors shall cause minutes to be made-

(a) of all appointments of officers to be engaged in the management of the company's affairs;

(b) of names of Directors present at all meetings of the Company and of the Directors; and

(c) of all proceedings at all meetings of the Company and of the Directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

Proceedings of Directors

87. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the secretary shall on the requisition of a Director summon a meeting of the Directors.

88. Directors may participate in a meeting of the Directors by means of a conference telephone, videoconferencing, audio visual, or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence In person at such meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Directors present for the purpose of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.

89. Subject to these Articles, questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

90. A Director shall not vote in respect of any transaction or proposed transaction with the Company in which he is interested, or any matter arising there out, and if he does so vote, his vote shall not be counted.

91. Any Director with the approval of the Directors may appoint any person, whether a member of the Company or not, to be an alternate or substitute Director in his place during such period as he thinks fit. Any person while he so holds office as an alternate or substitute Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place. An alternate or substitute Director shall not require any share qualification, and shall *ipso facto* vacate office if the appointor vacates office as a Director or removes the appointee from office. Any appointment or removal under this article shall be effected by notice in writing under the hand of the Director making the same.

92. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two.

93. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.

94. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

95. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

96. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 10 minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.

97. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.

98. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

99. A resolution in writing, signed by a majority of all the Directors for the time being or their alternates, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors. The expressions “In writing” and “signed” include approval by any such Director by electronic mail, telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

100. Where the Company has only one Director, he may pass a resolution by recording and signing the record.

Managing Directors

101. The Directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit and subject to the terms of any agreement entered into in any particular cases, may revoke any such appointment. A managing director so appointed shall vacate office if he ceases from any cause to be a Director.

102. A managing director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration, whether by way of salary, commission, or participation in profits, or partly in one way and partly in another, as the Directors may determine.

103. The Directors may entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter, or vary all or any of those powers.

Associate Directors

104. The Directors may from time to time appoint any person to be an associate director and may from time to time cancel any such appointment. The Directors may fix, determine and vary the powers, duties and remuneration of any person so appointed, but a person so appointed shall not be required to hold any shares to qualify him for appointment nor have any rights to attend or vote at any meeting of Directors except by the invitation and with the consent of the Directors.

Secretary

105. The Secretary shall in accordance with the Act be appointed by the Directors for such term, at such remuneration, and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The Directors may from time to time appoint an assistant or deputy secretary.

106. Anything required or authorised by these Articles or the Act to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors; Provided that any provision of these Articles or the Act requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or the same person acting both as Director and as, or in place of, the Secretary

Seal

107. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal is affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

108. The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors.

109. The Company may have a duplicate Seal which shall be a facsimile of the Seal with the addition on its face of the words “Share Seal”.

Authentication of Documents

110. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have the power to authenticate any document affecting the constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

111. A document purporting to be a copy of a resolution of the Company or the Directors or an extract from the minutes of a meeting of the Company or of the Directors which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Company or of the Directors.

Accounts

112. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheet and other document as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

Dividends and Reserves

113. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

114. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

115. No dividend shall be paid otherwise than out of profits or shall bear interest against the Company.

116. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the [Illegible]

may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

117. Subject to the rights of persons, If any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of calls, shall be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

118. The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

119. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

120. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders.

Capitalisation of Profits

121. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

122. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do alt acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

Notices

123. A notice may be given by the Company to any member either personally or by sending [Illegible]

to him at his registered address, or, if he has no registered address in Singapore, to the address, if any, in Singapore supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting and in any other case at the time at which the letter would be delivered in the ordinary course of post.

124. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

125. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, if any, in Singapore supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

126. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to -

(a) every member,

(b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting; and

(c) the auditor for the time being of the Company.

(2) No other person shall be entitled to receive notices of general meetings.

Winding up

127. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members in kind the whole or any part of the assets of the Company, whether they consist of property of the same kind or not, and may for that purpose set such value as he considers fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

128. Every Director, managing director, agent, auditor, Secretary, and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

####### See Page 18 ######

Names, Addresses and Descriptions of Subscribers

KONINKLIJKE PHILIPS ELECTRONICS N.V.
Groenewoudseweg 1 5621 BA Eindhoven
The Netherlands.

MOURAD BECHIR MANKARIOS
38 Andrew Road,
Singapore 299955.

CEO

Dated this 10th day of May, 2006

Exhibit 4.1

EXECUTION VERSION

NXP B.V.
NXP FUNDING LLC
Issuers

EACH OF THE GUARANTORS PARTY HERETO

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

MORGAN STANLEY SENIOR FUNDING, INC.,
as Global Collateral Agent

and

MIZUHO CORPORATE BANK, LTD.,
as Taiwan Collateral Agent

€1,000,000,000 Floating Rate Senior Secured Notes due 2013
$1,535,000,000 Floating Rate Senior Secured Notes due 2013
$1,026,000,000 $7^{7}/_{8}$% Senior Secured Notes due 2014

SENIOR SECURED INDENTURE

Dated as of October 12, 2006

CROSS-REFERENCE TABLE*

TIA Sections		Indenture Sections
§ 310	(a)	7.10
	(b)	7.08
§ 311		7.03
§ 312		13.02
§ 313		7.06
§ 314	(a)	2.04, 4
	(c)	13.04
	(e)	13.05
§ 315	(a)	7.01, 7.02
	(b)	7.02, 7.05
	(c)	7.01
	(d)	7.02
	(e)	6.11, 7.02
§ 316	(a)	2.09, 6.02, 6.04, 6.05
	(b)	6.06, 6.07
	(c)	13.02
§ 317	(a) (1)	6.08
	(a) (2)	6.09
	(b)	2.05
§ 318		13.01

* This Cross-Reference Table is not part of the Indenture.

TABLE OF CONTENTS

Page

INDENTURE dated as of October 12, 2006, among NXP B.V. (the "*Company*"), NXP Funding LLC (the "*Co-Issuer*" and, together with the Company, the "*Issuers*"), the Guarantors (as defined herein), Deutsche Bank Trust Company Americas, as trustee (the "*Trustee*"), Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (a) the Issuers' euro-denominated Floating Rate Senior Secured Notes due 2013 (the "*Euro Notes*"), dollar-denominated Floating Rate Senior Secured Notes due 2013 (the "*Dollar Floating Rate Notes*") and dollar-denominated $7^{7}/_{8}$% Senior Secured Notes due 2014 (the "*Dollar Fixed Rate Notes*" and, together with the Dollar Floating Notes, the "*Dollar Notes*") issued on the date hereof (collectively, the "*Original Notes*") and (b) an unlimited principal amount of additional securities having identical terms and conditions as any series of the Original Notes (the "*Additional Notes*") that subject to the conditions and in compliance with the covenants set forth herein may be issued on any later issue date. Unless the context otherwise requires, in this Indenture references to the "Notes" include the Original Notes, any Additional Notes that are actually issued and any Exchange Notes that are issued.

This Indenture is subject to, and will be governed by, the provisions of the TIA that are required to be a part of and govern indentures qualified under the TIA.

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition Agreement*" means the Stock Purchase Agreement to be entered into prior to the Issue Date among Philips, the Company and Holdings (including all exhibits and schedules thereto) as amended from time to time.

"*actual knowledge*" of any Trustee shall be construed to mean that such Trustee shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an

obligation on it to make any payment or prohibit it from making any payment unless a Responsible Officer of such Trustee has received written notice that such payments are required or prohibited by this Indenture in which event the Trustee shall be deemed to have actual knowledge within one Business Day of receiving that notice.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, neither Philips nor any of its subsidiaries, joint ventures or operations shall be deemed to be an "Affiliate" of the Company or any Restricted Subsidiary due solely to its ownership of Voting Stock of the Company or the presence of its or their nominee on the Board of Directors of the Company, in each case at the percentage level disclosed in the Offering Memorandum.

"*Agreed Security Principles*" means the Agreed Security Principles as set out in Schedule 2.1, as applied reasonably and in good faith by the Company.

"*ASMC*" means Advanced Semiconductor Manufacturing Corporation of Shanghai and any successor business thereto and their respective subsidiaries, assets and businesses.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under Section 5.01 or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than €30 million;

(8) any Restricted Payment that is permitted to be made, and is made, under Section 4.06 and the making of any Permitted Payment or Permitted Investment or, solely for purposes of Section 4.09(a)(3), asset sales (other than sales of securities or indebtedness of SSMC so long as it is not a Restricted Subsidiary), the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary (with the exception of (x) SSMC and (y) Investments in Unrestricted Subsidiaries acquired pursuant to clause (15) of the definition of Permitted Investments);

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however,* that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided, further,* that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed €650 million; and

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by this Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock, (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company and (iii) until and unless designated otherwise by the Company in a notice to the Trustee, Crolles.

"*Board of Directors*" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company or any Parent shall mean its supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, or New York, New York, United States are authorized or required by law to close (and for purposes only of any payment made by the Irish Paying Agent, Ireland); *provided, however,* that for any payments to be made under this Indenture, such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer ("TARGET") payment system is open for the settlement of payments.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Senior Facilities Agreement or by any bank or trust company (a) whose commercial paper is rated at least "A-l" or the equivalent thereof by S&P or at least "P-l" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent

rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition", the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if

any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"Clearstream" means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral" shall have the meaning provided in any Security Document.

"Collateral Agency Agreement" means the Collateral Agency Agreement dated as of September 29, 2006 among the Collateral Agents, the Issuers, the Secured Parties and the Guarantors, as amended from time to time, and any additional agency agreement in respect of the Collateral that supplements or replaces such Collateral Agency Agreement, as amended from time to time.

"Collateral Agent" means the Global Collateral Agent or the Taiwan Collateral Agent or any additional or successor collateral agent or sub-agent.

"Commodity Hedging Agreements" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Consolidated EBITDA" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges and items (w), (x) and (y) in clause (1) of the definition of Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Indenture (in each case whether or not successful)

(including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by Section 4.10; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"Consolidated Income Taxes" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or

other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (t) accretion or accrual of discounted liabilities other than Indebtedness, (u) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (v) any additional interest pursuant to a registration rights agreement with respect to Notes or any securities, (w) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (x) any expensing of bridge, commitment and other financing fees, and (y) interest with respect to Indebtedness of any direct or indirect parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP; plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Leverage" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in Section 4.05(g)(3)).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available; provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a *"Sale"*) or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby

becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a

calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; *provided*, *however,* that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or (except in the case of SSMC so long as it is not a Restricted Subsidiary, but applying this exception only for the purpose of determining the amount available for Restricted Payments (other than Restricted Investments) under Section 4.06(a)(4)(z)(i)) could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under Section 4.06(a)(4)(z)(i), any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or

its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes, this Indenture or the Unsecured Indenture, and (c) restrictions specified in Section 4.08(b)(11)(a)(i), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge or any charges or reserves in respect of any restructuring, redundancy or severance or any expenses, charges, reserves or other costs related to the Transactions (including (i) in relation to expenses relating to consulting or operational improvement initiatives, (ii) expenses associated with the closing out of existing management equity programs and (iii) start-up and transaction costs);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) the purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the

effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of the Transactions or the disentanglement, any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write-off;

(13) solely for the purpose of determining the amount available for Restricted Investments (but not other Restricted Payments) under Section 4.06(a)(4)(z)(i), (i) only to the extent not otherwise added back to Consolidated Net Income, depreciation and amortization expense to the extent in excess of capital expenditures on property, plant and equipment and (ii) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Secured Leverage Ratio*" means the Consolidated Leverage Ratio, but (x) calculated by excluding all Indebtedness other than Secured Indebtedness (except Secured Indebtedness Incurred pursuant to Section 4.05(b)(13) and secured only by assets in the applicable jurisdiction but, for the avoidance of doubt, including Indebtedness secured by Liens permitted under clause (21) of the definition of "Permitted Liens") and (y) calculating Consolidated EBITDA for the purposes of such definition as though (i) consolidated depreciation expense included such expense of the Company and its consolidated subsidiaries attributable to SSMC and Jilin and (ii) consolidated amortization expense included such expense of the Company and its consolidated Subsidiaries attributable to SSMC and Jilin.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness *(*"*primary obligations*") of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original Senior Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Crolles*" means the alliance operated by or to be operated by the Company and its Restricted Subsidiaries (and assets owned by the Company and its Restricted Subsidiaries that are deployed in such alliance, and activities undertaken by any of them as part of such alliance, shall be deemed to be a part of Crolles) and any successor thereto.

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (including, in the case of any Guarantor incorporated or organized in England or Wales, administration, administrative receivership, voluntary arrangement and schemes of arrangement).

"*Default*" means any event which is, or after notice or passage of time or both would be an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-

Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 4.09.

"*Designated Preference Shares*" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in Section 4.06(a)(4)(z)(ii).

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however,* that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the

occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with Section 4.06.

"*DTC*" means The Depository Trust Company or any successor securities clearing agency.

"*Enforcement Event*" means (a) the occurrence of a default, Event of Default or termination event (however described) under any Note Document or any Senior Finance Document in respect of which notice of acceleration of amounts outstanding under such Note Document or such Senior Finance Document has been given by the relevant secured party or (b) amounts outstanding under such Note Document or such Senior Finance Document have otherwise become due and payable prior to the scheduled maturity thereof (but not, in the case of this clause (b), due to any optional redemption or to a Change of Control or Asset Disposition).

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "*Escrowed Proceeds*" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System as currently in effect or any successor securities clearing agency.

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination.

"*European Government Obligations*" means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any country that is a member of the European Monetary Union on the date of this Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the Company thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Exchange Notes*" means the Notes of the Issuers issued pursuant to this Indenture in exchange for, and in an aggregate principal amount equal to, the Initial Notes in compliance with the terms of a Registration Rights Agreement and containing terms substantially identical to the Initial Notes (except that (i) such Exchange Notes will be registered under the Securities Act and will not be subject to transfer restrictions or bear the Restricted Notes Legend, and (ii) the provisions relating to Additional Interest will be eliminated).

"*Exchange Offer*" means an offer by the Company to the Holders of the Initial Notes to exchange outstanding Notes for Exchange Notes, as provided for in a Registration Rights Agreement.

"*Exchange Offer Registration Statement*" means the Exchange Offer Registration Statement as defined in a Registration Rights Agreement.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*fair market value*" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to the Fixed Charges of such Person for four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries, including the Transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including cost savings and synergies). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Operation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense of such Person for such Period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect on the date of any calculation or determination required hereunder. Except as otherwise

set forth in this Indenture, all ratios and calculations based on GAAP contained in this Indenture shall be computed in accordance with GAAP. At any time after the Issue Date, the Company may elect to establish that GAAP shall mean the GAAP as in effect on or prior to the date of such election, *provided* that any such election, once made, shall be irrevocable. The Company shall give notice of either such election to the Trustee and the Holders.

"*Government Obligations*" means the European Government Obligations and/or the U.S. Government Obligations, as appropriate.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "*Guarantee*" will not include endorsements for collection or deposit in the ordinary course of business. The term "*Guarantee*" used as a verb has a corresponding meaning.

"*Guarantor*" means any Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*")*.*

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of DTC, Euroclear or Clearstream, as applicable.

"*Holdings*" means KASLION Acquisition B.V. and its successors and assigns.

"*Immaterial Subsidiary*" means any Restricted Subsidiary that (i) has not guaranteed any other Indebtedness of either Issuer and (ii) has Total Assets (as determined in accordance with GAAP) and Consolidated EBITDA of less than 2.5% (in the case of any Subsidiary organized in France existing on the Issue Date, 3.5%) of the Company's Total Assets and Consolidated

EBITDA (measured, in the case of Total Assets, at the end of the most recent fiscal period for which internal financial statements are available and, in the case of Consolidated EBITDA, for the four quarters ended most recently for which internal financial statements are available, in each case measured on a pro forma basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such subsidiary.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however,* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "*Incurrence*" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "*Incurred*" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter, or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however,* that such firm or appraiser is not an Affiliate of the Company.

"*Initial Investors*" means:

(1) KKR European Fund II, Limited Partnership, Bain Capital Fund IX, L.P., Bain Capital Fund VIII-E, L.P., Silver Lake Partners II Cayman, L.P., Apax Europe V-A, L.P., Apax Europe VI-A, L.P., AlpInvest Partners CS Investments 2006 C.V. and funds or partnerships related, managed or advised by any of them or any Affiliate of them; and

(2) Koninklijke Philips Electronics N.V. and its Subsidiaries.

"*Initial Public Offering"* means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Interest Rate Agreement*" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of Section 4.06:

(1) "*Investment*" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "*Investment"* in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "*Investment*" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in

good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade*" means (i) "BBB-" or higher by S&P; (ii) "Baa3" or higher by Moody's, or (iii) the equivalent of such ratings by S&P or Moody's, or of another Nationally Recognized Statistical Ratings Organization.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A—" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur in respect of a series of Notes when such series of the Notes receives both of the following:

(1) a rating of "BBB–" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means October 12, 2006.

"*Jilin*" means Philips Jilin Semiconductor Company or any successor entity or business thereto.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding €5.0 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes), the Security Documents and this Indenture.

"*Note Guarantee*" has the meaning given to such term in Section 10.01.

"*Offering Memorandum*" means the offering memorandum of the Issuers dated as of October 5, 2006 in connection with the offering and sale of the Notes.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of this Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Parent*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed €5 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Pari Passu Indebtedness*" means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Senior Facilities Agreement) or any Guarantor if such Guarantee ranks equally in right of payment to the Guarantees of the Notes which, in each case, is secured by Liens on assets of the Company.

"*Paying Agent*" means any Person authorized by the Issuers to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuers.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with Section 4.09.

"*Permitted Collateral Liens*" means (x) Liens on the Collateral (i) arising by operation of law that are described in one or more of clauses (3), (4) and (9) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of the Collateral Agent to enforce the Lien on the Collateral or (ii) that are Liens over cash and bank accounts equally and ratably granted to cash management banks securing cash management obligations, (y) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under Sections 4.05(b)(1), 4.05(b)(2) (in the case of Section 4.05(b)(2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), Section 4.05(b)(4)(a) and (c) (if the original Indebtedness was so secured), Section 4.05(b)(6), 4.05(b)(11) or 4.05(b)(13) (secured only by assets in the applicable jurisdiction) and any Refinancing Indebtedness in respect of such Indebtedness; *provided*, *however*, that such Lien ranks (a) equal to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under Section 4.05(b)(1) and obligations under Hedging Agreements provided by the lenders under the Senior Facilities Agreement or their affiliates may have super priority not materially less favorable to the Holders than that accorded to the Senior Facilities Agreement on the Issue Date) and (z) Liens on the Collateral securing Indebtedness incurred under Sections 4.05(a) and 4.05(b)(12); provided that, in the case of this clause (z), after giving effect to such incurrence on that date, the Consolidated Secured Leverage Ratio is less than 3.25:1.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture, (2) Senior Management and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with Section 4.09;

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date and including the committed investment in PSSL (not exceeding €5 million);

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 4.05;

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed €300 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person

subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.06, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 4.07;

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of Section 4.10(b) (except those described in Section 4.10(b)(l), 4.10(b)(3), 4.10(b)(6), 4.10(b)(8), 4.10(b)(9) or 4.10(b)(12));

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with this Indenture;

(16) Guarantees not prohibited by Section 4.05 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business.

(17) Investments (a) in SSMC to increase the Company's percentage ownership thereof; *provided* that, after giving effect to such Investment, the Company is able to incur €1.00 of Indebtedness under Section 4.05(a) or (b) in SSMC or any other Person partially financed by a Singapore government agency (or another project finance with a local or multilateral Governmental Authority) in an aggregate amount under this clause (b) not to exceed €300.0 million;

(18) Loans to Jilin on terms consistent with past practices between Jilin and Philips, not to exceed €25 million at any one time outstanding; and

(19) Investments in Crolles (or, in the event that Crolles is not continued, a similar research and development program) to fund research and development activities and maintenance capital expenditures in an aggregate amount not to exceed €190.0 million in the first two years after the Issue Date and €50 million per annum thereafter (with a carry over of unused amounts).

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under this Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date, excluding Liens securing the Senior Facilities Agreement and the Notes;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further,* that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in

respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness incurred under Section 4.05(b)(11) with local financial institutions;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred in the ordinary course of business with respect to obligations (other than Indebtedness for borrowed money) which do not exceed €50 million at any one time outstanding;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(28) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Philips*" means Koninklijke Philips Electronics N.V.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*PSSL*" means Philips Semiconductors (Suzhou) Co. Ltd.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in this Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however,* that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith);

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Registration Rights Agreement*" means the registration rights agreement dated as of the Issue Date among the Issuers, the Guarantors and the initial purchasers named therein.

"*Related Person*" with respect to any Permitted Holder means:

(1) any controlling equityholder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

(e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to Section 4.06; or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Responsible Officer*" means, when used with respect to the Trustee, any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such individual's knowledge of and familiarity with the particular subject.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary, and for the avoidance of doubt does not include the Crolles assets as in existence on the Issue Date unless and until designated otherwise by the Company in a notice to the Trustee.

"*Reversion Date*" means, after a series of Notes has achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Security Documents*" shall mean, collectively, (a) the Collateral Agency Agreement, (b) each of the documents, agreements and instruments set forth in Schedule 1.1, and (c) each other security agreement or other instrument or document executed and delivered pursuant to Sections 4.20, 4.21, 4.22, Article 10 or Article 12 or pursuant to any of the Security Documents to secure any of the Notes.

"*Senior Facilities Agreement*" means the €500,000,000 senior secured revolving credit facility agreement dated on or about September 29, 2006 between the Company, certain of the Company's Subsidiaries as borrowers and guarantors, the senior lenders (as named therein), and Morgan Stanley Senior Funding Inc., as facility agent and collateral agent, as amended, supplemented or otherwise modified from time to time.

"*Senior Finance Documents*" means the Senior Facilities Agreement and such other documents identified as "Senior Finance Documents" pursuant to the Senior Facilities Agreement.

"*Senior Management*" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of €250,000.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"*SSMC*" means Systems on Silicon Manufacturing Company Pte. or any successor entity or business thereto. For purposes of Section 4.06 and the definition of "Asset Disposition", references to SSMC shall also refer to any Unrestricted Subsidiary (x) any Capital Stock or debt of which is owned directly or indirectly by SSMC or (y) which has received a cash distribution or dividend from SSMC.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by Holdings, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however,* that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the applicable Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Taiwan Collateral Agent*" means Mizuho Corporate Bank, Ltd. or any successor acting in that role.

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of this Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-l" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Senior Facilities Agreement,

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above, or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such raring by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*TIA*" means the Trust Indenture Act of 1939, as amended.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person; *provided* that pending the acquisitions of ASMC and Jilin, such balance sheet shall give *pro forma* effect to such acquisitions.

"*Transaction Documents*" means the Senior Finance Documents, the Note Documents and the Investor Documents.

"*Transactions*" means the acquisition by Holdings of the Company and its Subsidiaries and the related transactions (including disentanglement) pursuant to the Acquisition Agreement and the financing thereof and the issuance of the Notes.

"*Unrestricted Subsidiary*" means SSMC and (upon acquisition of Jilin by the Company or a Restricted Subsidiary) Jilin and:

(1) any Subsidiary of the Company (other than the Co-Issuer) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with Section 4.06.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least €1.00 of additional Indebtedness under Section 4.05(a) or (y) the Fixed Charge Coverage Ratio would not be worse than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unsecured Indenture*" means the unsecured indenture dated as of the Issue Date among the Issuers, the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, as amended from time to time.

"*U.S. Government Obligations*" means securities that are (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest

on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly-Owned Subsidiary) is owned by the Company or another Wholly-Owned Subsidiary.

SECTION 1.02. Other Definitions

Term	Defined in Section
“Additional Amounts”	4.02(a)
“Additional Notes”	Preamble
“Affiliate Transaction”	4.10(a)
“Agent Members”	Appendix A
“Applicable Procedures”	Appendix A
“Asset Disposition Offer”	4 09(b)
“Asset Disposition Offer Amount”	4.09(e)
“Asset Disposition Offer Period”	4.09(e)
“Asset Disposition Purchase Date”	4 09(e)
“Authorized Agent”	13.10
“Calculation Agent”	2.04
“Change of Control Offer”	4.03 (b)
“Change of Control Payment”	4.03(b)(1)
“Change of Control Payment Date”	4.03(b)(2)
“Co-Issuer”	Preamble
“Company”	Preamble
“covenant defeasance option”	8.01(b)
“defeasance trust”	8.02(a)(1)
“Definitive Note”	Appendix A
“Dollar Notes”	Preamble
“Euro Notes”	Preamble
“Event of Default”	6.01(a)
“Global Notes Legend”	Appendix A
“Guaranteed Obligations”	10.0l(a)
“Initial Agreement”	4.08(b)(3)
“Issuers”	Preamble
“legal defeasance option”	8.01(b)
“New York Paying Agent”	2.04(a)

Term	Defined in Section
“Notes”	Preamble
“Notes Custodian”	Appendix A
“Original Notes”	Preamble
“Paying Agent”	2.04(a)
“Payor”	4.02(a)
“Permitted Payments”	4.06(c)
“protected purchaser”	2.08
“QIB”	Appendix A
“Qualified Institutional Buyer”	Appendix A
“Regulation S”	Appendix A
“Regulation S Notes”	Appendix A
“Relevant Taxing Jurisdiction”	4.02(a)(3)
“Registrar”	2.04(a)
“Restricted Payment”	4.06
“Restricted Period”	Appendix A
“Restricted Notes Legend”	Appendix A
“Rule 144A”	Appendix A
“Rule 144A Notes”	Appendix A
“Securities Act”	Appendix A
“Successor Company”	5.01(a)(l)
“Suspension Event”	4.13
“Transfer Agent”	2.04(a)
“Transfer Restricted Notes”	Appendix A
“Trustee”	Preamble

SECTION 1.03. Incorporation by Reference of TIA

This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

“Commission” means the SEC.

“indenture securities” means the Securities and the Note Guarantees.

“indenture security holder” means a Holder.

“indenture to be qualified” means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company, the Note Guarantors and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular; and

(f) unsecured Indebtedness shall not be deemed to be subordinate or junior to secured Indebtedness merely by virtue of its nature as unsecured Indebtedness.

ARTICLE 2

The Notes

SECTION 2.01. Issuable in Series

The Notes may be issued in one or more series. All Notes of any one series shall be substantially identical except as to denomination.

With respect to any Additional Notes issued after the Issue Date (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 2.07, 2.08, 2.09, 2.10 or 3.06 or Appendix A), there shall be (a) established in or pursuant to a resolution of the Board of Directors of the Company and (b)(i) set forth or determined in the manner provided in an Officer's Certificate of the Company or (ii) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Notes:

(1) whether such Additional Notes shall be issued as part of a new or existing series of Notes and the title of such Additional Notes (which shall distinguish the Additional Notes of the series from Notes of any other series);

(2) the aggregate principal amount of such Additional Notes which may be authenticated and delivered under this Indenture (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes of the same series

pursuant to Sections 2.07, 2.08, 2.09, 2.10 or 3.06 or Appendix A and except for Notes which, pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Additional Notes, including the date from which interest on such Additional Notes shall accrue; *provided*, *however*, that (to the extent such Additional Notes are to be part of the same series as other Notes) such Additional Notes will qualify to be treated as "part of the same issue" as the Original Notes pursuant to Treasury Regulations Section 1.1275-l(f) or 1.1275-2(k); and

(4) if applicable, that such Additional Notes shall be issuable in whole or in part in the form of one or more Global Notes and, in such case, the respective depositaries for such Global Notes, the form of any legend or legends which shall be borne by such Global Notes in addition to or in lieu of those set forth in Exhibit A hereto and any circumstances in addition to or in lieu of those set forth in Section 2.3 of Appendix A in which any such Global Note may be exchanged in whole or in part for Additional Notes registered, or any transfer of such Global Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Note or a nominee thereof.

If any of the terms of any Additional Notes are established by action taken pursuant to a resolution of the Board of Directors, a copy of an appropriate record of such action shall be certified by an Officer's Certificate and delivered to the Trustee at or prior to the delivery of the Officer's Certificate of the Issuer or the indenture supplemental hereto setting forth the terms of the Additional Notes.

Each of the Euro Notes, the Dollar Floating Rate Notes and the Dollar Fixed Rate Notes constitutes a separate series of Notes but will be treated as a single class of securities for all purposes under this Indenture, including for purposes of voting and taking all other actions by holders of the Notes, except as otherwise specified herein.

This Indenture is unlimited in aggregate principal amount. The Original Notes, the Exchange Notes and, if issued, any Additional Notes will be treated as a single class for all purposes under this Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to each series of Notes.

SECTION 2.02. Form and Dating

Provisions relating to the Notes are set forth in Appendix A, which is hereby incorporated in and expressly made a part of this Indenture. The (a) Original Notes and (b) any Additional Notes (if issued as Transfer Restricted Notes) shall each be substantially in the form of Exhibit A, which is hereby incorporated in and expressly made a part of this Indenture. Any Additional Notes issued other than as Transfer Restricted Notes (including any Exchange Notes) shall each be substantially in the form of Exhibit A (without the Restricted Notes Legend), which is hereby incorporated in and expressly made part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Issuer is subject, if any, or usage, *provided* that any such notation, legend or endorsement is in a form acceptable to the Issuer and the Trustee. Each Note shall be dated the date of its authentication. The Notes shall be issuable only in registered form without interest coupons and

only in minimum denominations of €50,000 or $75,000, as applicable, and whole multiples of €1,000 or $1,000, as applicable, in excess thereof.

SECTION 2.03. Execution and Authentication

One Officer shall sign the Notes for each Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee or an authentication agent manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee or an authentication agent shall authenticate and make available for delivery Notes as set forth in Appendix A following receipt of an authentication order signed by an Officer of each Issuer directing the Trustee or an authentication agent to authenticate such Notes.

The Trustee may appoint an authentication agent reasonably acceptable to the Issuers to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Responsible Officer, a copy of which shall be furnished to the Issuers. Unless limited by the terms of such appointment, an authentication agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authentication agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.04. Registrar and Paying Agent

(a) The Issuers shall maintain one or more registrars with offices in Luxembourg where Notes may be presented for registration (the "*Registrar*"), and a transfer agent in each of (i) the City of London, (ii) Ireland (for so long as the Euro Notes are listed on the Irish Stock Exchange and its rules so require) and (iii) the Borough of Manhattan, City of New York where Notes may be presented for transfer or exchange (the "*Transfer Agent*") or for payment (the "*Paying Agent*"). The Registrar shall keep a register of the Notes of their transfer and exchange. The Issuer may have one or more co-registrars and one or more additional transfer and paying agents. The terms "*Paying Agent*" and "*Transfer Agent*" include any additional paying agent or transfer agent, as applicable, and the term "*Registrar*" includes any co-registrars. The Issuers initially appoint Deutsche Bank AG, London Branch, in the City of London, Deutsche Bank Trust Company Americas, in the Borough of Manhattan, City of New York and Deutsche International Corporate Services (Ireland) Limited, in Ireland, who each have accepted such appointment, as Paying Agent for the Euro Notes, Paying Agent for the Dollar Notes (the "*New York Paying Agent*") and Ireland Paying Agent (the "*Ireland Paying Agent*"), respectively. The Issuers initially appoint Deutsche Bank Trust Company Americas and Deutsche Bank, London Branch, who have accepted such appointments, as Calculation Agent for the Dollar Notes and Calculation Agent for the Euro Notes, respectively (each, a "*Calculation Agent*"). The Issuers initially appoint Deutsche Bank Luxembourg S.A. in Luxembourg, who accepts such appointment, as Registrar, Transfer Agent and Irish Listing Agent. In addition, the Issuers

undertake to the extent possible, to use reasonable efforts to maintain a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income (the "*Directive*"). Deutsche Bank Trust Company Americas will act as New York Registrar, Transfer Agent and New York Paying Agent in connection with the Global Notes with respect to the Dollar Notes settled through DTC. Deutsche Bank AG, London Branch will act as Transfer Agent and Paying Agent in connection with the Global Notes with respect to the Euro Notes settled through Euroclear or Clearstream.

(b) So long as the Notes are listed on the Irish Stock Exchange and its rules so require, a paying agent and transfer agent (the "*Ireland Transfer Agent*") will be maintained in Ireland at all times that payments are required to be made in respect of the Notes. The Issuers initially appoint Deutsche International Corporate Services (Ireland) Limited, who accepts such appointment, as Ireland Transfer Agent.

(c) The Issuers shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to or appointed under this Indenture. Such agreement shall implement the provisions of this Indenture that relate to such agent, which shall incorporate the terms of the TIA. Any Registrar or Paying Agent appointed hereunder shall be entitled to the benefits of this Indenture as though a party hereto. The Issuers shall notify the Trustee of the name and address of any such agent. If the Issuers fail to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. Either Issuer or any Subsidiary may act as Paying Agent or Registrar.

(d) The Issuers may change any Registrar, Paying Agent or Transfer Agent upon written notice to such Registrar, Paying Agent or Transfer Agent and to the Trustee, without prior notice to the Holders; *provided, however,* that no such removal shall become effective until (i) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Issuers and such successor Registrar, Paying Agent, or Transfer Agent, as the case may be, and delivered to the Trustee or (ii) written notification to the Trustee that the Trustee shall, to the extent that it determines that it is able, serve as Registrar or Paying Agent or Transfer Agent until the appointment of a successor in accordance with clause (i) above; *provided, further,* that in no event may the Issuers appoint a Paying Agent in any member state of the European Union where the Paying Agent

would be obliged to withhold or deduct tax in connection with any payment made by it in relation to the Notes unless the Paying Agent would be so obliged if it were located in all other member states. The Registrar, Paying Agent or Transfer Agent may resign by providing 30 day's written notice to the Issuer and the Trustee. In addition, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuers shall deliver notice of the change in the Registrar, Paying Agent or Transfer Agent to the Companies Announcement Office in Dublin.

(e) The Calculation Agent shall determine the interest rates for the Euro Notes and the Dollar Floating Rate Notes in accordance with the Notes or a supplemental indenture. The Calculation Agent shall, as soon as practicable after 11:00 a.m. (London time) for Euro Notes or 11:00 a.m. (New York time) for Dollar Floating Rate Notes on each

determination date, determine the applicable rate and calculate the aggregate amount of interest payable in respect of the following interest period (the "*Interest Amount*"). The Interest Amount shall be calculated by applying the applicable rate to the principal amount of each Note outstanding at the commencement of the interest period, multiplying each such amount by the actual amounts of days in the interest period concerned divided by 360 and rounding the resultant figure upwards to the nearest available currency unit. The determination of the applicable rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties.

SECTION 2.05. Paying Agent to Hold Money in Trust

No later than 10:00 a.m. London time in respect of payments to be made in London or 10:00 a.m. New York time in respect of payments to be made in New York on each due date of the principal of, interest and premium (if any) on any Note, the Issuers shall deposit with the Paying Agent (or if either Issuer or a Restricted Subsidiary of either Issuer is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal, interest and premium (if any) when so becoming due and subject to receipt of such monies, the Paying Agent shall make payment on the Notes in accordance with this Indenture. The Issuers shall require each Paying Agent to agree in writing (and each Paying Agent party to this Indenture agrees) that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, interest and premium (if any) on the Notes but such Paying Agent may use such monies as banker in the ordinary course of business without accounting for profits (other than in the case of Article 8), and shall notify the Trustee of any default by the Issuers in making any such payment. If the Issuer or a Restricted Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee. For the avoidance of doubt, the Paying Agent and the Trustee shall be held harmless and have no liability with respect to payments or disbursements to be made by the Paying Agent and Trustee for which payment instructions are not made or that are not otherwise deposited by the respective times set forth in this Section 2.05.

SECTION 2.06. Holder Lists

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuers shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

SECTION 2.07. Transfer and Exchange

The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with Appendix A. When a

Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met. When Notes are presented to the Registrar with a written request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Issuers shall execute and the Trustee or an authentication agent shall authenticate Notes at the Registrar's request. The Issuers may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Issuers are not required to register the transfer or exchange of any Notes (i) for a period of 15 days prior to any date fixed for the redemption of any Notes, (ii) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part or (iii) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

Prior to the due presentation for registration of transfer of any Note, the Issuers, the Trustee, the Paying Agent, and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and (subject to Section 2 of the Notes) interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of either Issuer, the Trustee, the Paying Agent, or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interest in such Global Note may be effected only through a book-entry system maintained by (a) the Holder of such Global Note (or its agent) or (b) any Holder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Notes

If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuers shall issue and the Trustee OT an authentication agent shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Holder (a) notifies the Issuers or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Issuers or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "*protected purchaser*") and (c) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Issuers, such Holder shall furnish an indemnity bond sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Note is replaced. The Issuers and the Trustee may charge the Holder for their expenses in replacing a Note including reasonable fees and expenses of counsel. In the event any such mutilated, lost, destroyed or

wrongfully taken Note has become or is about to become due and payable, the Issuers in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Issuers.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated lost, destroyed or wrongfully taken Notes.

SECTION 2.09. Outstanding Notes

Notes outstanding at any time are all Notes authenticated by the Trustee or an authentication agent except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. Subject to Section 13.06, a Note does not cease to be outstanding because the Issuers or an Affiliate of either Issuer holds the Note.

If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Issuers receive proof satisfactory to them that the replaced Note is held by a protected purchaser.

If the Paying Agent receives (or if either Issuer or a Restricted Subsidiary of either Issuer is acting as Paying Agent and such Paying Agent segregates and holds in trust) in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest and premium, if any, payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such amount to the Holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Notes

In the event that Definitive Notes are to be issued under the terms of this Indenture, until such Definitive Notes are ready for delivery, the Issuers may prepare and the Trustee or an authentication agent shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuers consider appropriate for temporary Notes. Without unreasonable delay, the Issuers shall prepare and the Trustee or an authentication agent shall authenticate Definitive Notes and deliver them in exchange for temporary Notes upon surrender of such temporary Notes at the office or agency of the Issuers, without charge to the Holder.

SECTION 2.11. Cancellation.

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures or deliver canceled Notes to the Issuers pursuant to written direction by an Officer of either Issuer. Certification of the

destruction of all canceled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. Neither the Trustee nor an authentication agent shall authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.12. Common Codes, CUSIP and ISIN Numbers

The Issuers in issuing the Notes may use Common Codes, CUSIP and ISIN numbers (if then generally in use) and, if so, the Trustee shall use Common Codes, CUSIP and ISIN numbers in notices of redemption as a convenience to Holders; *provided, however,* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee and the Paying Agent of any change in the Common Code, CUSIP or ISIN numbers.

SECTION 2.13. Currency

In the case of (1) the Euro Notes, the euro and (2) the Dollar Notes, the U.S. dollar, is the sole currency of account and payment for all sums payable by the Issuers under or in connection with the Euro Notes and the Dollar Notes, as the case may be, including damages. Any amount received or recovered in a currency other than euro (in the case of the Euro Notes) or the U.S. dollar (in the case the Dollar Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise by any Holder of a Euro Note or a U.S. Dollar Note, as the case may be, or by the Trustee, in respect of any sum expressed to be due to it from the Issuers will only constitute a discharge to the Issuers to the extent of the euro amount or the U.S. dollar amount, as the case may be, which the recipient is able to purchase with the amount so received or

recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the relevant Trustee under any Euro Note, or if that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient or the Trustee under any U.S. Dollar Note, the Issuers will indemnify them against any loss sustained by such, recipient as a result. In any event, the Issuers will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner satisfactory to the Issuers (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuers' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

If the Company adopts the U.S. dollar as its reporting currency, it may elect irrevocably to convert all euro denominated restrictions into dollar denominated restrictions at the applicable spot rate of exchange prevailing on the date of such election, and all references in this Indenture to determining Euro Equivalents and euro amounts shall apply *mutatis mutandis* as though referring to U.S. dollars.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Trustee

If the Issuers elect to redeem Notes pursuant to Sections 5 or 6 of the Notes, it shall notify the Trustee and the relevant Paying Agent in writing of the redemption date and the principal amount of Notes to be redeemed and the section of the Note pursuant to which the redemption will occur.

The Issuers shall give each written notice to the Trustee and the relevant Paying Agent provided for in this Article 3 at least 40 days, but not more than 60 days, before the redemption date unless the Trustee or the relevant Paying Agent (as the case may be) consents to a shorter period. In the case of a redemption pursuant to Section 5 of the Notes, such notice shall be accompanied by an Officer's Certificate from the Issuers to the effect that such redemption will comply with the conditions herein.

In the case of a redemption provided for by Section 6 of the Note, prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee and the relevant Paying Agent (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the circumstances referred to above exist. The Trustee will accept such Officer's Certificate and opinion as sufficient existence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders. Any such notice may be canceled at any tune prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

SECTION 3.02. Selection of Notes To Be Redeemed or Repurchased

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities

exchange, if any, on which that series of Notes is listed, and/or in compliance with the requirements of Euroclear, Clearstream or DTC, as applicable, or if that series of Notes is not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear, Clearstream or DTC, as applicable, or Euroclear, Clearstream or DTC, as applicable, prescribes no method of selection, on a pro rata basis; *provided, however,* that no Note of €50,000 (in the case of Euro Notes) or $75,000 (in the case of Dollar Notes) in aggregate principal amount or less shall be redeemed in part. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Issuers promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.03. Notice of Redemption.

(a) At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 and as provided below to each Holder of Notes to be redeemed at such Holder's registered address; *provided, however,* that any notice of a redemption provided for by Section 6 of the Notes shall not be given earlier than 90 days prior to the earliest date on which the Payor would be obligated to make a payment of Additional Amounts unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. In addition, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer shall give notice of redemption to the Companies Announcement Office in Dublin.

The notice shall identify the Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price, and, if applicable, the appropriate calculation of such redemption price and the amount of accrued interest to the redemption date;

(3) the name and address of the Paying Agent;

(4) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed;

(6) that, unless the Issuers default in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the Common Codes, CUSIP or ISIN number, as applicable, if any, printed on the Notes being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the Common Codes, CUSIP or ISIN number, as applicable, if any, listed in such notice or printed on the Notes.

(b) At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at the Issuers' expense. In such event, the Issuers shall provide the Trustee and the Paying Agent with the information required and within the time periods specified by this Section.

SECTION 3.04. Effect of Notice of Redemption

Once notice of redemption is delivered, Notes called for redemption cease to accrue interest, become due and payable on the redemption date and at the redemption price stated in the notice, *provided, however,* that any redemption notice given in respect of the redemption referred to in Section 5 of the Notes may, at the Issuers' discretion, be subject to the satisfaction of one or more conditions precedent to the extent permitted under such Section 5. Upon surrender to the Paying Agent, the Notes shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; *provided, however*, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the Holder of the redeemed Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption Price

No later than 10:00 a.m. London time in respect of payments to be made in London or 10:00 a.m. New York time in respect of payments to be made in New York on the redemption date, the Issuer shall deposit with the relevant Paying Agent (or, if either Issuer or a Restricted Subsidiary of either Issuer is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Notes or portions thereof to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Issuers to the Trustee for cancellation. On and after the redemption date, interest shall cease to accrue on Notes or portions thereof called for redemption so long as the Issuers have deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest, if any, on, the Notes to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture. For the avoidance of doubt, the Paying Agent and the Trustee shall be held harmless and have no liability with respect to payments or disbursements to be made by the Paying Agent and Trustee for which payment instructions are not made or that are not otherwise deposited by the respective times set forth in this Section 3.05.

SECTION 3.06. Notes Redeemed in Part

Subject to the terms hereof, upon surrender of a Note that is redeemed in part, the Issuers shall execute and the Trustee or an authentication agent shall authenticate for the Holder (at the Issuers' expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.07. Publication

Where any notice is required to be published pursuant to this Indenture, the Issuers must provide the form of such notice to the Trustee and the Paying Agents at least

8 Business Days prior to the final date for publication unless the Trustee agrees to a shorter period.

ARTICLE 4

Covenants

SECTION 4.01. Payment of Notes

The Issuers shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

SECTION 4.02. Withholding Taxes

(a) All payments made by either Issuer, a Successor Company or Guarantor (a "*Payor*") on the Notes or the Note Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) The Netherlands or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuers, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "*Relevant Taxing Jurisdiction*"),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, interest or Additional Interest, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such tax, assessment or other governmental charge;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, interest, if any, or Additional Interest, if any, on the Notes;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual and that are required to be made pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

(a) The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Irish Paying Agent if the Notes are then listed on the Irish Stock Exchange. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Euro Notes or per $1,000 principal amount of the Dollar Notes, as the case may be.

(b) If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date).

(c) Wherever in this Indenture or the Note Guarantees there are mentioned, in any context:

(1) the payment of principal,

(2) purchase prices in connection with a purchase of Notes,

(3) interest or Additional Interest, if any, or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuers will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, this Indenture, the Security Documents or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Issuers agree to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of this Indenture and will apply *mutatis mutandis* to any jurisdiction in

which any successor to either Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

SECTION 4.03. Change of Control

(a) If a Change of Control occurs, subject to this Section 4.03, each Holder will have the right to require the Issuers to repurchase all of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however,* that the Issuers shall not be obliged to repurchase Notes of any series as described under Section 4.03, in the event and to the extent that they have unconditionally exercised their right to redeem all of the Notes of such series as described under Section 5 of the Notes or all conditions to such redemption have been satisfied or waived.

(b) Unless the Issuers have unconditionally exercised their right to redeem all the Notes of a series as described under Section 5 of the Notes or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuers will mail a notice (the "*Change of Control Offer*") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuers to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuers, consistent with this Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

(c) On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the Notes or portions thereof being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuers.

(d) If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Note equal in principal amount to the unpurchased portion of the Notes surrendered, if

any; provided that each such new Note will be in a principal amount that is at least €50,000 or $75,000, as the case may be, and integral multiples of €1,000 in excess thereof or $1,000 in excess thereof, as the case may be.

(e) For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Company will give notice of the Change of Control Offer to the Companies Announcement Office in Dublin.

(f) This Section 4.03 will be applicable whether or not any other provisions of this Indenture are applicable.

(g) The Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(h) The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this Section 4.03. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Indenture, the Issuers will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of the conflict.

SECTION 4.04. [Reserved]

SECTION 4.05. Limitation on Indebtedness

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incure any Indebtedness (including Acquired Indebtedness); provided, however, that the Company and any of the Guarantors may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.0.

(b) The limitations of Section 4.05(a) will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) €750 million, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) (i) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Guarantor and (ii) co-issuance by the Co-Issuer of any Indebtedness of the Company in each case so long as the Incurrence of such Indebtedness is permitted under the terms of this Indenture; or

(b) without limiting Section 4.07 Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however,* that:

(x) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company, and

(y) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in Sections

4.05(b)(1) and 4.05(b)(3)) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in Sections 4.05(b)(4), 4.05(b)(5), 4.05(b)(7) or 4.05(b)(11) or Incurred pursuant to Section 4.05(a), and (d) Management Advances;

(5) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition); *provided, however,* with respect to this Section 4.05(b)(5), that at the time of such acquisition or other transaction (x) the Company would have been able to Incur €1.00 of additional Indebtedness pursuant to Section 4.05(a) after giving effect to the Incurrence of such Indebtedness pursuant to this Section 4.05(b)(5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) €100.0 million and (B) 1% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of

purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); provided that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business*; provided, however,* that such Indebtedness is extinguished within five Business Days of Incurrence;

(B) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(C) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(D) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.05(b)(l1) and then outstanding, will not exceed €450 million;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.05(b)(l2) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, however,* that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes

of making Restricted Payments under Sections 4.06(c)(l), 4.06(c)(6) and 4.06(c)(10) to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under Section 4.06(a)(4)(z), 4.06(c)(l), 4.06(c)(6) or 4.06(c)(10) in reliance thereon;

(13) Indebtedness of Restricted Subsidiaries incurred as a result of (i) any governmental or regulatory restrictions, limitations or penalties in the nature of capital controls, exchange controls or similar restrictions affecting the incurrence or repayment of intercompany Indebtedness by any Restricted Subsidiary or (ii) any ordinary course country risk management policies of the Company restricting or limiting transfers or distributions from the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary, provided that the principal amount of such Indebtedness so incurred when aggregated with other Indebtedness previously incurred in reliance on this clause (13) and still outstanding shall not in the aggregate exceed €350.0 million; and

(14) the guarantee by the Company or a Restricted Subsidiary of Debt of any Person in which the Company or a Restricted Subsidiary has beneficial ownership of 15% or more of the Voting Stock in respect, of performance, bid or surety bonds issued by or on behalf of any such Person

in the ordinary course of business in an aggregate amount, together with all other guarantees of the Company outstanding pursuant to this clause (14) on the date of such incurrence, not to exceed €15.0 million.

(c) [Reserved].

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.05:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Sections 4.05(a) and 4.05(b), the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Senior Facilities Agreement shall be deemed initially Incurred on the Issue Date under Section 4.05(b)(l) and not Section 4.05(a) or Section 4.05(b)(4)(b), and may not be reclassified pursuant to Section 4.05(d)(l);

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being

treated as Incurred pursuant to Section 4.05(b)(1), 4.05(b)(7), 4.05(b)(11), 4.05(b)(12) or 4.05(b)(13) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 4.05 permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

(e) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.05. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

(f) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 4.05, the Company shall be in Default of this Section 4.05).

(g) For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility, *provided* that (1) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant

currency exchange rate in effect on the Issue Date; and (3) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euros, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

(h) Notwithstanding any other provision of this Section 4.05, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this Section 4.05 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

SECTION 4.06. Limitation on Restricted Payments

(a) The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

(x) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

(y) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other

acquisition or retirement and (b) any Indebtedness Incurred pursuant to Section 4.05(b)(3) or any Subordinated Shareholder Funding; or

(4) make any Restricted Investment in any Person;

(any such, dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) are referred to herein as a "*Restricted Payment*"*),* if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(x) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(y) the Company is not able to Incur an additional €1.00 of Indebtedness pursuant to SECTION 4.05(a) after giving effect, on a pro forma basis, to such Restricted Payment; or

(z) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted by Sections 4.06(c)(6), 4.06(c)(10), 4.06(c)(11) and 4.06(c)(12), but excluding all other Restricted Payments permitted by Section 4.06(c)) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been

made from such proceeds in reliance on Section 4.06(c)(6) and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with Section 4.06(b)) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted

Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary, or

(B) the redesignation of Unrestricted Subsidiaries (other than SSMC) as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this Section 4.06(a)(4)(z)(iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this Section 4.06(a)(4)(z); *provided, however,* that no amount will be included in Consolidated Net Income for purposes of Section 4.06(a)(4)(z)(i) to the extent that it is (at the Company's option) included under this Section 4.06(a)(4)(z)(iv); and

(v) the amount of the cash and fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company (other than SSMC); and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate (other than SSMC) to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of Section 4.06(a)(4)(z)(i) to the extent that it is (at the Company's option) included under this Section 4.06(a)(4)(z)(v); *provided further,* however, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this Section 4.06(a)(4)(z).

(b) The fair market value of property or assets other than cash covered by Section 4.06(a) shall be the fair market value thereof as determined in good faith by the Board of Directors.

(c) The provisions of Section 4.06 will not prohibit any of the following (collectively, "*Permitted Payments*"):

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from Section 4.06(a)(4)(z)(ii);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to Section 4.05;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 4.05, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under Section 4.09, but only if the Company shall have first complied with Section 4.09 and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "*change of control*"), but only (i) if the Company shall have first complied with Section 4.03 and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) €40 million plus (2) €20 million multiplied by the number of calendar years that have commenced since the Issue Date plus (3) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this Section 4.06(c)(6)(3), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under Section 4.06(a)(4)(z)(ii);

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with Section 4.05;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments (i) in connection with, and of fees and expenses Incurred in connection with, the Transactions or (ii) to the extent specified in Sections 4.10(b)(2), 4.10(b)(3), 4.10(b)(5), 4.10(b)(7) and 4.10(b)(12);

(10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to

exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization*; provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.00;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed €200.0 million;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however,* that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this Section 4.06(c)(13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however,* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this Section 4.06(c)(14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of the Company, from the issuance or sale of such Designated Preference Shares; and

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries other than SSMC (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents or to the extent the assets owned by such Unrestricted Subsidiary were contributed in contemplation of such dividend or distribution).

(d) The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

(e) In addition to the foregoing, it will be a breach of this Section 4.06 if any of the Initial Investors receives directly or indirectly from SSMC payments that would, if made by the Company, constitute Restricted Payments of the types described in Sections 4.06(a)(1), 4.06(a)(2) and 4.06(a)(3), other than through distributions and dividends (x) to the Company and the making of such payments by the Company in a manner permitted by this Section 4.06 or (y) on a pro rata basis (proportionate to its ownership of SSMC) to another portfolio company of any Initial Investor, or, in the case of Philips, another operating subsidiary, engaged in an active business that owns Capital Stock of SSMC at such time.

SECTION 4.07. Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens or, in the case of assets constituting Collateral, Permitted Collateral Liens) upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien secures any Indebtedness.

SECTION 4.08. Limitation on Restrictions on Distributions from Restricted Subsidiaries

(a) The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;

(2) make any loans or advances to the Company or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of Section 4.08(a) will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Finance Documents) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this Section 4.08(b)(2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in Section 4.08(b)(1), 4.08(b)(2) or 4.08(b)(3) (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in Section 4.08(b)(1), 4.08(b)(2) or 4.08(b)(3); *provided, however,* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under this Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under this Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.05 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement, together with the security documents associated therewith, as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) and where, in the case of clause (ii), the Company determines at the time of issuance of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuers' ability to make principal or interest payments on the Notes; or

(12) any encumbrance or restriction existing by reason of any lien permitted under Section 4.07.

SECTION 4.09. Limitation on Sales of Assets and Subsidiary Stock

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

(A) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under the Senior Facilities Agreement (or any Refinancing Indebtedness in respect thereof) within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however,* that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of the Senior Facilities Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall redeem, repay or repurchase Pari Passu Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this Section 4.09) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

(B) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash, *provided, however,* that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day;

provided that, pending the final application of any such Net Available Cash in accordance with Section 4.09(a)(3)(A) or 4.09(a)(3)(B), the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture.

(b) Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in Section 4.09(a) will be deemed to constitute *"Excess Proceeds"* under this Indenture. On the 366th day after an Asset Disposition, if the aggregate amount of Excess Proceeds under this Indenture exceeds €50 million, the Issuers will be required to make an offer *("Asset Disposition Offer")* to all holders of Notes and, to the extent the Issuers elect, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in this Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and in case of the Euro Notes in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof or, in case of the Dollar Notes in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof.

(c) To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuers may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in this Indenture. If the aggregate principal amount of the Notes issued surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

(d) Any Net Available Cash payable in respect of the Notes pursuant to Section 4.09 will be apportioned between the Euro Notes and the Dollar Notes in proportion to the respective aggregate principal amounts of Euro Notes and Dollar Notes validly tendered and not withdrawn, based upon the Euro Equivalent of such principal amount of Dollar Notes determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period. To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuers upon converting such portion into such currency.

(e) The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the *"Asset Disposition Offer Period").* No later than five Business Days after the termination of the Asset Disposition Offer Period (the *"Asset Disposition Purchase Date")* the Issuers will purchase the principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this Section 4.09 (the *"Asset Disposition Offer Amount")* or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

(f) On or before the Asset Disposition Purchase Date, the Issuers will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of Euro Notes, in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof or, in the case of the Dollar Notes, in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 4.09. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the applicable Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €50,000 in the case of Euro Notes and $75,000 in the case of Dollar Notes. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

(g) For the purposes of Section 4.09(a)(2), the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 4.09 that is at that time outstanding, not to exceed the greater of €100.0 million and 1% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

(h) The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Section 4.09, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under this Indenture by virtue of any conflict.

SECTION 4.10. Limitation on Affiliate Transactions

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an *"Affiliate Transaction"*) involving aggregate value in excess of €20 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €50 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in Section 4.10(a)(2) if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 4.10 if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

(b) The provisions of Section 4.10(a) will not apply to:

(1) any Restricted Payment permitted to be made pursuant to Section 4.06, any Permitted Payments (other than pursuant to Section 4.06(c)(9)(b)(ii)) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11) and (15) of the definition thereof);

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent

(whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this Section 4.10 or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior

management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of this Indenture;

(11) without duplication in respect of payments made pursuant to Section 4.10(b)(12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses customary for portfolio companies of the Initial Investors described in clause (1) of the definition thereof and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including

through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors in good faith; and

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries.

SECTION 4.11. Reports

(a) For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, and in a level of detail that is comparable in all material respects to that included in the Offering Memorandum, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days (or 90 days in the case of the quarter ending September 30, 2006) following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2006, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods (provided that information for prior year interim periods ending prior to the Issue Date may be based on management reports), together with condensed footnote disclosure; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with

explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and *pro forma* financial information shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided, however,* that the reports set forth in Sections 4.1l(a)(l), 4.11(a)(2) and 4.1l(a)(3) may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. In addition to the foregoing, following the effectiveness of a registration statement with respect to the Notes, the Company shall file all information required of it with the SEC within the time periods specified. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. The financial statements included in the quarterly report for the quarter ended September 30, 2006 shall be prepared on the same basis as the unaudited financial

statements for the six months ended June 30, 2006 included in the Offering Memorandum, with such pro forma adjustments thereto as management believes appropriate in relation to the allocation of costs and expenses, and shall include a statement of cash flows prepared on a consistent basis with the income statement and balance sheet.

(b) At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by Sections 4.11(a)(l) and 4.11(a)(2) shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

(c) Substantially concurrently with the issuance to the Trustee of the reports specified in Sections 4.11(a)(l), 4.1l(a)(2) and 4.11(a)(3), the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be

then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

(d) So long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The Issuers will comply with Section 314(a) of the TIA.

SECTION 4.12. Guarantees by Restricted Subsidiaries

(a) The following Subsidiaries will fully and unconditionally guarantee the Notes on the Issue Date in accordance with Article 10: NXP Semiconductors B.V., NXP Semiconductors Germany GmbH, NXP Semiconductors (Taiwan) Ltd., NXP Semiconductors Philippines Inc., NXP Semiconductors USA Inc., NXP Semiconductors Hong Kong Limited, NXP Semiconductors (Thailand) Co. Ltd., NXP Semiconductors UK Limited (subject to the Agreed Security Principles), and NXP Semiconductors (Singapore) Pte. Ltd.; *provided* that if any such Subsidiary is unable to provide such Note Guarantee on the Issue Date, the Company shall (subject to the Agreed Security Principles) cause such Subsidiary to provide a Note Guarantee as soon as practicable, and in any event not later than 90 days after the Issue Date (or 120 days if the lenders under the Senior Facilities Agreement agree to defer such date under the Senior Facilities Agreement). If the Company or any of its Restricted Subsidiaries acquires or creates a Wholly Owned Subsidiary (other than an Immaterial Subsidiary) after the Issue Date and the issuance of a Guarantee by such Guarantor is not precluded by the Agreed Security Principles, the new Restricted Subsidiary must within 30 days (or such longer period as the Trustee may agree) after becoming a Restricted Subsidiary, provide a Note Guarantee under this Indenture.

(b) A Restricted Subsidiary required to provide a Note Guarantee shall provide such Note Guarantee in accordance with the provisions of Section 10.07.

SECTION 4.13. Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes of any series have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until the Reversion Date, the following provisions of this Indenture will not apply to such Notes: Sections 4.05, 4.06, 4.08, 4.09, 4.10, 4.14 and 5.01(a)(3)and, in each case, any related default provision of this Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such Sections and any related default provisions will again apply according to their terms from the first

day on which a Suspension Event ceases to be in effect. Such Sections will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and Section 4.06 will be interpreted as if it has been in effect since the date of this Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while Section 4.06 was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to Section 4.05(a) or 4.05(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under Section 4.05(a) or 4.05(b), such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under Section 4.05(b)(4).

In addition, so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in such release as set forth in Section 10.02(b)(5), all Liens securing such Notes will be released upon achievement of an Investment Grade rating, as shall any future obligation to grant further security or Note Guarantees. All such Liens, and such further obligation to grant Guarantees and security, shall be reinstated upon the Reversion Date.

SECTION 4.14. Impairment of Security Interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Collateral Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, any interest whatsoever in any of the Collateral except that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged, transferred or released in accordance with the Indenture or the applicable Security Documents.

SECTION 4.15. [Reserved]

SECTION 4.16. Compliance Certificate

The Company shall deliver to the Trustee within 120 days after the end of each fiscal year, an Officer's Certificate in substantially the form of Exhibit C hereto stating that a review of the activities of the Company during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to the Officer signing such Officer's Certificate, that to the best of his or her knowledge, the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions

and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuers are taking or propose to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest or Additional Amounts, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or propose to take with respect thereto, and (b)(i) such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture and the Security Documents (including financing statements or other instruments) as is necessary to maintain the security interest intended to be created thereby for the benefit of the Holders, and reciting the details of such action, or (ii) no such action is necessary to maintain such Lien. Within 30 days after the occurrence of a Default, the Company shall deliver to the Trustee a written notice of any events of which it is aware would constitute certain Defaults their status and what action the Company is taking or proposes to take with respect thereto.

The Trustee shall not be deemed to have knowledge of any Default or Event of Default except any Default or Event of Default of which its Responsible Officer shall have received written notification in accordance with Section 13.03 or obtained actual knowledge.

SECTION 4.17. Further Instruments and Acts

Upon request of the Trustee, the Issuers shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.18. Listing

The Issuers will use their reasonable efforts to list, subject to notice of issuance, the Euro Notes on the Irish Stock Exchange and to have the Euro Notes admitted to trading on the Irish Stock Exchange as promptly as practicable after the date hereof. If the Euro Notes cease to be listed on the Irish Stock Exchange, the Issuers shall use their reasonable best efforts to promptly list such Euro Notes on a stock exchange to be agreed between the Issuers and Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

SECTION 4.19. Limitation on Business Activities of the Co-Issuer

The Co-Issuer may not hold any material assets, become liable for any material obligations or engage in any business activities; provided that it may be a co-obligor or guarantor with respect to the Notes or any other Indebtedness issued by the Company or a Guarantor, and may engage in any activities directly related thereto or necessary in connection therewith. The Co-Issuer shall be a Wholly Owned Subsidiary of the Company at all times.

SECTION 4.20. Collateral

The Company shall, and shall cause each Restricted Subsidiary to, take all actions and execute and deliver all documents or deliverables, including each Security Document, to secure the payment obligations of the Issuers under the Notes and this Indenture on a first

priority basis (subject to the provisions of the Collateral Agency Agreement) by Liens on the Collateral in accordance with, within the time periods specified by, and subject to the limitations of, Section 12.01 (including the Agreed Security Principles).

SECTION 4.21. Equal and Ratable Security

In the event that assets of the Guarantor organized under the laws of the Philippines or the Capital Stock in such Guarantor are provided as security (other than through sharing the benefit of any conditional assignment granted by such Guarantor on the Closing Date) for Indebtedness for borrowed money in excess of an aggregate of €25,000,000, then the Company shall, or shall cause the relevant Restricted Subsidiary to, provide that the obligations of the Issuers under this Indenture are secured equally and ratably with all the Indebtedness that causes that threshold to be exceeded, for so long as such Indebtedness is so secured.

SECTION 4.22. Security Over Cash and Bank Accounts

(i) The Company has established bank accounts held, in each case, with the Global Collateral Agent in London and denominated in US Dollars, Euros and U. K. pounds sterling (each an *"Initial Secured Account"* and together the *"Initial Secured Accounts")* and deposited a nominal amount into each Initial Secured Account.

(b) Upon the occurrence of an Enforcement Event the Company shall, and shall procure that each of its Restricted Subsidiaries shall (i) pay the proceeds of the sale or collection of Collateral to a bank account or bank accounts that do not contain other cash of the Company or the relevant Restricted Subsidiary (as the case may be) that is not the proceeds of Collateral, (ii) not commingle the proceeds of Collateral with other cash of the Company or the relevant Restricted Subsidiary and (iii) pay the proceeds of Collateral denominated in US Dollars, U.K. pounds sterling and Euros that are paid to, or received by, the Company or a Restricted Subsidiary promptly to the relevant Initial Secured Account and, to the extent practicable, direct counterparties to pay the proceeds of Collateral directly to the relevant Initial Secured Account.

(c) Upon the occurrence of an Enforcement Event, the Company shall, and shall procure that each of its Restricted Subsidiaries shall, grant, subject to the Agreed Security Principles, a perfected Lien in all bank accounts held by the Company or any Restricted Subsidiary to which proceeds of Collateral are paid, to the extent of the proceeds of such Collateral (any such account, an *"Additional Secured Account"*, and together with the Initial Secured Accounts, the *"Secured Accounts"*); *provided* that, to the extent any of the Additional Secured Accounts are or become part of the bank accounts used in the cash management system of the Company, the Company and its Restricted Subsidiaries shall each be entitled to grant a Lien over the Additional Secured Accounts in favor of the bank providing cash management facilities to secure the Company's obligations to such bank, which Lien shall rank equally and ratably with the Lien created in favor of the Global Collateral Agent.

ARTICLE 5

Successor Company

SECTION 5.01. Merger and Consolidation of the Company

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the *"Successor Company"*) will be a Person organized and existing under the laws of any member state of the European Union on January 1, 2004, or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and this Indenture and (b) all obligations of the Company under the Security Documents and the Registration Rights Agreement;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to Section 4.05(a) or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of Sections 5.01(a)(2)and 5.01(a)(3).

(b) Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with Section 5.01(a), and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 4.05.

(c) For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets

of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

(d) The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under this Indenture or the Notes.

(e) Notwithstanding Sections 5.01(a)(2) and 5.01(a)(3) (which do not apply to transactions referred to in this Section 5.01(e)) and, other than with respect to Sections 5.01(c) and 5.01(a)(4), (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding Sections 5.01(a)(2)and 5.01(a)(3)(which do not apply to the transactions referred to in Section 5.01(e)), the Company may consolidate or otherwise combine with or merge into an Affiliate

incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

(f) The provisions of this Section 5.01 (other than the requirements of Section 5.01(a)(2)) shall not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

SECTION 5.02. Merger and Consolidation of the Co-Issuer

(a) The Co-Issuer may not consolidate with, merge with or into any person or permit any person to merge with or into the Co-Issuer unless:

(1) concurrently therewith, a Subsidiary of the Company that is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia (which may be the Co-Issuer or the continuing person as a result of such transaction) expressly assumes all of the obligations of the Co-Issuer under the Notes, the Security Documents, this Indenture and the Registration Rights Agreement; or

(2) after giving effect to the transaction, at least one obligor on the Notes is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia.

(b) Upon the consummation of any transaction effected in accordance with SECTION 5.02(a) , the resulting, surviving or transferee Co-Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Co-Issuer under this Indenture and the Notes with the same effect as if such successor Person had been named as the Co-Issuer in this Indenture. Upon such substitution, the Co-Issuer will be released from its obligations under this Indenture and the Notes.

SECTION 5.03. Merger and Consolidation of a Guarantor

(a) No Guarantor may:

(1) consolidate with or merge with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into the Guarantor unless

(A) the other Person is the Company or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction); or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee, the Security Documents and the Registration Rights Agreement; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by this Indenture.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default

(a) An *"Event of Default"* occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of the Issuers, obligations under Article 4 or 5 (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2));

(4) failure to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with the Issuers other agreements contained in this Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer

any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or either Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; and

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of this Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with this Indenture.

(b) However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5)or 6.01(a)(7) will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under this Indenture notify the Issuers of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7), as applicable, after receipt of such notice.

SECTION 6.02. Acceleration

(a) If an Event of Default (other than an Event of Default described in Section 6.01(a)(6) above) occurs and is continuing the Trustee by notice to the Issuers or the Holders of at least 30% in principal amount of the outstanding Notes under this Indenture by written notice to the Issuers and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes under this Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in Section 6.01(a)(5) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to Section 6.01(a)(5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Interest, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(b) If an Event of Default described in Section 6.01(a)(6)above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

SECTION 6.03. Other Remedies

Subject to the duties of the Trustee as provided for in Article 7, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair

the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

To the extent permitted by the Collateral Agency Agreement the Trustee may direct the Collateral Agent to take enforcement action with respect to the Collateral if any amount is declared or becomes due and payable pursuant to Section 6.02 (but not otherwise).

SECTION 6.04. Waiver of Past Defaults

Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may, on behalf of the Holders of all the Notes, waive all past or existing Defaults or Events of Default except a continuing Default in the payment of the principal, premium or interest, and Additional Interest, if any, on the Notes and rescind any acceleration with respect to the Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority

The Holders of a majority in principal amount of the Notes then outstanding may direct in writing the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; *provided, however,* that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification or other security reasonably satisfactory to it against all losses, liabilities and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits

(a) Except to enforce the right to receive payment of principal, premium (if any) or interest when due on the Notes, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 30% in principal amount of the Notes then outstanding make a request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the Notes then outstanding do not give the Trustee a direction that, in the opinion of the Trustee is, inconsistent with the request during such 60-day period.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07. Rights of Holders to Receive Payment

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Notes held by such Holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee

If an Event of Default specified in Sections 6.01(a)(1) or 6.01(a)(2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Notes for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim

The Trustee may file such proofs of claim and other papers or documents and take such actions as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Issuer, their creditors or their property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities

If the Trustee collects any money or property pursuant to this Article 6, including upon enforcement of any Liens, it shall, subject to Section 4 of the Collateral Agency Agreement, pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Issuers.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, the Trustee shall mail to each Holder and the Issuers a notice that states the record date, the payment date and amount to be paid.

The Collateral Agents shall apply the proceeds of the Collateral as directed by the Collateral Agency Agreement.

SECTION 6.11. Undertaking for Costs

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as the Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee or a Paying Agent, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in principal amount of the Notes then outstanding.

SECTION 6.12. Waiver of Stay or Extension Laws

The Issuers (to the extent they may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuers (to the extent that they may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Trustee

SECTION 7.01. Duties of Trustee

(a) The duties and responsibilities of the Trustee are as provided by the TIA and as set forth herein. If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall he read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Sections 6.02 or 6.05;

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to Sections 7.01(a), 7.01(b) and 7.01(c) and the TIA.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder or under the Security Documents to take or omit to take any action under this Indenture or under the Security Documents or take any action at the request or direction of Holders including without limitation in relation to lender liability claims for restitution by creditors of any pledgor, in each case, arising in connection with any action or direction given in relation to the Security Documents if it has reasonable grounds for believing that repayment of such funds is not assured to it or it does not receive indemnity reasonably satisfactory to it in its discretion against any loss, liability or expense which might reasonably be incurred by it in compliance with such request or direction nor shall the Trustee be required to do anything which is illegal or contrary to applicable laws. The Trustee will not be liable to the Holders if prevented or delayed in performing any of its obligations or discretionary functions under this Indenture by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control. No provision of this Indenture or of the Security Document shall require the Trustee to indemnify the Collateral Agents, and the Collateral Agents waive any claim they may otherwise have by operation of law in any jurisdiction to be indemnified by the Trustee acting as principal vis a vis its agent, the Collateral Agents (but this does not prejudice the Collateral Agents' rights to bring any

claim or suit against the Trustee (including for damages in the case of the negligence or willful misconduct of the Trustee)).

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers.

(g) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. Rights of Trustee.

Subject to TIA Sections 315(a) through (d):

(a) The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion, based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable the State of New York. Furthermore, the Trustee may also retain from taking such action if it would otherwise render it liable to any person in that jurisdiction, the State of New York or if, in its opinion based upon such legal advice, it would not have the power to do relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction, in the State of New York or if it is determined by any court or other competent authority in that jurisdiction in the State of New York that it does not have such power.

(b) The Trustee may conclusively rely and shall be fully protected in relying on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(c) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(d) The Trustee may act through attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(e) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or negligence.

(f) The Trustee may retain professional advisers to assist it in performing its duties under this Indenture. The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any Officer's Certificate, Opinion of Counsel, or any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such farther inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuers.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee indemnity or other security reasonably satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred by it in compliance with such request, order or direction.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than the requisite majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken and shall be held harmless and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved.

(i) Except with respect to Section 4.01, the Trustee shall have no duty to inquire as to the performance of the Issuers with respect to the covenants contained in Article 4. Delivery of reports, information and documents to the Trustee under Section 4.11 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(j) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes.

(k) If any Note Guarantor is substituted to make payments on behalf of the Issuers pursuant to Article 10, the Issuers shall promptly notify the Trustee of such substitution.

(1) The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified, are extended to, and shall be enforceable by the Trustee in its capacity hereunder and by each agent (including Deutsche Bank AG, London Branch, Deutsche Bank Trust Company Americas, Deutsche Bank Luxembourg S.A. and Deutsche International Corporate Services (Ireland) Limited)), custodian and other Person

employed with due care to act as agent hereunder (including without limitation each Transfer Agent, Paying Agent and Calculation Agent). Each Paying Agent, Calculation Agent and Transfer Agent shall not be liable for acting in good faith on instructions believed by it to be genuine and from the proper party.

(m) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(n) At any time that the security granted pursuant to the Security Documents has become enforceable and the Holders have given a written direction to the Trustee to enforce such security, the Trustee is not required to give any direction to the Collateral Agents with respect thereto unless it has been indemnified in accordance with Section 7.01(e). In any event, in connection with any enforcement of such security, the Trustee is not responsible for:

(1) any failure of the Collateral Agents to enforce such security within a reasonable time or at all;

(2) any failure of the Collateral Agents to pay over the proceeds of enforcement of the Security;

(3) any failure of the Collateral Agents to realize such security for the best price obtainable;

(4) monitoring the activities of the Collateral Agents in relation to such enforcement;

(5) taking any enforcement action itself in relation to such security;

(6) agreeing to any proposed course of action by the Collateral Agents which could result in the Trustee incurring any liability for its own account; or

(7) paving any fees, costs or expenses of the Collateral Agents.

(o) The permissive right of the Trustee to take the actions permitted by this Indenture will not be construed as an obligation or duty to do so.

(p) Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but no limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action

(q) The Trustee may assume without inquiry in the absence of actual knowledge that the Issuers are each duly complying with their obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred.

SECTION 7.03. Individual Rights of Trustee

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee. For the avoidance of doubt, any Paying Agent, Transfer Agent or Registrar may do the same with like rights.

However, the Trustee is subject to TIA Sections 310(b) and 311. For purposes of TIA Section 311 (b)(4) and (6):

(a) "*cash transaction*" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and

(b) "*self-liquidating paper*" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 7.04. Trustee's Disclaimer

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, and it shall not be responsible for any statement of the Issuers in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication. The Trustee shall not be charged with knowledge of the identity of any Significant Subsidiary unless either (a) a Responsible Officer shall have actual knowledge thereof or (b) the Trustee shall have received notice thereof in accordance with Section 13.03 hereof from the Issuers or any Holder.

SECTION 7.05. Notice of Defaults

If a Default or Event of Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer or by any other person, the Trustee must give notice of the Default to the Holders within 60 days after the Trustee is informed of such occurrence. Except in the case of a Default in payment of principal of or interest or premium, if any, on any Note, the Trustee may withhold the notice if and so long as a committee of its trust officers of the Trustee in good faith determines that withholding the notice is in the interests of Holders. Notice to Holders under this Section will be given in the manner and to the extent provided in TIA Section 313(c).

SECTION 7.06. Reports by Trustee to Holders

Within 60 days after each May 15, beginning with May 15, 2007, the Trustee will mail to each Holder, as provided in TIA Section 313(c), a brief report dated as of such May 15, if required by TIA Section 313(a), and file such reports with each stock exchange upon which its Notes are listed and with the SEC as required by TIA Section 313(d).

SECTION 7.07. Compensation and Indemnity

The Issuers, or, upon the failure of the Issuers to pay, each Note Guarantor (if any), jointly and severally, shall pay to the Trustee from time to time such compensation as the Issuer and Trustee may from time to time agree for its acceptance of this Indenture and services hereunder and under the Notes. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

In the event of the occurrence of an Event of Default or the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuers agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee, the Issuers shall pay to the Trustee such additional remuneration as shall be agreed between them. In the event of the Trustee and the Issuers failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee, or upon such additional remuneration, such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuers or, failing such approval, nominated (on the application of the Trustee) by the President of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuers) and the determination of any such investment bank shall be final and binding upon the Trustee and the Issuer.

The Issuers and each Note Guarantor (if any), jointly and severally, shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it (as evidenced in an invoice from the Trustee), including costs of collection, in addition to the compensation for its services. Such expenses shall include the properly incurred compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuers and each Note Guarantor (if any), jointly and severally shall indemnify the Trustee, the Collateral Agents and the Paying Agents and their respective officers, directors, agents and employers against any and all loss, liability taxes or expenses (including reasonable attorneys' fees) incurred by or in connection with the acceptance or administration of its duties this Indenture and the Notes including the costs and expenses of enforcing this Indenture against the Issuers (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuer or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder or under the Security Documents, as the case may be.

The Trustee shall notify the Issuer of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided, however,* that any failure so to notify the Issuer shall not relieve the Issuer or any Note Guarantor of its indemnity obligations hereunder, or under the Security Documents, as the case may be. Except in cases where the interests of the Issuers and the Trustee may be adverse, the Issuers shall defend the claim and the

indemnified party shall provide reasonable cooperation at the Issuers' and any Note Guarantor's expense in the defense. Notwithstanding the foregoing, such indemnified party may, in its sole discretion, assume the defense of the claim against it and the Issuers and any Note Guarantor shall, jointly and severally, pay the reasonable fees and expenses of the indemnified party's defense (as evidenced in an invoice from the Trustee). Such indemnified parties may have separate counsel of their choosing and the Issuers and any Note Guarantor, jointly and severally, shall pay the reasonable fees and expenses of such counsel (as evidenced in an invoice from the Trustee); *provided, however,* that the Issuers shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuers and any Note Guarantor, as applicable, and such parties in connection with such defense. The Issuers need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld. The Issuers need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

To secure the Issuers' and any Note Guarantor's payment obligations in this Section 7.07, the Trustee and the Paying Agents have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes.

The Issuers' and any Note Guarantor's payment obligations pursuant to this Section and any lien arising thereunder shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any Bankruptcy Law or the resignation or removal of the Trustee and the Paying Agents. Without prejudice to any other rights available to the Trustee and the Paying Agents under applicable law, when the Trustee and the Paying Agents incur expenses after the occurrence of a Default specified in Section 6.01(a)(6) with respect to the Issuers, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee in this Section 7.07, including its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder including, without limitation, as Registrar, Transfer Agent and Paying Agent, and by each agent (including Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche International Corporate Services (Ireland) Limited)), custodian and other Person employed with due care to act as agent hereunder.

SECTION 7.08. Replacement of Trustee

(a) The Trustee may resign at any time by so notifying the Issuers. If the Trustee is no longer eligible under Section 7.10 or in the circumstances described in TIA Section 310(b), any Holder that satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee in writing and the appointment of a successor Trustee. The Holders of a majority in principal amount of the Notes then outstanding may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Issuers shall be entitled to remove the Trustee or any Holder who has been a bona fide Holder for

not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee, if:

(i) the Trustee has or acquires a conflict of interest that is not eliminated;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or;

(iv) the Trustee otherwise becomes incapable of acting as Trustee hereunder.

(b) If the Trustee resigns, is removed pursuant to Section 7.08(a)or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuers shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided*, that all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in Section 310(b) of the TIA, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuers' obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

(g) For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee in this Section 7.08, including its right to be indemnified, are extended to, and shall be enforceable by each Paying Agent, Transfer Agent and Registrar employed to act hereunder.

(h) The Trustee agrees to give the notices provided for in, and otherwise comply with, TIA Section 310(b).

SECTION 7.09. Successor Trustee by Merger

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility

The Indenture must always have a Trustee that satisfies the requirements of TIA Section 310(a) and has a combined capital and surplus of at least $25,000,000 as set forth in its most recent published annual report of condition.

SECTION 7.11. Certain Provisions.

Each Holder by accepting a Note authorizes and directs on his or her behalf the Trustee to enter into and to take such actions and to make such acknowledgements as are set forth in this Indenture or other documents entered into in connection therewith. The Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of the Security Documents or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court. The Trustee shall be under no obligation to monitor or supervise the functions of the Collateral Agents under the Security Documents and shall be entitled to assume that the Collateral Agents are properly performing their functions and obligations thereunder and the Trustee shall not be responsible for any diminution in the value of or loss occasioned to the assets subject thereto by reason of the act or omission by the Collateral Agents in relation to its functions thereunder. The Trustee shall have no responsibility whatsoever to the Issuer, any Note Guarantor or any Holder as regards any deficiency which might arise because the Trustee is subject to any tax in respect of the Security Documents, the security created thereby or any part thereof or any income therefrom or any proceeds thereof.

SECTION 7.12. Preferential Collection of Claims Against Issuer

The Trustee shall comply with Section 31l(a) of the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 31l(a) of the TIA to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Notes; Defeasance

(a) Any Note Guarantees, this Indenture and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuers) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers; (2) the Issuers have deposited or caused to be deposited with the Trustee money, European Government Obligations (in the case of the Euro Notes), U.S. Government Obligations (in the case of the Dollar Notes), or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under this Indenture; and (4) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under this Section 8.01 have been complied with, provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

(b) Subject to Sections 8.01(c) and 8.02, either Issuer at any time may terminate (i) all of its obligations and all obligations of each Note Guarantor (if any) under the Notes, any Note Guarantees and this Indenture *("legal defeasance option")* or (ii) its obligations under Article 4 (other than Section 4.01) and under Article 5 (other than Sections 5.01(a)(l)and 5.01(a)(2)), and thereafter any omission to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes, and the operation of Sections 6.01(a)(3) (other than with respect to Sections 5.01(a)(l) and 5.0l(a)(2)), 6.01(a)(4), 6.01(a)(5), 6.01(a)(6) (with respect to the Issuers and Significant Subsidiaries), 6.01(a)(7), 6.01(a)(8) and 6.01(a)(9) ("*covenant defeasance option*"*).* The Issuers at their option at any

time may exercise their legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Issuers terminate all of their obligations under the Notes and this Indenture by exercising its legal defeasance option, the obligations under any Note Guarantees shall each be terminated simultaneously with the termination of such obligations.

If the Issuers exercise their legal defeasance option or its covenant defeasance option, the Collateral will be released and each Note Guarantor (if any) will be released from all its obligations under its Note Guarantee.

Upon satisfaction of the conditions set forth herein and upon request of the Issuers, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding Sections 8.01(a) and (b) above, the Issuers' and any Note Guarantors' obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, 7.01, 7.02, 7.03, 7.07, 7.08, this Article 8 and Section 12.06, as applicable, shall survive until the Notes have been paid in full. Thereafter, the Issuers' and any Note Guarantors' obligations in Sections 7.07, 8.05, 8.06 and 12.06, as applicable, shall survive.

SECTION 8.02. Conditions to Defeasance

(a) The Issuers may exercise its legal defeasance option or its covenant defeasance option only if:

(1) an Issuer has irrevocably deposited in trust (the *"defeasance trust")* with the Trustee cash in euros or euro-denominated European Government Obligations or a combination thereof (in the case of the Euro Notes) or in dollars or U.S. Government Obligations or a combination thereof (in case of the Dollar Notes) for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(A) an Opinion of Counsel in the United States to the effect that holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(B) an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, liquidation, reorganization, administration, moratorium, receivership or similar laws affecting creditors' rights generally under any applicable U.S. federal or state law and that the Trustee has a perfected security interest in such trust funds for the ratable benefit of the Holders;

(C) an Officer's Certificate stating that the deposit was not made by the Issuers with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuers or any Note Guarantors;

(D) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(E) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(F) the Issuers deliver to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

(2) Before or after a deposit, the Issuers may make arrangements satisfactory to the Trustee for the redemption of Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money

The Trustee shall hold in trust money or Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from the Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes. Money and securities so held in trust are not subject to the Collateral Agency Agreement.

SECTION 8.04. Repayment to Issuers

The Trustee and the Paying Agent shall promptly turn over to the Issuers upon request any money or Government Obligations held by it as provided in this Article which, in the written opinion of an internationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if Government Obligations have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuers upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuers for payment as general creditors, and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

SECTION 8.05. Indemnity for Government Obligations

The Issuers and any Note Guarantor, jointly and severally, shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against

deposited Government Obligations or the principal and interest received on such Government Obligations.

SECTION 8.06. Reinstatement

If the Trustee or Paying Agent is unable to apply any money or Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the Issuers' obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or Government Obligations in accordance with this Article 8; *provided, however,* that if the Issuers have made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Issuers shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Obligations held by the Trustee or Paying Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Holders

The Issuers, the Trustee and the other parties thereto may amend or supplement any Note Documents without notice to or consent of any Holder to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision to the "Description of Notes" in the Offering Memorandum, or reduce the minimum denomination of any Note;

(2) provide for the assumption by a successor Person of the obligations of the Issuers under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuers or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) at the issuers' election, comply with any requirement of the SEC in connection with the qualification of this Indenture under the TIA, if such qualification is required;

(7) make such provisions as necessary (as determined in good faith by the Issuers) for the issuance of Additional Notes;

(8) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with Section 4.05, to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under this Indenture or the Security Documents;

(9) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage pledge, hypothecate or grant a security interest in favor of the Collateral Agent, for the benefit of parties to the Senior Facilities Agreement, in any property which is required by the Senior Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated or in which a security interest is required to be granted to the Collateral Agents, or to the extent necessary to grant a security interest for the benefit of any Person; provided, that the granting of such security interest is not prohibited by this Indenture and Section 4.14 is complied with.

SECTION 9.02. With Consent of Holders

(a) The Issuers, the Trustee and the other parties thereto, as applicable, may amend, supplement or otherwise modify the Note Documents with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and subject to certain exceptions any default or compliance with any provisions thereof may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), *provided,* that if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not 1ess than 100% (or, in the case of clauses (7) and (10), 90%) of the then outstanding principal amount of the Notes), an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described in Section 5 of the Notes;

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder to receive payment of principal of and interest, including Additional Interest, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change to Section 4.02 that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release the security interest granted fox the benefit of the Holders in the Collateral other than pursuant to the terms of the Security Document, the Intercreditor Agreement or as otherwise permitted by this Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in this Section 9.02(a) which require the Holders' consent described in this sentence.

(b) The Issuer will, for so long as the Notes are listed on the Irish Stock Exchange, to the extent required by the rules of the Irish Stock Exchange, (i) inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and (ii) deliver notice of any amendment, supplement and waiver in Ireland to the Companies Announcement Office in Dublin.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment of the Note Documents, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment or waiver under this Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

After an amendment under this Section 9.02 becomes effective, in case of Holders of Definitive Notes, the Issuers shall mail to the Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single class for all purposes under this Indenture, including with respect to waiver and amendments, except as the relevant amendment, waiver, consent, modification or similar action affects the rights of the Holders of the different series of Notes dissimilarly. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, wavier, consent, modifications or other similar action, the Issuers (acting reasonably and in good faith) shall be entitled to select a record date as of which the Euro Equivalent of the principal amount of any Notes shall be calculated in such consent or voting process.

SECTION 9.03. Revocation and Effect of Consents and Waivers

(a) A written consent to an amendment or a waiver by a holder shall bind the Holder and every subsequent Holder of that Note or portion of the Notes that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the written consent or waivers as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officer's Certificate from the Issuer certifying that the requisite number of consents have been received. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective upon the (i) receipt by the Issuers or the Trustee of the requisite number of consents, (ii) satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii) execution of such amendment or waiver (or supplemental indenture) by the Issuers and the Trustee.

(b) The Issuers may, but shall not be obliged to, fix a record date for the purpose of determining the Holders entitled to give their written consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding Section 9.03(a), those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.04. Notation on or Exchange of Notes

If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuers or the Trustee so determine, the Issuers in exchange for the Note shall issue and the Trustee or an authentication agent shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

SECTION 9.05. Trustee and Collateral Agents to Sign Amendments

(a) The Trustee and the Collateral Agents shall sign any amendment authorized pursuant to this Article 9 if the amendment does not impose any personal obligations on the Trustee or the Collateral Agents or adversely affect the rights, duties, liabilities or immunities of the Trustee and the Collateral Agents under this Indenture. If it does, the Trustee or the Collateral Agents may, but need not sign it. In signing such amendment the Trustee and the Collateral Agents shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment complies with this Indenture and that such amendment has been duly authorized, executed and delivered and is the legal, valid and binding obligation of the Issuers and the Note Guarantors (if any) enforceable against them in accordance with its terms, subject to customary exceptions.

(b) Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA.

SECTION 9.06. Payment for Consent

Neither the Issuers nor any Affiliate of either Issuer shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Note Documents (or the appointment of any Proxy in relation to any of the foregoing) unless such consideration is offered (subject to limitations of applicable law) to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement or proxies in relation thereto.

ARTICLE 10

Note Guarantees

SECTION 10.01. Note Guarantees.

(a) Subject to the limitations set forth in Schedule 10.1, each Restricted Subsidiary that is required to become a Note Guarantor pursuant to Section 4.12 hereof hereby Irrevocably Guarantees (collectively, the *"Note Guarantees"),* as primary obligor and not merely as surety, on a senior basis to each Holder, the Collateral Agents (on behalf of and for the benefit of Holders, for the purpose of this Article 10, and not in their individual capacities, but solely in their roles as representatives of the Holders in holding and enforcing the Collateral and the Security Documents), and to the Trustee and its successors and assigns (i) the full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all payment obligations of the Issuers under this Indenture and the Notes, whether for payment of principal of, premium, or interest and all other monetary obligations of the Issuers under this Indenture or in respect of the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuers whether

for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the *"Guaranteed Obligations").* Any such Note Guarantor farther agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Note Guarantor, and that such Note Guarantor shall remain bound under this Article 10 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Note Guarantor waives presentation to, demand of payment from and protest to the Issuers of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Note Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Note Guarantor hereunder shall not be affected by (i) the failure of any Holder, the Collateral Agents on behalf of the Holders or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuers or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any Notes held by any Holder, the Collateral Agents or the Trustee for the Guaranteed Obligations or any of them; (v) the failure of any Holder, the Collateral Agents on behalf of the Holders or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of such Note Guarantor, except as provided in Section 10.02(b).

(c) Each Note Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Note Guarantors, such that such Note Guarantor's obligations would be less than the full amount claimed. Each Note Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuers first be used and depleted as payment of the Issuers' or such Note Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Note Guarantor hereunder. Each Note Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Note Guarantor.

(d) Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any Note held for payment of the Guaranteed Obligations.

(e) If any Note Guarantor makes payments under its Note Guarantee, each Note Guarantor must contribute its share of such payments. Each Note Guarantor's share of such payment will be computed based on the proportion that the net worth of the relevant Note Guarantor represents relative to the aggregate net worth of all the Note Guarantors combined.

(f) [Reserved].

(g) Each Note Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in Ml of the Guaranteed Obligations. Except as expressly set forth in Sections 4.12, 4.13, 8.01(b), 10.02, Schedule 10.1 and the terms of any Note

Guarantee Supplement, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(h) Each Note Guarantor agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuers or otherwise unless such Note Guarantee has been released in accordance with this Indenture.

(i) Subject to the limitations set forth in Schedule 10.1, in furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Note Guarantor by virtue hereof, upon the failure of the Issuers to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Note Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of the Notes, (ii) accrued and unpaid interest on the Notes and (iii) all other monetary obligations of the Issuers to the Holders and the Trustee, including any other unpaid principal amount of such Guaranteed Obligations, accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and any Additional Amounts.

(j) Each Note Guarantor agrees that it shall not be entitled to exercise any right of subrogation in relation to the Holders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations. Each Note Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Note Guarantor for the purposes of this Section 10.01.

(k) Each Note Guarantor also agrees to pay any and all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section.

(l) Upon request of the Trustee, each Note Guarantor shall execute and deliver such further instruments and do such further acts as the Trustee may reasonably require to carry out more effectively the purpose of this Indenture.

(m) The Collateral Agents may only assert a claim or demand or enforce a right or remedy with respect to the Note Guarantees at the direction of the Trustee. The Trustee may direct the Collateral Agents to take enforcement action with respect to the Note Guarantees if any amount is declared or becomes due and payable pursuant to Section 6,02 (but not otherwise).

SECTION 10.02. Limitation on Liability

(a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Note Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Note Guarantor without rendering the Note Guarantee, as it relates to such Note Guarantor, voidable under applicable law relating to fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally.

(b) A Note Guarantee as to any Note Guarantor shall terminate and be of no further force or effect and such Note Guarantor shall be deemed to be released from all obligations under this Article 10 upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary) otherwise permitted by this Indenture,

(2) the designation in accordance with this Indenture of the Guarantor as an Unrestricted Subsidiary,

(3) defeasance or discharge of the Notes, as provided in Article 8,

(4) to the extent that such Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (1) of the definition of "Immaterial Subsidiary," upon the release of the guarantee referred to in such clause, or

(5) upon the achievement of Divestment Grade Status by the relevant series of Notes so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in the termination of such Note Guarantee; *provided* that such Note Guarantee shall, subject to the Agreed Security Principles, be reinstated upon the Reversion Date.

In all cases, the Issuers and such Note Guarantors that are to be released from their Note Guarantees shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel certifying compliance with this Section 10.02(b). At the request of the Issuers, the Trustee shall execute and deliver an appropriate instrument evidencing such release (in the form provided by the Issuers).

SECTION 10.03. Successors and Assigns

This Article 10 shall be binding upon each Note Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 10.04. No Waiver

Neither a failure nor a delay on the part of, the Trustee or the Holders in exercising any right, power or privilege under this Article 10 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Collateral Agents, the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 10 at law, in equity, by statute or otherwise.

SECTION 10.05. Modification

No modification, amendment or waiver of any provision of this Article 10, nor the consent to any departure by any Note Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Note Guarantor in any case shall entitle such Note Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 10.06. [Reserved.]

SECTION 10.07. Execution of Note Guarantee Supplement for Note Guarantors

Each Subsidiary which is required to become a Note Guarantor pursuant to this Indenture shall promptly execute and deliver to the Trustee a note guarantee supplement in the form of Exhibit D hereto pursuant to which such Subsidiary shall become a Note Guarantor under this Article 10 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such note guarantee supplement, the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such note guarantee supplement complies with this Indenture and has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally

and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Note Guarantor is a legal, valid and binding obligation of such Note Guarantor, enforceable against such Note Guarantor in accordance with its terms and to such other matters as the Trustee may reasonably request.

SECTION 10.08. Non-Impairment

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

ARTICLE 11

[Reserved].

ARTICLE 12

Collateral, Security Documents and the Collateral Agents.

SECTION 12.01. Collateral and Security Documents

(a) Subject to the Agreed Security Principles, the payment obligations of the Issuers under the Notes and this Indenture will be secured on a first priority basis by Liens on the Collateral. To the extent any Liens over the intended Collateral pursuant to any Security Document listed on Schedule 1.1 or any action or deliverable related to the creation or perfection of Liens over the intended Collateral (other than any Collateral the Liens over which may be perfected by the filing of a UCC financing statement or, subject to the Agreed Security Principles, the delivery of stock certificates and the Security Document giving rise to the lien therein) or any Guarantee is not provided on the Issue Date after use by the Issuers and the Guarantors of commercially reasonable efforts to do so, the provision of any such Lien or deliverable or Guarantee shall be required to be delivered as soon as reasonably practicable, in any event not later than 90 days after the Issue Date (or 120 days if the lenders under the Senior Facilities Agreement agree to defer such date under the Senior Facilities Agreement); *provided, however,* that, subject to the Agreed Security Principles, the Issuers will be obligated to provide security on NXP Semiconductors (Thailand) Co. Ltd.'s machinery and equipment within seven months of the Issue Date.

(b) Each of the Issuers, the Trustee and the Holders agree that the Collateral Agents shall be the joint creditors (together with the Holders) of each and every obligation of the parties hereto under the Notes and this Indenture, and that accordingly the Collateral Agents will have its own independent right to demand performance by the Issuers of those obligations, except that such demand shall only be made with the prior written consent of the Trustee or as otherwise permitted under the Collateral Agency Agreement. However, any discharge of such obligation to the Collateral Agents, on the one hand, or to the Trustee or

the Holders, as applicable, on the other hand, shall, to the same extent, discharge the corresponding obligation owing to the other.

(c) The Collateral Agents agree that it will hold the security interests in Collateral created under the Security Documents to which it is a party as contemplated by this Indenture and the Collateral Agency Agreement, and any and all proceeds thereof, for the benefit of, among others, the Trustee and the Holders, without limiting the Collateral Agents' rights including under Section 12.02, to act in preservation of the security interest in the Collateral. The Collateral Agents will take action or refrain from taking action in connection therewith only as directed by the Trustee, subject to the terms of the Collateral Agency Agreement.

(d) Each Holder, by accepting a Note, shall be deemed to have agreed to all the terms and provisions of the Security Documents and the Collateral Agency Agreement. The claims of Holders will be subject to the Collateral Agency Agreement (whether then entered into or entered into in the future pursuant to this Indenture). In the event of a conflict between this Indenture and the Collateral Agency Agreement, the Collateral Agency Agreement shall prevail.

(e) (1) Subject to the Agreed Security Principles, within 60 days (or such longer period as the Collateral Agents may agree in writing) after (i) any Restricted Subsidiary becomes a Guarantor in accordance with Section 4.12 or (ii) any Issuer or Guarantor acquires any material property that is not automatically subject to a perfected security interest under the Security Documents, the relevant Issuer or Guarantor shall, in each case at its sole cost and expense, duly execute and deliver to the Collateral Agents such mortgages, security agreement supplements and other security documents, as reasonably specified by and in form and substance reasonably satisfactory to the Collateral Agents (in form and scope, and covering such collateral on such terms, in each case consistent with the mortgages, security agreements and other security documents in effect on the Issue Date), granting a security interest in favor of the secured parties under the Security Documents, and take such additional actions (including the giving of notices, the filing of statements and the provision of all instruments and documents reasonably requested by the Collateral Agents) to perfect and protect such security interests of the secured parties under the Security Documents. Notwithstanding the foregoing, no Issuer or Guarantor shall be required to provide a security interest pursuant to this Section 12.01(e) (x) except as provided in Section 4.22, in cash or bank accounts prior to the occurrence of an Enforcement Event, (y) if the Agreed Security Principles would not so require or (z) over assets or properties that are not subject to Liens under the Security Documents specifically set forth on Schedule 1.1 (whether or not such Security Documents shall have been executed on the Issue Date) (as in effect on the date hereof) as a result of the application of the Agreed Security Principles. Any security interest provided pursuant to this Section 12.01(e) shall be accompanied with such opinions of counsel to the Company as customarily given by Company's counsel in the relevant jurisdiction, in form and substance customary for such jurisdiction. The Company will use reasonable endeavors to procure that its counsel in any relevant jurisdiction provides a legal opinion in respect of any such security interest.

(2) Subject to the Agreed Security Principles, promptly upon request by the Collateral Agents, the Issuers shall (a) correct any material defect or error that may be discovered in any Security Documents or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute,

acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Collateral Agents, may reasonably require from time to time in order to carry out more effectively the purposes of any Security Documents.

(3) To the extent applicable, the Company will comply with Section 313(b) of the TIA, relating to reports, and Section 314(d) of the TIA, relating to the release of property and to the substitution therefor of any property to be pledged as collateral for the Secured Notes. Any certificate or opinion required by Section 314(d) of the TIA may be made by an Officer of the Company except in cases where Section 314(d) requires that such certificate or opinion be made by an independent engineer, appraiser or other expert, who shall be reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary herein, the Company and its Subsidiaries will not be required to comply with all or any portion of Section 314(d) of the TIA if they determine, in good faith based on advice of outside counsel, that under the terms of that section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or any portion of Section 314(d) of the TIA is inapplicable to the released Collateral.

SECTION 12.02. Suits To Protect the Collateral

Subject to the provisions of the Security Documents and the Collateral Agency Agreement, the Collateral Agents shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of any of the Security Documents or this Indenture, and such suits and proceedings as the Collateral Agents, in their sole discretion, may deem expedient to preserve or protect the security interests in the Collateral created under the Security Documents (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the Lien on the Collateral or be prejudicial to the interests of the Holders or the Trustee).

SECTION 12.03. Resignation and Replacement of the Collateral Agents

(a) Any resignation or replacement of, a Collateral Agent shall be made in accordance with the Collateral Agency Agreement.

SECTION 12.04. Amendments and Additional Agency Agreements

(a) At the request of the Issuers, in connection with the Incurrence or refinancing by the Company or its Restricted Subsidiaries of any Indebtedness secured or permitted to be secured on the Collateral, the Issuers, the relevant Restricted Subsidiaries and the Trustee shall enter into a collateral agency or similar agreement (an *"Additional Agency Agreement")* with the holders of such Indebtedness (or their duly authorized representatives) on substantially the same

terms as the Collateral Agency Agreement (or on terms not materially less favorable to the Holders), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement; provided that such Additional Agency Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Collateral Agency Agreement. As used herein, the term "Collateral Agency Agreement" shall include references to any Additional Agency Agreement that supplements or replaces the Collateral Agency Agreement entered into prior to the Issue Date.

(b) At the written direction of the Issuers and without the consent of Holders, the Trustee shall from time to time enter into one or more amendments to any Collateral Agency Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuers that is subject to any such agreement (provided that such Indebtedness is Incurred in compliance with the indenture relating to the Notes), (3) add Restricted Subsidiaries to the Collateral Agency Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens or (6) make any other change to any such agreement that does not adversely affect the Holders of Notes in any material respect. The Issuers shall not otherwise direct the Trustee to enter into any amendment to any Collateral Agency Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under Article 9 or as permitted by the terms of such Collateral Agency Agreement, and the Issuers may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under this Indenture or any Collateral Agency Agreement.

(c) Each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of any Collateral Agency Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein).

SECTION 12.05. Release of Liens

The Liens on the Collateral securing the Notes will be released:

(a) upon payment in full of principal, interest and all other Obligations on the Secured Notes issued under the indenture or discharge or defeasance thereof;

(b) upon release of a Note Guarantee (with respect to the Liens securing such Note Guarantee granted by such Guarantor);

(c) in connection with any disposition of Collateral to (1) any Person other than the Company or any of its Restricted Subsidiaries (but excluding any transaction subject to Section 5.01) that is permitted by the Indenture (with respect to the Lien on such Collateral) or (b) any Restricted Subsidiary that is not a Guarantor; provided that the net aggregate amount of Collateral that may be released pursuant to this clause (b) from and after

the Issue Date shall not exceed the greater of €200 million and 2% of Total Assets (measured at the time of a proposed transfer);

(d) upon the achievement of Investment Grade Status by the Secured Notes so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in such release; provided that such Liens shall, subject to the Agreed Security Principles, be reinstated upon the Revision Date; and

(e) automatically without any action by the Trustee or the Collateral Agents, if the Lien granted in favor of the Senior Facilities Agreement is released (other than pursuant to the repayment and discharge thereof); provided that such release would otherwise be permitted by another clause above.

Each of these releases shall be effected by the Collateral Agents without the consent of the Holders or any action on the part of the Trustee (except for (e) as to which no action will be required of the Collateral Agents unless requested by the Company).

SECTION 12.06. Compensation and Indemnity

The compensation and indemnification of the Collateral Agents shall be as set forth in the Collateral Agency Agreement.

SECTION 12.07. Conflicts

Each of the Issuers, the Note Guarantors (if any), the Trustee and the Holders acknowledge and agree that the Collateral Agents are acting as collateral agents and trustee not just on their behalf but also on behalf of the Secured Parties named in the Collateral Agency Agreement and acknowledge and agree that pursuant to the terms of the Collateral Agency Agreement, the Collateral Agents may be required by the terms thereof to act in a manner which may conflict with the interests of the Issuers, the Note Guarantors, the Trustee and the Holders (including the Holders' interests in the Collateral and the Note Guarantees) and that it shall be entitled to do so in accordance with the terms of the Collateral Agency Agreement

SECTION 12.08. Appointment and Authorization

The Issuers have, and by accepting a Note, each Holder will be deemed to have (a) irrevocably appointed each of Morgan Stanley Senior Funding, Inc. as Global Collateral Agent, and Mizuho Corporate Bank Ltd. as Taiwan Collateral Agent, to act as its agent and under the Collateral Agency Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents); and (b) irrevocably authorized the Collateral Agents to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Collateral Agency Agreement or other documents to which it is a party, together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Collateral Agents on their behalf.

SECTION 12.09. Joint and Several Claims

Each of the Collateral Agents and the Trustee hereby agrees and each of the Holders is hereby deemed to agree that as regards any Collateral located in or related to the Republic of China, the Taiwan Collateral Agent shall be deemed to be a creditor jointly and severally with each of them with respect to the rights and claims against the Issuers and the Guarantors hereunder and under any of the other Note Documents pursuant to Article 283 of the Republic of China Civil Code and that the Taiwan Collateral Agent shall be entitled to exercise and pursue all such rights and claims against the Issuers and the Guarantors in its capacity as a joint and several creditor and for the joint and several benefit of the Collateral Agents, the Trustee and the Holders.

ARTICLE 13

Miscellaneous

SECTION 13.01. Trust Indenture Act of 1939

The Indenture shall incorporate and be governed by the provisions of the TIA that are required to be part of and to govern indentures qualified under the TIA.

SECTION 13.02. Noteholder Communications; Noteholder Actions

(a) The rights of Holders to communicate with other Holders with respect to the Indenture or the Notes are as provided by the TIA, and the Company and the Trustee shall comply with the requirements of TIA Sections 312(a) and 312(b). Neither the Company nor the Trustee will be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the TIA.

(b) (1) Any request, demand, authorization, direction, notice, consent to amendment, supplement or waiver or other action provided by this Indenture to be given or taken by a Holder (an *"act")* may be evidenced by an instrument signed by the Holder delivered to the Trustee. The fact and date of the execution of the instrument, or the authority of the person executing it, may be proved in any manner that the Trustee deems sufficient.

(2) The Trustee may make reasonable rules for action by or at a meeting of Holders, which will be binding on all the Holders.

(c) Any act by the Holder of any Note binds that Holder and every subsequent Holder of a Note that evidences the same debt as the Note of the acting Holder, even if no notation thereof appears on the Note. Subject to paragraph (d), a Holder may revoke an act as to its Notes, but only if the Trustee receives the notice of revocation before the date the amendment or waiver or other consequence of the act becomes effective.

(d) The Company may, but is not obligated to, fix a record date (which need not be within the time limits otherwise prescribed by TIA Section 316(c)) for the purpose of determining the Holders entitled to act with respect to any amendment or waiver or in any

other regard, except that during the continuance of an Event of Default, only the Trustee may set a record date as to notices of default, any declaration or acceleration or any other remedies or other consequences of the Event of Default. If a record date is fixed, those Persons that were Holders at such Record date and only those Persons will be entitled to act, or to revoke any previous act, whether or not those Persons continue to be Holders after the record date. No act will be valid or effective for more than 90 days after the record date.

SECTION 13.03. Notices

Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Issuers:

NXP B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Attention of: Guido Dierick
Fax: (31) 40 272-4005

with a copy to:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Attention of: Erik Thyssen
Fax: (31) 20 5407500

if to the Trustee, New York Paying Agent, New York Registrar, Calculation Agent or Transfer Agent:

Deutsche Bank Trust Company Americas
60 Wall Street
27th Floor
New York, New York 10005
United States

Attention of:
Trust and Securities Services

with a copy to:

Deutsche Bank National Trust Company for Deutsche Bank Trust Company Americas
25 DeForest Avenue

2nd Floor
Summit, New Jersey 07901
United States

Attention of:
Trust and Securities Services
Fax: +1-732-578-4635

if to the Global Collateral Agent:

Morgan Stanley Senior Funds, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention of: David Hobbs
Fax: +44 20 7056 3377

if to the Taiwan Collateral Agent:

Mizuho Corporate Bank, Ltd.
Bracken House
One Friday Street
London EC4M 9 JA
England
Attention of: Neil Rickard
Fax: +44 20 7012 4304

if to the Euro Paying Agent and Calculation Agent:

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention of:
Trust and Securities Services
Fax: +44 20 7547 6149

if to the Registrar, Transfer Agent and Irish Listing Agent:

Deutsche Bank Luxembourg SA
2 Boulevard Konrad Adenauer
L-115, Luxembourg

Attention of:

The Coupon Paying Department
Fax: +352 473136

if to the Ireland Paying Agent:

Deutsche International Corporate Services (Ireland) limited
5 Harbourmaster Place
IFSC
Dublin 1
Ireland

Attention of:
Corporate Services Department
Fax: +353 1680 6050

Each of the Issuers or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

Any notice or communication sent to a Holder of Definitive Notes shall be in writing and shall be made by first-class mail, postage prepaid, or by hand delivery to the Holder at the Holder's address as it appears on the registration books of the Registrar, with a copy to the Trustee.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuers shall deliver notices in Ireland to the Companies Announcement Office in Dublin.

If and so long as any Notes are represented by one or more Global Notes and ownership of book-entry interests therein are shown on the records of DTC, Euroclear or Clearstream or any successor securities clearing agency appointed by the Depositary at the request of the Issuers, notices will be delivered to such securities clearing agency for communication to the owners of such book-entry interests, delivery of which shall be deemed to satisfy the notice requirements of this Section 13.03.

Notices given by first-class mail, postage prepaid, will be deemed given seven calendar days after mailing. Notices given by publication will be deemed given on the first date on which any of the required publications is made, or if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh calendar day after being so mailed. Failure to mail or send a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed or sent in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent

Upon any request or application by the Issuers to the Trustee to take or refrain from taking any action under this Indenture, the Issuers shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and any other matters that the Trustee may reasonably request; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with and any other matters that the Trustee may reasonably request.

SECTION 13.05. Statements Required in Certificate or Opinion

Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 4.16) shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such covenant or condition has been complied with.

SECTION 13.06. When Notes Disregarded

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuers, any Note Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuers or any Note Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Trustee, Paying Agent and Registrar

The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays

If a payment date is a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. If a regular record date is not a Business Day, the record date shall not be affected.

SECTION 13.09. Governing Law

This Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 13.10. Consent to Jurisdiction and Service

The Issuers and each Note Guarantor (if any) irrevocably (i) agree that any legal suit, action or proceeding against the Issuer or any Note Guarantor arising out of or based upon this Indenture, the Notes or any Note Guarantee or the transactions contemplated hereby may be instituted in any U.S. Federal or state court in the Borough of Manhattan, The City of New York court and (ii) waive, to the fullest extent they may effectively do so, any objection which they may now or hereafter have to the laying of venue of any such proceeding. The Company and each Note Guarantor have appointed (and any Subsidiary becoming a Note Guarantor shall appoint) NXP Funding LLC, as their authorized agent (the *"Authorized Agent")* upon whom process may be served in any such action arising out of or based on this Indenture, the Notes or the transactions contemplated hereby which may be instituted in any New York court, expressly consent to the jurisdiction of any such court in respect of any such action, and waive any other requirements of or objections to personal jurisdiction with respect thereto. Such appointment shall be irrevocable. The Issuers represent and warrant that the Authorized Agent has agreed to act as such agent for service of process and agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of such service to the Issuers and each Note Guarantor shall be deemed, in every respect, effective service of process upon the Issuers and each Note Guarantor.

SECTION 13.11. No Recourse Against Others

No director, officer, employee, incorporator or shareholder of the Issuers or any of their respective Subsidiaries or Affiliates as such, will have any liability for any obligations of the Issuers under the Note Documents, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.12. Successors

All agreements of the Issuers and each Note Guarantor in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.13. Multiple Originals

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.14. Table of Contents; Headings

The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 13.15. USA Patriot Act

The Trustee hereby notifies the parties hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"Patriot Act")*, it is required to obtain, verify and record information that identifies the parties to this Indenture, which information includes the name and address of the parties hereto and other information that will allow the Trustee to identify the parties hereto in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

NXP B.V.

By: /s/ Illegible
Name:
Title:

J.M.LM.INGENHOUS7

SIGNATURE PAGE TO INDENTURE

NXP FUNDING LLC

By: /s/ Illegible
Name:
Title: Secretary

SIGNATURE PAGE TO INDENTURE

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee

by: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

by: /s/ Richard L. Buckwalter
Name: Richard L. Buckwalter
Title: Vice President

Signature Page to Senior Secured Indenture

MORGAN STANLEY SENIOR FUNDING, INC.,
as Global Collateral Agent

by: /s/ Illegible
Name:

Title:

MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent

by: /s/ Illegible
Name: [Illegible]
Title: Director

PHILIPS SEMICONDUCTORS B.V.

By: /s/ Y. A. W. Schrews
Name: Y. A. W. Schrews
Title: attorney

PHILIPS SEMICONDUCTORS USA, INC.

By: /s/ Illegible
Name:
Title:

PHILIPS SEMICONDUCTORS GERMANY GMBH

By:
Name:
Title:

By: /s/ Illegible
Name: [Illegible]
Title: [Illegible]

PHILIPS SEMICONDUCTORS GERMANY GMBH

By: /s/ Illegible
Name: [Illegible]
Title: CEO

By: _____
Name:
Title:

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
HONG KONG LIMITED

By: /s/ Anthony Lear
Name: Anthony Lear
Title: Director

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
PHILIPPINES INC.

By: /s/ Virginia Melba A. Cuyahon
VIRGINIA MELBA A. CUYAHON
General Manager - Calamba Plant

/s/ Steven Brader
STEVEN BRADER
General Manager - Cabuyao Plant

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
SINGAPORE PTE. LTD.

By: /s/ Frederik Rausch
Name: Frederik Rausch
Title: Chairman & Chief Executive Officer

By: /s/ Michel Gerard Luc Besseau
Name: Michel Gerard Luc Besseau
Title: Chief Financial Officer

SIGNATURE PAGE TO INDENTURE

PHILIPS ELECTRONIC
BUILDING ELEMENTS
INDUSTRIES (TAIWAN) LTD.

By: /s/ J.J. Wang
Name: J.J. Wang
Title: Director

PHILIPS SEMICONDUCTORS (THAILAND) CO. LTD.

By: /s/ Illegible
Name:
Title:

[SEAL]

By: /s/ Illegible
Name:
Title:

SIGNATURE PAGE TO INDENTURE

SCHEDULE 1.1

SECURITY DOCUMENTS

1. GERMANY

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Germany GmbH.

(b) Pledge of Shares between Philips Semiconductors Germany GmbH, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Dresden AG.

(c) Land Charge Deeds between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Security Transfer of Moveable Assets between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) Global Assignment of Receivables between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(f) IP Security Agreement between NXP B. V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in Germany.

2. HONG KONG

(a) Share and Receivables Charge over the shares and receivables in Philips Semiconductors Hong Kong Limited between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Debenture between Philips Semiconductors Hong Kong Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

3. NETHERLANDS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors B.V.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Software B.V.

(c) Pledge of Shares between KASLION Acquisition B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in NXP B.V.

(d) Disclosed Pledge of Insurance Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(e) Disclosed Pledge of Intercompany Receivables between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(f) Undisclosed Pledge of Third Party Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(g) Non-Possessory Pledge of Moveable Assets between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(h) Pledge of IP Rights between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

(i) Deed of Mortgage between Philips Semiconductors B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

4. PHILIPPINES

(a) Deed of Conditional Assignment to be entered into among Philips Semiconductors Philippines, Inc. and NXP B.V., as Assignors, and Hong Kong Shanghai Banking Corporation, Philippine Branch, as Assignee and Escrow Agent.

5. SINGAPORE

(a) Charge over the shares in Philips Semiconductors Singapore Pte. Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Charge over the shares in Systems On Silicon Manufacturing Company Pte Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Debenture between Philips Semiconductors Singapore Pte. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

6. TAIWAN

(a) Mortgage over the shares in Philips Electronics Building Elements Industries (Taiwan) Ltd. to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and NXP B.V.

(b) Mortgage of land and buildings to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(c) Mortgage of equipment to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(d) Assignment of accounts receivable to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Electronics Building Elements Industries (Taiwan) Ltd.

7. THAILAND

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors (Thailand) Co. Ltd.

(b) Assignment of Receivables from material contracts and insurances between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Mortgage of Real Property between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Mortgage of Machinery between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

8. UNITED KINGDOM

(a) Debenture between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, in relation to security over shares, receivables, intellectual property rights and certain bank accounts.

(b) Debenture between Philips Semiconductors UK Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Charge over intercompany receivables between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

9. UNITED STATES

(a) Security Agreement among Philips Semiconductors USA Inc., NXP Funding LLC, and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in Philips Semiconductors USA Inc.

(c) Deed of Trust between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Leasehold Mortgage between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in the United States and any short form version thereof to be filed with any relevant governmental authorities.

(f) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in non-Guarantor subsidiaries.

SCHEDULE 2.1

AGREED SECURITY PRINCIPLES

1. Agreed Security Principles

1.1 The Guarantees and Liens to be provided by the Issuers and the Guarantors will be given in accordance with certain agreed security principles (the "*Agreed Security Principles*"). This Schedule 2.1 identifies the Agreed Security Principles and addresses the manner in which the Agreed Security Principles will impact on or be determinant of the Guarantees and Liens to be taken in relation to this Indenture.

1.2 The Agreed Security Principles embody a recognition by all parties that there may be certain legal, commercial and practical difficulties in obtaining effective security from the Company and each of its Restricted Subsidiaries in every jurisdiction in which the Company and its Restricted Subsidiaries are located. In particular:

(a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters may limit the ability of the Company or any of its Restricted Subsidiaries to provide a Guarantee or Liens or may require that it be limited as to amount or otherwise, and if so the same shall be limited accordingly, *provided* that the Company or the relevant Restricted Subsidiary shall use reasonable endeavors to overcome such obstacle. The Company will use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each of the Restricted Subsidiary;

(b) the Company and its Restricted Subsidiaries will not be required to give Guarantees or enter into Security Documents if (or to the extent) it is not within the legal capacity of the Company or its relevant Restricted Subsidiary or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or regulatory condition or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any officer or director of the Company or any of the Restricted Subsidiaries, *provided* that the Company and each of its Restricted Subsidiaries shall use reasonable endeavors to overcome any such obstacle;

(c) a key factor in determining whether or not security shall be taken is the applicable cost (including adverse effects on interest deductibility, registration taxes and notarial costs) which shall not be disproportionate to the benefit to the Holders of obtaining such security;

(d) where there is material incremental cost involved in creating security over all assets owned by any of the Issuers or a Guarantor in a particular category (e.g. real estate), regard shall be had to the principle stated at paragraph 1.2(c) of this Schedule 2.1 which shall apply to the immaterial assets and, subject to the

Agreed Security Principles, only the material assets in that category (e.g. real estate of material economic value) shall be subject to security;

(e) it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

(f) any assets subject to contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Agreement and which (subject to override by the UCC and other relevant provisions of applicable law), effectively prevent those assets from being charged will be excluded from any relevant Security Document; *provided* that reasonable endeavors to obtain consent to creating Liens in any such assets shall be used by the Company and each of its Restricted Subsidiaries to avoid or overcome such restrictions if either Collateral Agent reasonably determines that the relevant asset is material (which endeavors shall not include the payment of any consent fees), but unless effectively prohibited by contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Indenture, this shall not prevent security being given over any receipt or recovery under such contract, lease or license;

(g) the giving of a Guarantee, the granting of security or the perfection of the security granted will not be required if it would have a material adverse effect (as reasonably determined in good faith by management of the relevant obligor) on the ability of the relevant obligor to conduct its operations and business in the ordinary course as otherwise permitted by this Indenture;

(h) in the case of accounts receivable, a material adverse effect on either Issuer's or a Guarantor's relationship with or sales to the customer generating such receivables or material legal or commercial difficulties (as reasonably determined by management of the relevant obligor in good faith) *provided* that none of the Issuers and the Guarantors may utilize this exception unless, after giving effect thereto no less than a majority of the book value of the accounts receivable of the Company and its Subsidiaries on a consolidated basis (as measured at the end of each fiscal quarter) is subject to perfected liens, and *provided* further that any accounts receivable of the Issuers and the Guarantors excluded from collateral by virtue of this clause (except where prohibited by law and subject to the remainder of these Agreed Security Principles) shall be subject to perfected Liens promptly if and when the corporate credit of the Company is downgraded to "B" or lower from S&P and "B2" or lower from Moody's;

(i) security will be limited so that the aggregate of notarial costs and all registration and like taxes relating to the provision of security shall not exceed

an amount to be agreed. Any additional costs may be paid by the Holders at their option; and

(j) all security shall be given in favor of a single security trustee or collateral agent and not the secured parties individually. "Parallel debt" provisions and other similar structural options will be used where necessary and such provisions will be contained in the intercreditor agreement and not the individual security documents unless required under local law. No action will be required to be taken in relation to the guarantees or security when any lender assigns or transfers any of its participation in this Indenture to a new lender.

2. Terms of Security Documents

The following principles will be reflected in the terms of any Security Document to be executed and delivered:

(a) subject to permitted liens and these Agreed Security Principles the security will be first ranking and the perfection of security (when required) and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Note Documents or, if earlier or to the extent no such time period is specified in the Note Documents, within the time periods specified by applicable law in order to ensure due perfection;

(b) the security will not be enforceable until an Event of Default has occurred and notice of acceleration of the Notes has been given by the Trustee or the Notes have otherwise become due and payable prior to the scheduled maturity thereof (an "*Enforcement Event*");

(c) prior to the Maturity Date, notification of any Liens over bank accounts will be given (subject to legal advice) to the banks with whom the accounts are maintained only if an Enforcement Event has occurred;

(d) notification of receivables security to debtors who are not members of the Company or its Subsidiaries will only be given if an Enforcement Event has occurred;

(e) notification of any security interest over insurance policies will be served on any insurer of the Company's or any Restricted Subsidiaries' assets (other than in respect of any insurance policy maintained by the Company or any of its Restricted Subsidiaries which is due to expire on or before December 31, 2006);

(f) the Security Documents should only operate to create security rather than to impose new commercial obligations. Accordingly, they should not contain material additional representations, undertakings or indemnities (such as in respect of insurance, information or the payment of costs) unless these are the

same as or consistent with those contained in this Indenture or are necessary for the creation or perfection of the security;

(g) in respect of the share pledges and pledges of infra-group receivables, until an Enforcement Event has occurred, the pledgors will be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not materially adversely affect the value of the security (taken as a whole) or the validity or enforceability of the security or cause an Event of Default to occur, and the pledgors will be permitted to receive dividends on pledged shares and payment of intra-group receivables and retain the proceeds and/or make the proceeds available to Holdings and its Subsidiaries to the extent not prohibited under this Indenture;

(h) the Collateral Agents will only be able to exercise a power of attorney in any Security Document following the occurrence of an Enforcement Event or with respect to perfection or further assurance obligations that following request, the relevant obligor has failed to satisfy;

(i) no obligor shall be required to provide surveys on real property (unless such surveys already exist in which case there shall be no requirement that such surveys be certified to the Holders) or to remove any encumbrances on title (not created in contemplation of the Transactions (as defined in the Senior Facilities Agreement)) that are reflected in any title insurance or any other existing encumbrances on real property (not created in contemplation of the Transactions) (not including Liens securing Indebtedness of the Company or any of its Restricted Subsidiaries);

(j) no obligor shall be required to protect any Liens in the United States prior to the occurrence of an Enforcement Event by means other than customary filings (including UCC-1s, mortgage or deed of trust filings and patent and trademark filings) and delivery of share certificates (accompanied by powers of attorney executed in blank) and any intercompany promissory notes; and

(k) information, such as lists of assets, will be provided if, and only to the extent, required by local law to be provided to protect or create, perfect or register the security and, to the extent so required will be provided annually (unless required to be provided by local law more frequently, but not

more frequently than quarterly) and following the occurrence and during the continuance of an Event of Default, on the Collateral Agents' reasonable request.

SCHEDULE 10.1

GUARANTOR LIMITATIONS

1. The right to enforce the guarantee given by a Guarantor incorporated in Germany as a GmbH (a *"German Guarantor"*) shall be excluded if and to the extent that the Guaranty secures the obligations of an affiliated company *(verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*) of such German Guarantor (other than any of the German Guarantor's direct or indirect subsidiaries), and if and to the extent that (a) the enforcement of the Guaranty would cause such German Guarantor's assets (the calculation of which shall include all items set forth in section 266(2) A, B and C of the German Commercial Code (*Handelsgesetzbuch*)) less such German Guarantor's liabilities (the calculation of which shall include all items set forth in section 266(3) B, C and D of the German Commercial Code) (the *"Net Assets"*) being less than its registered share capital (*Stammkapital*) (*Begründung einer Unterbilanz*) or (b) (if such German Guarantor's Net Assets are already less than its registered share capital) causing such amount to be further reduced (*Vertiefung einer Unterbilanz*).

(c) For the purposes of such calculation the following balance sheet items shall be adjusted as follows:

(i) The amount of the increase of the relevant German Guarantor's registered share capital out of retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) after the date of this Agreement that has been effected without the prior written consent of the Global Collateral Agent (acting on behalf of the Guaranteed Parties) shall be deducted from the registered share capital; and

(ii) Obligations arising out of loans made to the relevant German Guarantor and other liabilities shall be disregarded if and to the extent such loans and other liabilities are subordinated; and

(iii) Loans and other contractual liabilities incurred in violation of the provisions of the Indenture, the Security Documents or the Guaranty shall be disregarded; and

(iv) Claims of the relevant German Guarantor against its shareholders arising out of any upstream loans permitted under the Indenture, the Security Documents or the Guaranty shall only be taken into account (*aktiviert*) if and to the extent this is permitted pursuant to the jurisprudence of the German Federal High Court (*Bundesgerichtshof*) relating to the permissibility of loans to shareholders under Sections 30, 31 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

(d) In addition, a German Guarantor shall realize, to the extent legally permitted, in a situation where after enforcement of the Guaranty such German Guarantor would not have Net Assets in excess of its registered share capital, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the asset if such asset is not necessary for the German business (*betriebsnotwendig*).

(e) The limitations set out in sub-clause (i) above shall only apply (i) if and to the extent that within 5 Business Days following the demand against such German Guarantor under the Guaranty by the Global Collateral Agent (the *"Guaranty Demand")* the managing directors of the German Guarantor have confirmed in writing to the Global Collateral Agent (x) to what extent the Guaranty is an up-stream or cross-stream security and (y) the amount which cannot be enforced as causing the net assets of such German Guarantor, to fall below its stated share capital and such confirmation is supported by interim financial statements up to the end of the last completed calendar month (taking into account the adjustments set out in paragraph sub-clause (ii) above and such confirmation is supported by evidence reasonably satisfactory to the Global Collateral Agent (the *"Management Determination")* and the Global Collateral Agent has not contested this and argued that no or a lesser amount would be necessary to maintain its stated share capital; or (B) within 20 Business Days from the date the Global Collateral Agent has contested the Management Determination the Global Collateral Agent receives a determination by auditors of international standard and reputation (the "*Auditor's Determination*") as appointed by such German Guarantor of the amount that would have been necessary on the date the Guaranty Demand was made to maintain the German Guarantor stated share capital based on an up to date balance sheet which shall be based on the same accounting principles that were applied when establishing the previous year's balance sheet and calculated and adjusted in accordance with sub-clauses (i) and (ii) above. If a German Guarantor fails to deliver an Auditor's Determination within 20 Business Days after the date the Global Collateral Agent has contested the Management Determination, the Global Collateral Agent shall be entitled to enforce the Guaranty without limitation or restriction

(f) If the Global Collateral Agent disagrees with the Management Determination and/or the Auditor's Determination, the Guaranty shall be enforceable up to the amount which is undisputed between itself and the relevant German Guarantor. In relation to the amount which is disputed, the Global Collateral Agent shall be entitled to further pursue its claims and enforce the Guaranty always subject to sub-clauses (i) to (iv) (inclusive) above and sub-clause (vi) below, if it determines in good faith that the financial condition of such German Guarantor as set forth in the Auditor's Determination and/or the Management Determination has substantially improved (in particular, if such German Guarantor has performed any actions in accordance with sub-clause (iii) above).

(g) Notwithstanding the above provisions of this clause (c), and subject to the following paragraph below, the Guaranty shall not be enforced against a German Guarantor to the extent that such German Guarantor provides constructive evidence that such enforcement will deprive such German Guarantor of the liquidity necessary to fulfil its liabilities to its creditors or result in a breach of the duty of care owed by the relevant managing director to the respective company *(Verbot des existenzvernichtenden Eingriffs, Gebot der Rücksichtnahme auf die Eigenbelange der Gesellschaft)* and is

reasonably likely to result in a personal civil or criminal liability of the relevant managing directors of such German Guarantor or the relevant managing directors of its shareholder.

For the avoidance of doubt, nothing in this Schedule shall be interpreted as a restriction or limitation of the enforcement of the Guaranty to the extent it guarantees the prompt and complete payment and discharge of any and all obligations of a German Guarantor itself or any of its subsidiaries including in each case their legal successors.

APPENDIX A

PROVISIONS RELATING

TO THE NOTES

1. Definitions.

1.1 Definitions.

Capitalized terms used but not otherwise defined in this Appendix A shall have the meanings assigned to them in the Indenture. For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"*Applicable Procedures*" means, with respect to any transfer or transaction involving a Regulation S Global Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Note, DTC, Euroclear and Clearstream, in each case to the extent applicable to such transaction and as in effect from time to time.

"*Clearstream*" means Clearstream Banking, société anonyme, or any successor securities clearing agency.

"*Definitive Note*" means a certificated Note that does not include the Global Notes Legend.

"*Depositary*" means, with respect to Global Notes denominated in euros, a common depository of Euroclear and Clearstream, their respective nominees and their respective successors and with respect to Dollar Global Notes denominated in U.S. dollars, DTC.

"*DTC*" means The Depository Trust Company, its nominees and their respective successors.

"*Euroclear*" means the Euroclear Bank S.A./N.V., as operator of the Euroclear system as currently in effect, or any successor securities clearing agency.

"*Global Notes Legend*" means the legend set forth under that caption in Exhibit A to the Indenture.

"*Notes Custodian*" means the custodian with respect to a Global Note (as appointed by the applicable Depositary) or any successor person thereto.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S under the Securities Act.

"*Regulation S Notes*" means all Notes offered and sold outside the United States in reliance on Regulation S.

"*Restricted Period*", with respect to any Notes, means the period of 40 consecutive days beginning on and including the later of(a) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S, notice of which day shall be promptly given by the Issuer to the Trustee, and (b) the Issue Date with respect to such Notes.

"*Restricted Notes Legend*" means the legend set forth under that caption in Exhibit A to the Indenture.

"*Rule 144A*" means Rule 144A under the Securities Act.

"*Rule 144A Notes*" means all Notes offered and sold to QIBs in reliance on Rule 144A.

"*Securities Act*" means the Securities Act of 1933.

"*Transfer Restricted Notes*" means Definitive Notes and any other Notes that bear or are required to bear the Restricted Notes Legend.

2. The Notes.

2.1 Form and Dating.

(a) The Notes issued on the date hereof will be (i) offered and sold by the Issuers pursuant to a Purchase Agreement dated as of October 5, 2006 among the Issuers and the initial purchasers named therein and (ii) resold, initially only to (1) QIBs in reliance on Rule 144A and (2) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Notes may thereafter be transferred to, among others, QIBs and purchasers in

reliance on Regulation S. Additional Notes offered after the date hereof may be offered and sold by the Issuers from time to time pursuant to one or more Purchase Agreements in accordance with applicable law.

(b) Notes issued in global form will be substantially in the form of Exhibit A-1, A-2 or A-3 to the Indenture (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A-l, A-2 or A-3 to the Indenture (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2 hereof.

(c) [Reserved.]

(d) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable the Regulation S Permanent Global Note that are held by Participants through Euroclear or Clearstream.

(e) [Reserved.]

(f) Book-Entry Provisions. This Section 2.1(d) shall apply only to a Global Note deposited with or on behalf of the Depositary.

The Issuers shall execute and the Trustee or an authentication agent shall, in accordance with this Section 2.1(d) and Section 2.2 and pursuant to an order of the Issuers signed by one Officer, authenticate and deliver initially one or more Global Notes that (i) shall be registered in the name of the Depositary for such Global Note or Global Notes or the nominee of such Depositary and (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Notes Custodian.

Members of, or participants in, DTC, Euroclear or Clearstream ("*Agent Members*") shall have no rights under the Indenture with respect to any Global Note held on their behalf by the Depositary or by the Notes Custodian or under such Global Note, and the Depositary may be treated by the Issuers, the Trustee and any agent of the Issuers or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuers, the Trustee or any agent of the Issuers or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC, Euroclear or Clearstream or impair, as between DTC, Euroclear or Clearstream and their respective Agent Members, the operation of customary practices thereof governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

(g) Definitive Notes. Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes.

2.2 Authentication. The Trustee or an authentication agent shall authenticate and make available for delivery upon a written order of the Issuer signed by one of its Officers (a) Original Notes for original issue on the date hereof consisting of Euro Floating Rate Notes in an aggregate principal amount of €1,000,000,000, Dollar Floating Rate Notes in an aggregate principal amount of $1,535,000,000 and Dollar Fixed Floating Rate Notes in an aggregate principal amount of $1,026,000,000 and (b) subject to the terms of the Indenture, Additional Notes. Such order shall (a) specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated, (b) direct the Trustee or an authentication agent to authenticate

such Notes and (c) certify that all conditions precedent to the issuance of such Notes have been complied with in accordance with the terms hereof.

2.3 Transfer and Exchange of Global Notes. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (1),(2) or (3) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.10 of the Indenture. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section or Section 2.08 or 2.10 of the Indenture, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section, however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.03(b), (c) or (f) hereof upon prior written notice given to the Trustee by or on behalf of the Depositary.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial

interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note.* Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement

Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section.

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.03(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Company in accordance with Section 2.03(f) hereof, the requirements of this Section 2.03(b)(2) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.03(h) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another

Restricted Global Note if the transfer complies with the requirements of Section 2.03(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Permanent Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.03(b)(2) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Company, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (C) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (C) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(a) (1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(B) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(C) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (4) thereof; or

(D) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.03(h) hereof, and the Company shall

execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.03(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) [*Reserved.*]

(3) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(4) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.03(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.03(h) hereof, and the Issuers will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.03(c)(4) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.03(c)(4) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(B) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item 4 thereof;

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the 144A Global Note, and in the case of clauses (B) and (C) above, the Regulation S Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained

herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.03(C)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(C) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.03(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.03(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144 A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of either Issuer;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item 3 thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Exchange Offer.* Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate:

(1) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers acquiring Notes directly from the Issuers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company; and

(2) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers

acquiring Notes directly from the Issuers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company.

Concurrently with the issuance of such Notes, the Trustee will cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers will execute and the Trustee will authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

The Issuers may issue, and upon receipt of an authentication order the Trustee will authenticate, Exchange Notes with respect to the Notes to be sold using a Shelf Registration Statement.

(g) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE 144A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL

RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(3), (c)(4), (d)(2), (d)(3), (e)(2), (e)(3) or (f) of this Section 2.03 (and all Notes issued in exchange therefor or substitution thereof), any Regulation S Global Note and any Additional Notes issued in transactions registered with the SEC will not bear the Private Placement Legend.

(2) *Global Note Legend.* Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO APPENDIX A OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO APPENDIX A OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF

DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(h) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes

or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of the Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges*.

(1) To permit registrations of transfers and exchanges, the Issuers will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to the Indenture).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Issuers will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 of the Indenture and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.03 to effect a registration of transfer or exchange may be submitted by facsimile.

EXHIBIT A-l

[FORM OF EURO NOTE]

Floating Rate Senior Secured Notes due 2013

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK S.A./N.V., AS OPERATOR OF THE EUROCLEAR SYSTEM ("EUROCLEAR"), OR CLEARSTREAM BANKING, SOCIETE ANONYME ("CLEARSTREAM"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THEIR AUTHORIZED NOMINEE, OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH

OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE CLOSING OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.]

[Restricted Notes Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH

TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QI3 OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE I44A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS.

[Each Definitive Note shall bear the following additional legend:]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Common Code. [ ]
ISIN No. [ ]

Floating Rate Senior Secured Notes due 2013

No. €

NXP B.V.
NXP FUNDING LLC

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware, jointly and severally promise to pay to BT Globenet Nominees Limited, as nominee for the common depositary for Euroclear and Glearstream, or its registered assigns, the principal sum of €[ ] [subject to adjustments listed on the Schedule of Increases or Decreases in Global Note attached hereto](1), on October 15, 2013.

Interest Payment Dates: January 15, April 15, July 15 and October 15, commencing [ ]

Record Dates: January 1, April 1, July 1 and October 1.

Additional provisions of this Note are set forth on the other side of this Note.

(Signature page to follow.)

(1) Use the Schedule of Increases and Decreases language if Note is in Global Form.

IN WITNESS WHEREOF, NXP B.V. and NXP Funding LLC have caused this Note to be signed manually or by facsimile by their duly authorized officers.

Dated:

NXP B.V.

By: _____
Name:
Title:

NXP FUNDING LLC

By: _____
Name:
Title:

This is one of the Notes referred to in the Indenture.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: _____
(Authorized Signatory)

[FORM OF BACK OF EURO FLOATING RATE NOTE]

FLOATING RATE SENIOR SECURED NOTES DUE 2013

1. Interest

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware (together with NXP B.V. and their respective successors and assigns under the Indenture hereinafter referred to, being herein called "*the Issuers*"), jointly and severally promise to pay interest on the principal amount of this Note at the rate per annum as determined below.

Interest on the Notes will accrue at a rate equal to the EURIBO Rate (which will be reset quarterly) plus 2.75%, except that the interest rate on the Notes for the period beginning on the date of issue and ending January 14, 2007 will be 6.214%. Interest on the Notes will be payable, in cash, quarterly in arrears on every January 15, April 15, July 15 and October 15, beginning [ ] to the holders of record on the January 1, April 1, July 1 or October 1 immediately preceding the next interest payment date.

The amount of interest for each day that any Note is outstanding (the "*Daily Interest Amount*") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of such Notes. The amount of interest to be paid on the Notes for each interest period will be calculated by adding the Daily Interest Amounts for each day in the interest period. Each interest period shall end on (but not include) the relevant interest payment date.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth, of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655) and all euro amounts used in resulting from such calculations will be rounded to the nearest hundredth of a euro (with one-half cent being rounded upwards).

The interest rate on the Notes will in no event be higher than the maximum rate permitted by law.

Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance.

"*EURIBO Rate*" means, for each quarterly period during which any Note is outstanding subsequent to the initial period beginning on the Issue Date and ending January 14, 2007, the rate determined by the Issuers (written

notice of such rate to be sent to the Trustee by the Issuers on the date of determination thereof) equal to the applicable British Bankers' Association EURIBO Rate for deposits in euro for a period of three months as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two business days prior to the first day of such quarterly period; *provided* that, if no such British Bankers' Association EURIBO Rate is available to the Issuers, the EURIBO Rate for the relevant quarterly period shall instead be the rate at which a first class bank in the London interbank market selected in good faith by the Company offers to place deposits in euro with first class banks in the London interbank market for a period of three months at approximately 11:00 a.m. (London time) two business days prior to the first day of such quarterly period, in amounts equal to €1.0 million. If such a rate cannot be obtained, the EURIBO Rate shall be equal to that applicable to the prior interest period.

The Holders of this Note are entitled to the benefits of the Registration Rights Agreement, dated October 12, 2006, among the Issuers, the guarantors party thereto and the Initial Purchasers named therein (the "*Registration Rights Agreement*"). The Holders of this Note are entitled to the Additional Interest payable in the circumstances as set forth in the Registration Rights Agreement.

2. Method of Payment

Holders must surrender Notes to the relevant Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, and Additional Amounts, if any, and interest and Additional Interest, if any, in euro or such other lawful currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community that at the time of payment is legal tender for payment of public and private debts. Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on the Global Notes will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of Euroclear and/or Clearstream will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on any Definitive Notes will be payable at the specified office or agency of one or more Paying Agents in the City of London, maintained for such purposes. In addition, interest on the Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Notes; *provided, however,* that cash payments on the Notes may also be made, in the case of a Holder of at least €1,000,000 aggregate principal amount of Notes, by wire transfer to a euro account maintained by the payee with a bank in a country that is a member of the European Union if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

3. Paying Agent, Registrar and Calculation Agent

Initially, Deutsche Bank AG, London Branch will act as Euro Paying Agent and Deutsche Bank Luxembourg S.A. will act as Registrar and Transfer Agent. The Issuers may appoint and change any Registrar, Transfer Agent and Paying Agent. The Issuers or any of its Restricted Subsidiaries may act as Registrar, Transfer Agent and Paying Agent.

The Issuers initially appoint Deutsche Bank AG, London Branch as Calculation Agent for the Notes. The Calculation Agent shall, as soon as practicable after 11:00 a.m. (London time) on each determination date, determine the applicable rate and calculate the aggregate amount of interest payable in respect of the following interest period (the "*Interest Amount*"). The Interest Amount shall be calculated by applying the applicable rate to the principal amount of each Note outstanding at the commencement of the interest period, multiplying each such amount by the actual amounts of days in the interest period concerned divided by 360 and rounding the resultant figure upwards to the nearest available currency unit. The determination of the applicable rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties.

4. Indenture

The Issuers issued the Notes under the Indenture dated as of October 12, 2006 (the "*Indenture*"), among the Issuers, the Guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee*"), Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent. The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture for a statement of such terms and provisions. In the event of a conflict, the terms of the Indenture control.

The Notes are senior obligations of the Issuers. This Note is one of the Notes referred to in the Indenture. The Notes and the Additional Notes are treated as a single class under the Indenture. The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness and layer Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens, make asset sales, impair certain security interests, issue certain guarantees and designate Restricted and Unrestricted Subsidiaries. The Indenture also imposes limitations on the ability of the Issuers to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all its property.

5. Optional Redemption

(a) At any time prior to October 15, 2007, the Issuers may redeem the Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

(b) At any time and from time to time on or after October 15, 2007 the Issuers may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2007	102%
2008	101%
2009 and thereafter	100%

(c) Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

6. Optional Tax Redemption

The Issuers or Successor Company may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determines in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after October 5, 2006. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after October 5, 2006, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described in paragraph 8. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

7. Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

8. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 of the Indenture and as provided below.

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, as certified to the Trustee by the Issuers, and/or in compliance with the

requirements of Euroclear or Clearstream, as applicable, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream, as applicable, prescribes no method of selection, on a pro rata basis; provided, however, that no Note of €50,000 in aggregate principal amount or less shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

9. Additional Amounts

The Issuers are required to make all payments under or with respect to the Notes or the Note Guarantees free and clear of and without withholding or deduction for or on account of any present or future Taxes in accordance with Section 4.02 of the Indenture.

10. Repurchase of Notes at the Option of Holders upon (i) a Change of Control and (ii) the occurrence of certain Asset Dispositions

If a Change of Control occurs, each Holder of Notes will have the right, subject to certain conditions specified in the Indenture, to require the Issuers to repurchase all of the Notes of such Holder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.09 of the Indenture, the Issuers will be required to offer to purchase Notes upon the occurrence of certain events, including certain Asset Dispositions.

11. Security

The Notes will be secured by first priority liens and security interests in the Collateral, subject to the grant of further Permitted Collateral Liens. Reference is made to the Indenture for terms relating to such security, including the release, termination and discharge thereof. The Security Documents and the Collateral will be administered by a Collateral Agent (or in certain circumstances a sub-agent) pursuant to a Collateral Agency Agreement for the benefit of all holders of Secured obligations. The Issuers shall not be required to

make any notation on this Note to reflect any grant of such security or any such release, termination or discharge.

12. Denominations; Transfer; Exchange

The Notes are in registered form without interest coupons in minimum denominations of €50,000 and multiples of €1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

13. Persons Deemed Owners

Except as *provided* in paragraph 2 of this Note, the registered Holder of this Note will be treated as the owner of it for all purposes.

14. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuers at their written request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look to the Issuers for payment as general creditors and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

15. Discharge and Defeasance

Subject to certain conditions, the Issuers at any time may terminate some of or all their obligations under the Notes and the Indenture if the Issuers, among other things, deposit or cause to be deposited with the Trustee money or European Government Obligations denominated in euro in such amounts as will be sufficient for the payment of the entire Indebtedness including principal of, premium, if any, and interest on the Notes to the date of redemption or maturity, as the case may be.

16. Amendment, Waiver

The Indenture and the Notes may be amended as set forth in the Indenture.

17. Defaults and Remedies

The following events constitute *"Events of Default"* under the Indenture: An *"Event of Default"* occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of its obligations under Article 4 and 5 of the Indenture (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2) of the Indenture);

(4) failure to comply for 60 days after notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator,

rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the Security Document and the Indenture) for any reason other than the satisfaction in full of all obligations under this Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or either Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; or

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the Indenture.

However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) and 6.01(a)(7) of the Indenture will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify either Issuer of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) of the Indenture, as applicable, after receipt of such notice.

If an Event of Default occurs and is continuing the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture by written notice to either Issuer, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, the principal of, premium, if any, and accrued and unpaid interest,

including Additional Interest, if any, on all the Notes will become due and payable immediately without any declaration.

18. Trustee Dealings with the Issuers

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliates and may otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee.

19. No Recourse Against Others

No director, manager, officer, employee, incorporator or shareholder of either Issuer or any of its Subsidiaries or any parent company of either Issuer shall have any liability for any obligations of either Issuer or any Subsidiary with respect to the Notes or the Indenture, or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

20. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note. The signature shall be conclusive evidence that the security has been authenticated under the Indenture.

21. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

23. Common Codes and ISIN Numbers

The Issuers in issuing the Notes may use Common Codes and ISIN numbers (if then generally in use) and, if so, the Trustee shall use Common Codes and ISIN numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as

contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Issuers will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

[FORM OF ASSIGNMENT FORM]

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

(Print or type assignee’s legal name)

(Insert assignee’s soc. sec. or tax I.D. No.)

(Insert assignee’s name, address and zip code)

and irrevocably appoint

to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _____

Your Signature:

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

[FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER RESTRICTED NOTES]

This certificate relates to € principal amount of Notes held in (check applicable box) o book-entry or o definitive registered form by the undersigned.

The undersigned (check one box below):

- o has requested the Trustee by written order to deliver, in exchange for its beneficial interest in the Global Note held by the Depositary, a Definitive Note in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

- o has requested the Trustee by written order to exchange or register the transfer of a Note.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Issuers; or

(2) o to the Registrar for registration in the name of the Holder, without transfer; or

(3) o pursuant to an effective registration statement under the U.S. Securities Act of 1933; or

(4) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through Euro clear or Clearstream until the expiration of the Restricted Period (as denned in the Indenture); or

(6) o pursuant to Rule 144 under the U.S. Securities Act of 1933 or another available exemption from registration.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof, *provided*, *however*, that if box (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Trustee or the Issuers have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration *provided* by Rule 144A.

Date: _____

Signature: _____

(to be executed by an executive officer of purchaser)

[TO BE ATTACHED TO GLOBAL NOTES]

[FORM OF SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE]

The initial principal amount of this Global Note is €[ ]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

[FORM OF OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.03 (Change of Control) or Section 4.09 (Limitation on Sales of Assets and Subsidiary Stock) of the Indenture, check the box:

Asset Disposition o Change of Control o

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.03 or Section 4.09 of the Indenture, state the amount (minimum amount of €50,000):

€

Date: _____

Your Signature:

_____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee*: _____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

EXHIBIT A-2

[FORM OF DOLLAR FLOATING RATE NOTE]

Floating Rate Senior Secured Notes due 2013

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THEIR AUTHORIZED NOMINEE, OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE CLOSING OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.]

[Restricted Notes Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN

BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE 144A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALE'S OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS.

[Each Definitive Note shall bear the following additional legend:]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Common Code. [ ]
ISIN No. [ ]
CUSIP [ ]

Floating Rate Senior Secured Notes due 2013

No. $

NXP B.V.
NXP FUNDING LLC

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware, jointly and severally promise to pay to Cede & Co. or its registered assigns, the principal sum of $[ ] [subject to adjustments listed on the Schedule of Increases or Decreases in Global Note attached hereto](2), on October 15, 2013.

Interest Payment Dates: January 15, April 15, July 15 and October 15, commencing [ ].

Record Dates: January 1, April 1, July 1 and October 1.

Additional provisions of this Note are set forth on the other side of this Note.

(Signature page to follow.)

(2) Use the Schedule of Increases and Decreases language if Note is in Global Form.

IN WITNESS WHEREOF, NXP B.V., and NXP Funding LLC have caused this Note to be signed manually or by facsimile by their duly authorized officers.

Dated:

NXP B.V.

By: _____
Name:
Title:

NXP FUNDING LLC

By: _____
Name:
Title:

This is one of the Notes referred to in the Indenture.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: _____
(Authorized Signatory)

[FORM OF BACK OF DOLLAR FLOATING RATE NOTE]

FLOATING RATE SENIOR SECURED NOTES DUE 2013

1. Interest

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware (together with NXP B.V. and their respective successors and assigns under the Indenture hereinafter referred to, being herein called "*the Issuers*"), jointly and severally promise to pay interest on the principal amount of this Note at the rate per annum as determined below.

Interest on the Notes will accrue at a rate equal to the LIBO Rate (which will be reset quarterly) plus 2.75%, except that the interest rate on the Notes for the period beginning on the date of issue and ending January 14, 2007 will be 8.118%. Interest on the Notes will be payable, in cash, quarterly in arrears on every January 15, April 15, July 15 and October 15, beginning [ ] to the holders of record on the January 1, April 1, July 1 or October 1 immediately preceding the next interest payment date.

The amount of interest for each day that any Note is outstanding (the "*Daily Interest Amount*") will be calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of such Notes. The amount of interest to be paid on the Notes for each interest period will be calculated by adding the Daily Interest Amounts for each day in the interest period. Each interest period shall end on (but not include) the relevant interest payment date.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 9.876545% (or .09876545)being rounded to 9.87655% (or .0987655) and all dollar amounts used in resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

The interest rate on the Notes will in no event be higher than the maximum rate permitted by law.

Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance.

"*LIBO Rate*" means, for each quarterly period during which any Note is outstanding subsequent to the initial period beginning on the Issue Date and ending January 14, 2007, the rate determined by the Issuers (written notice of such

rate to be sent to the Trustee by the Issuers on the date of determination thereof) equal to the applicable British Bankers' Association LIBO rate for deposits in U.S. dollars for a period of three months as reported by any generally recognized financial information service as of 11:00 a.m. {London time) two business days prior to the first day of such quarterly period; *provided* that, if no such British Bankers' Association LIBO rate is available to the Issuers, the LIBO Rate for the relevant quarterly period shall instead be the rate at which a first-class bank in the London interbank market selected in good faith by the Company offers to place deposits in U.S. dollars with first-class banks in the London interbank market for a period of three months at approximately 11:00 a.m. (London time) two business days prior to the first day of such quarterly period, in amounts equal to $1.0 million. If such a rate cannot be obtained, the LIBO Rate shall be equal to that applicable to the prior interest period.

The Holders of this Note are entitled to the benefits of the Registration Rights Agreement, dated October 12, 2006, among the Issuers, the guarantors party thereto and the Initial Purchasers named therein (the *"Registration Rights Agreement"*). The Holders of this Note are entitled to the Additional Interest payable in the circumstances as set forth in the Registration Rights Agreement.

2. Method of Payment

Holders must surrender Notes to the relevant Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, Applicable Amounts, if any, and interest and Additional Interest, if any, in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on the Global Notes will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of DTC will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on any Definitive Notes will be payable at the specified office or agency of one or more Paying Agents in New York, maintained for such purposes. In addition, interest on the Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Notes; *provided, however,* that cash payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a dollar account maintained by the payee with a bank in the United States of America if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the

relevant due date for payment (or such other date as the Trustee may accept in its discretion).

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

3. Paying Agent, Registrar and Calculation Agent

Initially, Deutsche Bank Trust Company Americas will act as New York Registrar and U.S. Dollar Paying Agent and Deutsche Bank Luxembourg S.A. will act as Registrar and Transfer Agent. The Issuers may appoint and change any Registrar, Transfer Agent and Paying Agent. The Issuers or any of its Restricted Subsidiaries may act as Registrar, Transfer Agent and Paying Agent.

The Issuers initially appoint Deutsche Bank Trust Company Americas as Calculation Agent for the Notes. The Calculation Agent shall, as soon as practicable after 11:00 a.m. (New York time) on each determination date, determine the applicable rate and calculate the aggregate amount of interest payable in respect of the following interest period (the *"Interest Amount"*). The Interest Amount shall be calculated by applying the applicable rate to the principal amount of each Note outstanding at the commencement of the interest period, multiplying each such amount by the actual amounts of days in the interest period concerned divided by 360 and rounding the resultant figure upwards to the nearest available currency unit. The determination of the applicable rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, bad faith or manifest error, be final and binding on all parties.

4. Indenture

The Issuers issued the Notes under the Indenture dated as of October 12, 2006 (the *"Indenture "*), among the Issuers, the Guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee (the *"Trustee"*), Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent. The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture for a statement of such, terms and provisions. In the event of a conflict, the terms of the Indenture control.

The Notes are senior obligations of the Issuers. This Note is one of the Notes referred to in the Indenture. The Notes and the Additional Notes are treated as a single class under the Indenture. The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay

dividends and other distributions, incur Indebtedness and layer Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens, make asset sales, impair certain security interests, issue certain guarantees and designate Restricted and Unrestricted Subsidiaries. The Indenture also imposes limitations on the ability of the Issuers to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all its property.

5. Optional Redemption

(a) At any time prior to October 15, 2008, the Issuers may redeem the Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

(b) At any time and from time to time on or after October 15, 2008, the Issuers may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	**Percentage**
2008	102%

2009	101%
2010 and thereafter	100%

(c) Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

6. Optional Tax Redemption

The Issuers or Successor Company may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determines in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation, of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after October 5, 2006. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after October 5, 2006, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described in paragraph 8. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

7. Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

8. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 of the Indenture and as provided below.

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, and/or in compliance with the requirements of DTC, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through DTC, prescribes no method of selection, on a pro rata basis; provided, however, that no Note of $75,000 in aggregate principal amount or less shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

9. Additional Amounts

The Issuers are required to make all payments under or with respect to the Notes or the Note Guarantees free and clear of and without withholding or deduction for or on account of any present or future Taxes in accordance with Section 4.02 of the Indenture.

10. Repurchase of Notes at the Option of Holders upon (i) a Change of Control and (ii) the occurrence of certain Asset Dispositions

If a Change of Control occurs, each Holder of Notes will have the right, subject to certain conditions specified in the Indenture, to require the Issuers to repurchase all of the Notes of such Holder at a purchase price equal to 101 % of the principal amount of the Notes to be repurchased plus accrued

and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.09 of the Indenture, the Issuers will be required to offer to purchase Notes upon the occurrence of certain events, including certain Asset Dispositions.

11. Security

The Notes will be secured by first priority liens and security interests in the Collateral, subject to the grant of further Permitted Collateral Liens. Reference is made to the Indenture for terms relating to such security, including the release, termination and discharge thereof. The Security Documents and the Collateral will be administered by a Collateral Agent (or in certain circumstances a sub-agent) pursuant to a Collateral Agency Agreement for the benefit of all holders of Secured obligations. The Issuers shall not be required to make any notation on this Note to reflect any grant of such security or any such release, termination or discharge.

12. Denominations; Transfer; Exchange

The Notes are in registered form without interest coupons in minimum denominations of $75,000 and multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at DTC, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

13. Persons Deemed Owners

Except as *provided* in paragraph 2 of this Note, the registered Holder of this Note will be treated as the owner of it for all purposes.

14. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuers at their written request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look to the Issuers for payment as general creditors and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

15. Discharge and Defeasance

Subject to certain conditions, the Issuers at any time may terminate some of or all their obligations under the Notes and the Indenture if the Issuers, among other things, deposit or cause to be deposited with the Trustee money or U.S. Government Obligations denominated in U.S. dollars in such amounts as will be sufficient for the payment of the entire Indebtedness including principal

of, premium, if any, and interest on the Notes to the date of redemption or maturity, as the case may be.

16. Amendment, Waiver

The Indenture and the Notes may be amended as set forth in the Indenture.

17. Defaults and Remedies

The following events constitute "*Events of Default*" under the Indenture: An "*Event of Default*" occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of its obligations under Article 4 and 5 of the Indenture (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2) of the Indenture);

(4) failure to comply for 60 days after notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the

maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the Security Document and the Indenture) for any reason other than the satisfaction in full of all obligations under this Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or either Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; or

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the Indenture.

However, a default under Sections 6.01 (a)(3), 6.01 (a)(4), 6.01(a)(5) and 6.01(a)(7) of the Indenture will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify either Issuer of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) of the Indenture, as applicable, after receipt of such notice.

If an Event of Default occurs and is continuing the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the

outstanding Notes under the Indenture by written notice to either Issuer, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes will become due and payable immediately without any declaration.

18. Trustee Dealings with the Issuers

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliates and may otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee.

19. No Recourse Against Others

No director, manager, officer, employee, incorporator or shareholder of either Issuer or any of its Subsidiaries or any parent company of either Issuer shall have any liability for any obligations of either Issuer or any Subsidiary with respect to the Notes or the Indenture, or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

20. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note. The signature shall be conclusive evidence that the security has been authenticated under the Indenture.

21. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

23. CUSIP Numbers, Common Codes and ISIN Numbers

The Issuers in issuing the Notes may use CUSIP Numbers, Common Codes and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP Numbers, Common Codes and ISIN numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Issuers will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

[FORM OF ASSIGNMENT FORM]

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

_____
_____
_____
_____

(Insert assignee's name, address and zip code)

and irrevocably appoint

to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

[FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE
OR REGISTRATION OF TRANSFER RESTRICTED NOTES]

This certificate relates to $ principal amount of Notes held in (check applicable box) o book-entry or o definitive registered form by the undersigned.

The undersigned (check one box below):

o has requested the Trustee by written order to deliver, in exchange for its beneficial interest in the Global Note held by the Depositary, a Definitive Note in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

o has requested the Trustee by written order to exchange or register the transfer of a Note.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Issuers; or

(2) o to the Registrar for registration in the name of the Holder, without transfer; or

(3) o pursuant to an effective registration statement under the U.S. Securities Act of 1933; or

(4) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through DTC until the expiration of the Restricted Period (as defined in the Indenture); or

(6) o pursuant to Rule 144 under the U.S. Securities Act of 1933 or another available exemption from registration.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof, *provided, however,* that if box (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Trustee or the Issuers have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration *provided* by Rule 144A.

Date: _____
Signature: _____

(to be executed by an executive officer of purchaser)

[TO BE ATTACHED TO GLOBAL NOTES]

[FORM OF SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE]

The initial principal amount of this Global Note is $[ ]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

[FORM OF OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.03 (Change of Control) or Section 4.09 (Limitation on Sales of Assets and Subsidiary Stock) of the Indenture, check the box:

Asset Disposition o Change of Control o

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.03 or Section 4.09 of the Indenture, state the amount (minimum amount of $75,000):

$ _____

Date: _____

Your Signature:

_____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

EXHIBIT A-3

[FORM OF DOLLAR FIXED RATE NOTE]

$7^{7}/_{8}$% Senior Secured Notes due 2014

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THEIR AUTHORIZED NOMINEE, OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE CLOSING OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.]

[Restricted Note Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT

IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE 144A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS.

[Each Definitive Note shall bear the following additional legend:]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Common Code. [ ]
ISIN No. [ ]
CUSIP [ ]

$7^{7}/_{8}$% Senior Secured Notes due 2014

No. $

NXP B.V.
NXP FUNDING LLC

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware, jointly and severally promise to pay to Cede & Co. or its registered assigns, the principal sum of $[ ] [subject to adjustments listed on the Schedule of Increases or Decreases in Global Note attached hereto](3), on October 15, 2014.

Interest Payment Dates: April 15 and October 15, commencing [ ].

Record Dates: April 1 and October 1.

Additional provisions of this Note are set forth on the other side of this Note.

(Signature page to follow.)

(3) Use the Schedule of Increases and Decreases language if Note is in Global Form.

IN WITNESS WHEREOF, NXP B.V. and NXP Funding LLC have caused this Note to be signed manually or by facsimile by their duly authorized officers.

Dated:

NXP B.V.

By: _____
Name:
Title:

NXP FUNDING LLC

By: _____
Name:
Title:

This is one of the Notes referred
to in the Indenture.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: _____
(Authorized Signatory)

[FORM OF BACK OF DOLLAR FIXED RATE NOTE]

$7^{7}/_{8}$% SENIOR SECURED NOTES DUE 2014

1. Interest

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware (together with NXP B.V. and their respective successors and assigns under the Indenture hereinafter referred to, being herein called *"the Issuers"*), jointly and severally promise to pay interest on the principal amount of this Note at the rate of $7^{7}/_{8}$% per annum. The Issuers shall pay interest semi-annually on April 15 and October 15 of each year commencing on [ ]. The Issuers will make each interest payment to Holders of record of the Notes on the immediately preceding April 1 and October 1. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from October 12, 2006 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

The Holders of this Note are entitled to the benefits of the Registration Rights Agreement, dated October 12, 2006, among the Issuers, the guarantors party thereto and the Initial Purchasers named therein (the *"Registration Rights Agreement").* The Holders of this Note are entitled to the Additional Interest payable in the circumstances as set forth in the Registration Rights Agreement.

2. Method of Payment

Holders must surrender Notes to the relevant Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, Applicable Amounts, if any, and interest and Additional Interest, if any, in money of the United States of America that at the time of payment is legal tender for payment of public and private debts; Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on the Global Notes will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of DTC will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on any Definitive Notes will be payable at the specified office or agency of one or more Paying Agents in New York, maintained for such purposes. In addition, interest on the Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Notes; *provided, however,* that cash payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a dollar account maintained by the payee with a bank in the United States of America if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately

preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

3. Paying Agent and Registrar

Initially, Deutsche Bank Trust Company Americas will act as New York Registrar and U.S. Dollar Paying Agent and Deutsche Bank Luxembourg S.A. will act as Registrar and Transfer Agent. The Issuers may appoint and change any Registrar, Transfer Agent and Paying Agent. The Issuers or any of its Restricted Subsidiaries may act as Registrar, Transfer Agent and Paying Agent.

4. Indenture

The Issuers issued the Notes under the Indenture dated as of October 12, 2006 (the *"Indenture"*), among the Issuers, the Guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee (the *"Trustee"*), Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent. The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture for a statement of such terms and provisions. In the event of a conflict, the terms of the Indenture control.

The Notes are senior obligations of the Issuers. This Note is one of the Notes referred to in the Indenture. The Notes and the Additional Notes are treated as a single class under the Indenture. The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness and layer Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such

Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens, make asset sales, impair certain security interests, issue certain guarantees and designate Restricted and Unrestricted Subsidiaries. The Indenture also imposes limitations on the ability of the Issuers to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all its property.

5. Optional Redemption

(a) At any time prior to October 15, 2010, the Issuers may redeem the Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

(b) At any time and from time to time on or after October 15, 2010, the Issuers may redeem the Notes; in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2010	103.938%
2011	101.969%
2012 and thereafter	100.000%

(c) At any time and from time to time prior to October 15, 2009, the Issuers may redeem the Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 107.875% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Notes initially issued remains outstanding immediately thereafter.

(d) Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

6. Optional Tax Redemption

The Issuers or Successor Company may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a *"Tax Redemption Date"*) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determines in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after October 5, 2006. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after October 5, 2006, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described in paragraph 8. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

7. Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

8. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 of the Indenture and as provided below.

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, and/or in compliance with the requirements of DTC, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through DTC, prescribes no method of selection, on a pro rata basis; provided, however, that no Note of $75,000 in aggregate principal amount or less shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such

Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption, notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

9. Additional Amounts

The Issuers are required to make all payments under or with respect to the Notes or the Note Guarantees free and clear of and without withholding or deduction for or on account of any present or future Taxes in accordance with Section 4.02 of the Indenture.

10. Repurchase of Notes at the Option of Holders upon (i) a Change of Control and (ii) the occurrence of certain Asset Dispositions

If a Change of Control occurs, each Holder of Notes will have the right, subject to certain conditions specified in the Indenture, to require the Issuers to repurchase all of the Notes of such Holder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.09 of the Indenture, the Issuers will be required to offer to purchase Notes upon the occurrence of certain events, including certain Asset Dispositions.

11. Security

The Notes will be secured by first priority liens and security interests in the Collateral, subject to the grant of further Permitted Collateral Liens. Reference is made to the Indenture for terms relating to such security, including the release, termination and discharge thereof. The Security Documents and the Collateral will be administered by a Collateral Agent (or in certain circumstances a sub-agent) pursuant to a Collateral Agency Agreement for the benefit of all holders of Secured obligations. The Issuers shall not be required to make any notation on this Note to reflect any grant of such security or any such release, termination or discharge.

12. Denominations; Transfer; Exchange

The Notes are in registered form without interest coupons in minimum denominations of $75,000 and multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at DTC, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

13. Persons Deemed Owners

Except as *provided* in paragraph 2 of this Note, the registered Holder of this Note will be treated as the owner of it for all purposes.

14. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuers at their written request useless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look to the Issuers for payment as general creditors and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

15. Discharge and Defeasance

Subject to certain conditions, the Issuers at any time may terminate some of or all their obligations under the Notes and the Indenture if the Issuers, among other things, deposit or cause to be deposited with the Trustee money or U.S. Government Obligations denominated in U.S. dollars in such amounts as will be sufficient for the payment of the entire Indebtedness including principal of, premium, if any, and interest on the Notes to the date of redemption or maturity, as the case may be.

16. Amendment, Waiver

The Indenture and the Notes may be amended as set forth in the Indenture.

17. Defaults and Remedies

The following events constitute "*Events of Default*" under the Indenture: An "*Event of Default*" occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of its obligations under Article 4 and 5 of the Indenture (in each case, other than a failure to purchase which will constitute an Event of Default under Section 6.01(a)(2) of the Indenture);

(4) failure to comply for 60 days after notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) any security interest under the Security Documents on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the Security Document and the Indenture) for any reason other than the satisfaction in full of all obligations under this Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable or either Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; or

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the Indenture.

However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) and 6.01(a)(7) of the Indenture will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify either Issuer of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) of the Indenture, as applicable, after receipt of such notice.

If an Event of Default occurs and is continuing the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture by written notice to either Issuer, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes will become due and payable immediately without any declaration.

18. Trustee Dealings with the Issuers

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliates and may otherwise deal with the Issuers or their Affiliates with the same rights it would have

if it were not Trustee.

19. No Recourse Against Others

No director, manager, officer, employee, incorporator or shareholder of either Issuer or any of its Subsidiaries or any parent company of either Issuer shall have any liability for any obligations of either Issuer or any Subsidiary with respect to the Notes or the Indenture, or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

20. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note. The signature shall be conclusive evidence that the security has been authenticated under the Indenture.

21. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

23. CUSIP Numbers. Common Codes and ISIN Numbers

The Issuers in issuing the Notes may use CUSIP Numbers, Common Codes and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP Numbers, Common Codes and ISIN numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the

correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Issuers will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

[FORM OF ASSIGNMENT FORM]

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

_____

_____

_____

_____

(Insert assignee's name, address and zip code)

and irrevocably appoint

to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _____

Your Signature:

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*:

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

[FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER RESTRICTED NOTES]

This certificate relates to $ principal amount of Notes held in (check applicable box) o book-entry or o definitive registered form by the undersigned.

The undersigned (check one box below):

- o has requested the Trustee by written order to deliver, in exchange for its beneficial interest in the Global Note held by the Depositary, a Definitive Note in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

- o has requested the Trustee by written order to exchange or register the transfer of a Note.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Issuers; or

(2) o to the Registrar for registration in the name of the Holder, without transfer; or

(3) o pursuant to an effective registration statement under the U.S. Securities Act of 1933; or

(4) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through DTC until the expiration of the Restricted Period (as defined in the Indenture); or

(6) o pursuant to Rule 144 under the U.S. Securities Act of 1933 or another available exemption from registration.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof,

provided, however, that if box (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Trustee or the Issuers have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Date:

Your Signature:

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*:

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act of

1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration *provided* by Rule 144A.

Date: _____

Signature: _____

(to be executed by an executive officer of purchaser)

[TO BE ATTACHED TO GLOBAL NOTES]

[FORM OF SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE]

The initial principal amount of this Global Note is $[ ]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

[FORM OF OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.03 (Change of Control) or Section 4.09 (Limitation on Sales of Assets and Subsidiary Stock) of the Indenture, check the box:

Asset Disposition o Change of Control o

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.03 or Section 4.09 of the Indenture, state the amount (minimum amount of $75,000):

$ _____

Date: _____

Your Signature:

_____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee*: _____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

EXHIBIT B

[FORM OF CERTIFICATE OF TRANSFER]

[Deutsche Bank Trust Company Americas
60 Wall Street
27th Floor
New York, NY 10005
USA]

Re: **[Euro-denominated Floating Rate Senior Secured Notes due 2013] [Dollar-denominated Floating Rate Senior Secured Notes due 2013] [7 7/8% Senior Secured Notes due 2014] NXP B.V. and NXP Funding LLC (the "Notes")**

Reference is hereby made to the Senior Secured Indenture dated October 12, 2006 among NXP B.V. and NXP Funding LLC, as Issuers, the guarantors party thereto, Deutsche Back Trust Company Americas, as Trustee, Morgan Stanley Senior Funding, Inc., a Global Collateral Agent and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent (the "*Indenture*") Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "*Transferor*") owns and proposes to transfer the Note/Notes or interest in such Note/Notes (the "*Book-Entry Interest*") specified in Annex A hereto, in the principal amount of [€/$] in such Note/Notes or interests (the "*Transfer*"), to (the " *Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. o **Check if Transfer is Pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933 (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the Book- Entry Interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the Book-Entry Interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A to whom notice was given that the Transfer was being made in reliance on Rule 144A and such Transfer is in compliance with any applicable securities laws of any state of the United States or any other jurisdiction. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Rule 144A Global Note and/or the Rule 144A Definitive Note and in the Indenture and the Securities Act.

2. o **Check if Transfer is pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (A) at the time the buy order was originated, the Transferee was outside the United States or such

Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States; (ii) no directed selling efforts have been made in contravention of the requirements of Regulation S under the Securities Act; (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act; and (iv) the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer printed on the Regulation S Global Note and/or the Regulation S Definitive Note and contained in the Securities Act, the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

3. o **Check if Transfer is Pursuant to Other Exemption.** (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144 or Regulation S and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Restricted Notes Legend.

4. o **Check if Transfer is Pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction; (ii) the Transferor is not (and during the three months preceding the Transfer was not) an Affiliate of the Issuer, (iii) at least two years have elapsed since such Transferor (or any previous transferor of such Book-Entry Interest or Definitive Note that was not an Affiliate of the Issuers) acquired such Book-Entry Interest or Definitive Note from the Issuers or an Affiliate of the Issuers, and (iv) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Rule 144A Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Rule 144A Global Note and/or the Rule 144A Definitive Note and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers and the Trustee.

[Insert Name of Transferor]

By:
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following: CHECK ONE]

(a) o a Book-Entry Interest held through [DTC Account No. or Euroclear Account No. or Clearstream Banking Account No.], in the:

(i) o Rule 144A Global Note ([CUSIP/ISIN/COMMON CODE]); or

(ii) o Regulation S Global Note ([CUSIP/ISIN/COMMON CODE]; or

(b) o a Rule 144A Definitive Note; or

(c) o a Regulation S Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) o a Book-Entry Interest through [DTC Account No. or Euroclear Account No. or Clearstream Banking Account No.] in the:

(i) o Rule 144A Global Note ([CUSIP/ISIN/COMMON CODE]); or

(ii) o Regulation S Global Note ([CUSIP/ISIN/COMMON CODE] or

(b) o a Rule 144A Definitive Note; or

(c) o a Regulation S Definitive Note.

EXHIBIT C

[FORM OF OFFICER'S COMPLIANCE CERTIFICATE DELIVERED PURSUANT TO SECTION 4.16 OF THE INDENTURE]

OFFICER'S COMPLIANCE CERTIFICATE OF NXP B.V.

Pursuant to Section 4.16 of the Senior Secured Indenture dated October 12, 2006 (the "*Indenture*") among NXP B.V. (the "*Company*") and NXP Funding LLC, as Issuers, the guarantors party thereto, Deutsche Bank Trust Company Americas, as Trustee, Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, the undersigned, [•], [officer], of the Company, do hereby certify on behalf of the Company that:

1. a review of the activities of the Company during the preceding fiscal year has been made under my supervision with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under the Indenture;

2. as to the best of my knowledge, the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of the Indenture [or, if a Default or Event of Default shall have occurred, describe all such Defaults or Events of Default of which you have knowledge and what action the Company is taking or proposes to take with respect thereto] and to the best of my knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest or Additional Amounts, if any, on the Notes is prohibited [or if such event has occurred, give a description of the event and what action the Company is taking or proposes to take with respect thereto];

3. (i) such action has been taken with respect to the recording, filing, re-recording and re-filing of the Indenture and the Security Documents (including financing statements or other instruments) as is necessary to maintain the security interest intended to be created thereby for the benefit of the Holders, and reciting the details of such action, or (ii) no such action is necessary to maintain such Lien.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate this [ ] day of [ ], 20[ ].

NXP B.V.

by _____
Name:
Title:

EXHIBIT D

[FORM OF NOTE GUARANTEE SUPPLEMENT]

NOTE GUARANTEE SUPPLEMENT dated as of , , between [NAME OF NOTE GUARANTOR] (the "*Note Guarantor*"), NXP B.V. (the "*Company*" and Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee*").

WHEREAS, the Company, NXP Funding LLC, the Trustee, Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and the Guarantors party thereto are parties to a Senior Secured Indenture dated as of October 12, 2006 (as amended and/or supplemented, the "*Indenture*"*);*

WHEREAS, Section 4.12 of the Indenture provides that Persons may become party to the Indenture as Guarantors by execution and delivery of a supplement in the form of this Note Guarantee Supplement; and

WHEREAS, terms defined in the Indenture and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

2. *Party to Indenture.* In accordance with Section 4.12 of the Indenture, on and from the date of this Note Guarantee Supplement (the "*Effective Date*"*)*, the Note Guarantor will become a party to the Indenture and hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Indenture including but not limited to Article 10 thereof. The Note Guarantor will be bound by all the provisions thereof as fully as if the Note Guarantor were one of the original parties thereto.

3. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, stockholder or agent of the Note Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantors under the Notes, any Note Guarantees, the Indenture or this Note Guarantee Supplement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

4. *Notices.* The contact information of the Note Guarantor for purposes of notices under the Indenture is as follows:

[Address]
Attention:
Facsimile:
E-mail:

Exhibit 4.2

EXECUTION VERSION

NXP B.V.
NXP FUNDING LLC
Issuers

EACH OF THE GUARANTORS PARTY HERETO

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

€525,000,000 $8^{5}/_{8}$% Senior Notes due 2015
$1,250,000,000 $9^{1}/_{2}$% Senior Notes due 2015

SENIOR UNSECURED INDENTURE

Dated as of October 12, 2006

CROSS-REFERENCE TABLE*

TIA Sections		Indenture Sections
§ 310	(a)	7.10
	(b)	7.08
§ 311		7.03
§ 312		13.02
§ 313		7.06
§ 314	(a)	2.04, 4
	(c)	13.04
	(e)	13.05
§ 315	(a)	7.01, 7.02
	(b)	7.02, 7.05
	(c)	7.01
	(d)	7.02
	(e)	6.11, 7.02
§ 316	(a)	2.09, 6.02, 6.04, 6.05
	(b)	6.06, 6.07
	(c)	13.02
§ 317	(a) (1)	6.08
	(a) (2)	6.09
	(b)	2.05
§ 318		13.01

* This Cross-Reference Table is not part of the Indenture.

TABLE OF CONTENTS

INDENTURE dated as of October 12, 2006, among NXP B.V. (the "*Company*"), NXP Funding LLC (the "*Co-Issuer*" and, together with the Company, the "*Issuers*"), the Guarantors (as defined herein) and Deutsche Bank Trust Company Americas, as trustee (the "*Trustee*").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (a) the Issuers' euro-denominated $8^{5}/_{8}$% Senior Notes due 2015 (the "*Euro Notes*") and dollar-denominated $9^{1}/_{2}$% Senior Notes due 2015 (the "*Dollar Notes*") issued on the date hereof (collectively, the "*Original Notes*") and (b) an unlimited principal amount of additional securities having identical terms and conditions as any series of the Original Notes (the "*Additional Notes*") that subject to the conditions and in compliance with the covenants set forth herein may be issued on any later issue date. Unless the context otherwise requires, in this Indenture references to the "Notes" include the Original Notes, any Additional Notes that are actually issued and any Exchange Notes that are issued.

This Indenture is subject to, and will be governed by, the provisions of the TIA that are required to be a part of and govern indentures qualified under the TIA.

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01. Definitions

"*Acquired Indebtedness*" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"*Acquisition Agreement*" means the Stock Purchase Agreement to be entered into prior to the Issue Date among Philips, the Company and Holdings (including all exhibits and schedules thereto) as amended from time to time.

"*actual knowledge*" of any Trustee shall be construed to mean that such Trustee shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an obligation on it to make any payment or prohibit it from making any payment unless a Responsible Officer of such Trustee has received written notice that such payments are required or prohibited by this Indenture in which event the Trustee shall be deemed to have actual knowledge within one Business Day of receiving that notice.

"*Additional Assets*" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, neither Philips nor any of its subsidiaries, joint ventures or operations shall be deemed to be an "Affiliate" of the Company or any Restricted Subsidiary due solely to its ownership of Voting Stock of the Company or the presence of its or their nominee on the Board of Directors of the Company, in each case at the percentage level disclosed in the Offering Memorandum.

"*Agreed Security Principles*" means the Agreed Security Principles as set out in Schedule 2.1, as applied reasonably and in good faith by the Company.

"*ASMC*" means Advanced Semiconductor Manufacturing Corporation of Shanghai and any successor business thereto and their respective subsidiaries, assets and businesses.

"*Asset Disposition*" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances

or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under Section 5.01 or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than €30 million;

(8) any Restricted Payment that is permitted to be made, and is made, under Section 4.06 and the making of any Permitted Payment or Permitted Investment or, solely for purposes of Section 4.09(a)(3), asset sales (other than sales of securities or indebtedness of SSMC so long as it is not a Restricted Subsidiary), the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary (with the exception of (x) SSMC and (y) Investments in Unrestricted Subsidiaries acquired pursuant to clause (15) of the definition of Permitted Investments);

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; *provided, however,* that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); *provided, further,* that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed €50 million; and

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by this Indenture.

"*Associate*" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock, (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company and (iii) until and unless designated otherwise by the Company in a notice to the Trustee, Crolles.

"*Board of Directors*" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. For the purposes of the definition of Change of Control only, Board of Directors of the Company or any Parent shall mean its supervisory board or its managing board. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of

Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, or New York, New York, United States are authorized or required by law to close (and for purposes only of any payment made by the Irish Paying Agent, Ireland); *provided, however,* that for any payments to be made under this Indenture,

such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer ("TARGET") payment system is open for the settlement of payments.

"*Capital Stock*" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Senior Facilities Agreement or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the

two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and

(9) for purposes of clause (2) of the definition of "Asset Disposition", the marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

"*Change of Control*" means:

(1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "Beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;

(2) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either

directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"*Clearstream*" means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended.

"*Collateral*" shall have the meaning provided in the Secured Indenture.

"*Commodity Hedging Agreements*" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"*Consolidated EBITDA*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Fixed Charges and items (w), (x) and (y) in clause (1) of the definition of Consolidated Interest Expense;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; *provided* that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Indenture (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by Section 4.10; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging

Obligations or other derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations, and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (t) accretion or accrual of discounted liabilities other than Indebtedness, (u) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (v) any additional interest pursuant to a registration rights agreement with respect to Notes or any securities, (w) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (x) any expensing of bridge, commitment and other financing fees, and (y) interest with respect to Indebtedness of any direct or indirect parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP; plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"*Consolidated Leverage*" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in Section 4.05(g)(3)).

"*Consolidated Leverage Ratio*" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available; provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "*Sale*") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period,

Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; *provided, however,* that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or (except in the case of SSMC so long as it is not a Restricted Subsidiary, but applying this exception only for the purpose of determining the amount available for Restricted Payments (other than Restricted Investments) under Section 4.06(a)(4)(z)(i)) could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under Section 4.06(a)(4)(z)(i), any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes, this Indenture or the Secured Indenture, and (c) restrictions specified in Section 4.08(b)(11)(a)(i), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash

Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including

pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge or any charges or reserves in respect of any restructuring, redundancy or severance or any expenses, charges, reserves or other costs related to the Transactions (including (i) in relation to expenses relating to consulting or operational improvement initiatives, (ii) expenses associated with the closing out of existing management equity programs and (iii) start-up and transaction costs);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(11) the purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of the Transactions or the disentanglement, any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment charge or write off;

(13) solely for the purpose of determining the amount available for Restricted Investments (but not other Restricted Payments) under Section 4.06(a)(4)(z)(i),

(i) only to the extent not otherwise added back to Consolidated Net Income, depreciation and amortization expense to the extent in excess of capital expenditures on property, plant and equipment and (ii) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"*Consolidated Secured Leverage Ratio*" means the Consolidated Leverage Ratio, but (x) calculated by excluding all Indebtedness other than Secured Indebtedness (except Secured Indebtedness Incurred pursuant to Section 4.05(b)(13) and secured only by assets in the applicable jurisdiction but, for the avoidance of doubt, including Indebtedness secured by Liens permitted under clause (21) of the definition of "Permitted Liens") and (y) calculating Consolidated EBITDA for the purposes of such definition as though (i) consolidated depreciation expense included such expense of the Company and its consolidated subsidiaries attributable to SSMC and Jilin and (ii) consolidated amortization expense included such expense of the Company and its consolidated Subsidiaries attributable to SSMC and Jilin.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness *("primary obligations")* of any other Person (the "*primary obligor*"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Credit Facility*" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or

agents or other banks or institutions and whether provided under the original Senior Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Crolles*" means the alliance operated by or to be operated by the Company and its Restricted Subsidiaries (and assets owned by the Company and its Restricted Subsidiaries that are deployed in such alliance, and activities undertaken by any of them as part of such alliance, shall be deemed to be a part of Crolles) and any successor thereto.

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (including, in the case of any Guarantor incorporated or organized in England or Wales, administration, administrative receivership, voluntary arrangement and schemes of arrangement).

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 4.09.

"*Designated Preference Shares*" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent

funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in Section 4.06(a)(4)(z)(ii).

"*Disinterested Director*" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock, (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, *however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the

holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with Section 4.06.

"*DTC*" means The Depository Trust Company or any successor securities clearing agency.

"*Equity Offering*" means (x) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or any of its Restricted Subsidiaries.

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the

applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "*Escrowed Proceeds*" shall include any interest earned on the amounts held in escrow.

"*Euroclear*" means Euroclear Bank S.A./N.V., as operator of the Euroclear Clearance System as currently in effect or any successor securities clearing agency.

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Company or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination.

"*European Government Obligations*" means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any country that is a member of the European Monetary Union on the date of this Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the Company thereof.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Exchange Notes*" means the Notes of the Issuers issued pursuant to this Indenture in exchange for, and in an aggregate principal amount equal to, the Initial Notes in compliance with the terms of a Registration Rights Agreement and containing terms substantially identical to the Initial Notes (except that (i) such Exchange Notes will be registered under the Securities Act and will not be subject to transfer restrictions or bear the Restricted Notes Legend, and (ii) the provisions relating to Additional Interest will be eliminated).

"*Exchange Offer*" means an offer by the Company to the Holders of the Initial Notes to exchange outstanding Notes for Exchange Notes, as provided for in a Registration Rights Agreement.

"*Exchange Offer Registration Statement*" means the Exchange Offer Registration Statement as defined in a Registration Rights Agreement.

"*Excluded Contribution*" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than

Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"*fair market value*" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to the Fixed Charges of such Person for four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Fixed Charge Coverage Ratio Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries, including the Transactions, during the four-quarter reference period or subsequent

to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any of its Restricted subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to . transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including cost savings and synergies). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation

shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Operation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense of such Person for such Period;

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in this Indenture, all ratios and calculations based on GAAP contained in this Indenture shall be computed in accordance with GAAP. At any time after the Issue Date, the Company may elect to establish that GAAP shall mean the GAAP as in effect on or prior to the date of such election, *provided* that any such election, once made, shall be irrevocable. The Company shall give notice of either such election to the Trustee and the Holders.

"*Government Obligations*" means the European Government Obligations and/or the U.S. Government Obligations, as appropriate.

"*Governmental Authority*" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof {in whole or in part);

provided, however, that the term "*Guarantee*" will not include endorsements for collection or deposit in the ordinary course of business. The term "*Guarantee* used as a verb has a corresponding meaning,

"*Guarantor*" means any Restricted Subsidiary that Guarantees the Notes.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement (each, a "*Hedging Agreement*")*.*

"*Holder*" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of DTC, Euroclear or Clearstream, as applicable.

"*Holdings*" means KASLION Acquisition B.V. and its successors and assigns.

"*Immaterial Subsidiary*" means any Restricted Subsidiary that (i) has not guaranteed any other Indebtedness of either Issuer and (ii) has Total Assets (as determined in accordance with GAAP) and Consolidated EBITDA of less than 2.5% (in the case of any Subsidiary organized in France existing on the Issue Date, 3.5%) of the Company's Total Assets and Consolidated EBITDA (measured, in the case of Total Assets, at the end of the most recent fiscal period for which internal financial statements are available and, in the case of Consolidated EBITDA, for the four quarters ended most recently for which internal financial statements are available, in each case measured on a pro forma basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such subsidiary.

"*Incur*" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however,* that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "*Incurrence*" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "*Incurred*" at the time any funds are borrowed thereunder.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Issue Date, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however,* that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter, or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"*Independent Financial Advisor*" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however,* that such firm or appraiser is not an Affiliate of the Company.

"*Initial Investors*" means:

(1) KKR European Fund II, Limited Partnership, Bain Capital Fund IX, L.P., Bain Capital Fund VIII-E, L.P., Silver Lake Partners II Cayman, L.P., Apax Europe V-A, L.P., Apax Europe VI-A, L.P., AlpInvest Partners CS Investments 2006 C.V. and funds or partnerships related, managed or advised by any of them or any Affiliate of them; and

(2) Koninklijke Philips Electronics N.V. and its Subsidiaries.

"*Initial Public Offering*" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"*Interest Rate Agreement*" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means

of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of Section 4.06:

(1) "*Investment*" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however,* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "*Investment'* in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "*Investment*" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"*Investment Grade*" means (i) "BBB-" or higher by S&P; (ii) "Baa3" or higher by Moody's, or (iii) the equivalent of such ratings by S&P or Moody's, or of another Nationally Recognized Statistical Ratings Organization.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A—" or higher from S &P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"*Investment Grade Status*" shall occur in respect of a series of Notes when such series of the Notes receives both of the following:

(1) a rating of "BBB—" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"*IPO Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"*Issue Date*" means October 12, 2006.

"*Jilin*" means Philips Jilin Semiconductor Company or any successor entity or business thereto.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding €5.0 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Moody's*" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*Nationally Recognized Statistical Rating Organization*" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets

disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds,*" with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Note Documents*" means the Notes (including Additional Notes) and this Indenture.

"*Note Guarantee*" has the meaning given to such term in Section 10.01.

"*Offering Memorandum*" means the offering memorandum of the Issuers dated as of October 5, 2006 in connection with the offering and sale of the Notes.

"*Officer*" means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of this Indenture by the Board of Directors of such Person.

"*Officer's Certificate*" means, with respect to any Person, a certificate signed by one Officer of such Person.

"*Opinion of Counsel*" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"*Parent*" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Parent Expenses*" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions;

(5) general corporate overhead expenses, including (a) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed €5 million in any fiscal year; and

(7) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"*Pari Passu Indebtedness*" means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Senior Facilities Agreement) or any Guarantor if such Guarantee ranks equally in right of payment to the Guarantees of the Notes.

"*Paying Agent*" means any Person authorized by the Issuers to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuers.

"*Permitted Asset Swap*" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with Section 4.09.

"*Permitted Collateral Liens*" means Liens on the Collateral permitted under the Secured Indenture as in effect on the date hereof.

"*Permitted Holders*" means, collectively, (1) the Initial Investors and any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture,

(2) Senior Management and (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity.

"*Permitted Investment*" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with Section 4.09;

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date and including the committed investment in PSSL (not exceeding €5 million);

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 4.05;

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed €300 million; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 4.06, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under Section 4.07;

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of Section 4.10(b) (except those described in Section 4.10(b)(1), 4.10(b)(3), 4.10(b)(6), 4.10(b)(8), 4.10(b)(9) or 4.10(b)(12));

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with this Indenture;

(16) Guarantees not prohibited by Section 4.05 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business.

(17) Investments (a) in SSMC to increase the Company's percentage ownership thereof; *provided* that, after giving effect to such Investment, the Company is able to incur €1.00 of Indebtedness under Section 4.05(a) or (b) in SSMC or any other Person partially financed by a Singapore government agency (or another project finance with a local or multilateral Governmental Authority) in an aggregate amount under this clause (b) not to exceed €300.0 million;

(18) Loans to Jilin on terms consistent with past practices between Jilin and Philips, not to exceed €25 million at any one time outstanding; and

(19) Investments in Crolles (or, in the event that Crolles is not continued, a similar research and development program) to fund research and development activities and maintenance capital expenditures in an aggregate amount not to exceed €190.0 million in the first two years after the Issue Date and €50 million per annum thereafter (with a carry over of unused amounts).

"*Permitted Liens*" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor,

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under this Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been

finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date, excluding Liens securing the Senior Facilities Agreement and the Notes;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); provided however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided, further,* that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Indenture; *provided* that any such Lien is limited to all or

part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property,

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness incurred under Section 4.05(b)(l1) with local financial institutions;

(22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred in the ordinary course of business with respect to obligations (other than Indebtedness for borrowed money) which do not exceed €50 million at any one time outstanding;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(28) any security granted over the marketable securities portfolio described in clause (9) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Philips*" means Koninklijke Philips Electronics N.V.

"*Preferred Stock*," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*PSSL*" means Philips Semiconductors (Suzhou) Co. Ltd.

"*Public Market*" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"*Public Offering*" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"*Purchase Money Obligations*" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"*Refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "*refinances*," "*refinanced*" and "*refinancing*" as used for any purpose in this Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of this Indenture or Incurred in compliance with this Indenture (including Indebtedness of the Company that refinances Indebtedness of any

Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however,* that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith);

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"*Registration Rights Agreement*" means the registration rights agreement dated as of the Issue Date among the Issuers, the Guarantors and the initial purchasers named therein.

"*Related Person*" with respect to any Permitted Holder means:

(1) any controlling equityholder or Subsidiary of such Person; or

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"*Related Taxes*" means:

(1) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

(e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to Section 4.06; or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"*Responsible Officer*" means, when used with respect to the Trustee, any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such individual's knowledge of and familiarity with the particular subject.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary, and for the avoidance of doubt does not include the Crolles assets as in existence on the Issue Date unless and until designated otherwise by the Company in a notice to the Trustee.

"*Reversion Date*" means, after a series of Notes has achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"*S&P*" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Secured Indebtedness*" means any Indebtedness secured by a Lien.

"*Secured Indenture*" means the secured indenture dated as of the Issue Date among the Issuers, the guarantors named therein, Deutsche Bank Trust Company Americas, as trustee, and the collateral agents named therein, as amended from time to time.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"*Senior Facilities Agreement*" means the €500,000,000 senior secured revolving credit facility agreement dated on or about September 29, 2006 between the Company, certain of the Company's Subsidiaries as borrowers and guarantors, the senior lenders (as named therein), and Morgan Stanley Senior Funding Inc., as facility agent and collateral agent, as amended, supplemented or otherwise modified from time to time.

"*Senior Finance Documents*" means the Senior Facilities Agreement and such other documents identified as "Senior Finance Documents" pursuant to the Senior Facilities Agreement.

"*Senior Management*" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of €250,000.

"*Significant Subsidiary*" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"*Similar Business*" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof,

"*SSMC*" means Systems on Silicon Manufacturing Company Pte. or any successor entity or business thereto. For purposes of Section 4.06 and the definition of "Asset Disposition", references to SSMC shall also refer to any Unrestricted Subsidiary (x) any Capital Stock or debt of which is owned directly or indirectly by SSMC or (y) which has received a cash distribution or dividend from SSMC.

"*Slated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subordinated Shareholder Funding*" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by Holdings, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however,* that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(2) does not require, prior to the first anniversary of the Stated Maturity of the applicable Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement

action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to its terms is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"*Subsidiary*" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Taxes*" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"*Tax Sharing Agreement*" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted

Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of this Indenture.

"*Temporary Cash Investments*" means any of the following:

(1) any investment in

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-l" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Senior Facilities Agreement,

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above, or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then

exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*TIA*" means the Trust Indenture Act of 1939, as amended.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person; *provided* that pending the acquisitions of ASMC and Jilin, such balance sheet shall give *pro forma* effect to such acquisitions.

"*Transaction Documents*" means the Senior Finance Documents, the Note Documents and the Investor Documents.

"*Transactions*" means the acquisition by Holdings of the Company and its Subsidiaries and the related transactions (including disentanglement) pursuant to the Acquisition Agreement and the financing thereof and the issuance of the Notes.

"*Unrestricted Subsidiary*" means SSMC and (upon acquisition of Jilin by the Company or a Restricted Subsidiary) Jilin and:

(1) any Subsidiary of the Company (other than the Co-Issuer) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with Section 4.06.

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least €1.00 of additional Indebtedness under Section 4.05(a) or (y) the Fixed Charge Coverage Ratio would not be worse than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*U.S. Government Obligations*" means securities that are (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of

such depositary receipt, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Voting Stock*" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary of the Company, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly-Owned Subsidiary) is owned by the Company or another Wholly-Owned Subsidiary.

SECTION 1.02. Other Definitions

Term	Defined in Section
"Additional Amounts"	4.02(a)
"Additional Notes"	Preamble
"Affiliate Transaction"	4.10(a)
"Agent Members"	Appendix A
"Applicable Procedures"	Appendix A
"Asset Disposition Offer"	4.09(b)
"Asset Disposition Offer Amount"	4.09(e)
"Asset Disposition Offer Period"	4.09(e)
"Asset Disposition Purchase Date"	4.09(e)
"Authorized Agent"	13.10
"Change of Control Offer"	4.03(b)
"Change of Control Payment"	4.03(b)(l)
"Change of Control Payment Date"	4.03(b)(2)
"Co-Issuer"	Preamble
"Company"	Preamble
"covenant defeasance option"	8.01(b)
"defeasance trust"	8.02(a)(l)
"Definitive Note"	Appendix A
"Dollar Notes"	Preamble
"Euro Notes"	Preamble
"Event of Default"	6.01(a)
"Global Notes Legend"	Appendix A
"Guaranteed Obligations"	10.01(a)
"Initial Agreement"	4.08(b)(3)
"Issuers"	Preamble
"legal defeasance option"	8.01(b)
"New York Paying Agent"	2.04(a)
"Notes"	Preamble

Term	Defined in Section
"Notes Custodian"	Appendix A
"Original Notes"	Preamble
"Paying Agent"	2.04(a)
"Payor"	4.02(a)
"Permitted Payments"	4.06(c)
"protected purchaser"	2.08
"QIB"	Appendix A

“Qualified Institutional Buyer”	Appendix A
“Regulation S”	Appendix A
“Regulation S Notes”	Appendix A
“Relevant Taxing Jurisdiction”	4.02(a)(3)
“Registrar”	2.04(a)
“Restricted Payment”	4.06
“Restricted Period”	Appendix A
“Restricted Notes Legend”	Appendix A
“Rule 144A”	Appendix A
“Rule 144A Notes”	Appendix A
“Securities Act”	Appendix A
“Successor Company”	5.01(a)(l)
“Suspension Event”	4.13
“Transfer Agent”	2.04(a)
“Transfer Restricted Notes”	Appendix A
“Trustee”	Preamble

SECTION 1.03. Incorporation by Reference of TIA

This Indenture is subject to the mandatory provisions of the TIA, which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

“Commission” means the SEC.

“indenture securities” means the Securities and the Note Guarantees.

“indenture security holder” means a Holder.

“indenture to be qualified” means this Indenture.

“indenture trustee” or “institutional trustee” means the Trustee.

“obligor” on the indenture securities means the Company, the Note Guarantors and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) “or” is not exclusive;

(d) “including” means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular; and

(f) unsecured Indebtedness shall not be deemed to be subordinate or junior to secured Indebtedness merely by virtue of its nature as unsecured Indebtedness.

ARTICLE 2

The Notes

SECTION 2.01. Issuable in Series

The Notes may be issued in one or more series. All Notes of any one series shall be substantially identical except as to denomination.

With respect to any Additional Notes issued after the Issue Date (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 2.07, 2.08, 2.09, 2.10 or 3.06 or Appendix A), there shall be (a) established in or pursuant to a resolution of the Board of Directors of the Company and (b)(i) set forth or determined in the manner provided in an Officer’s Certificate of the Company or (ii) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Notes:

(1) whether such Additional Notes shall be issued as part of a new or existing series of Notes and the title of such Additional Notes (which shall distinguish the Additional Notes of the series from Notes of any other series);

(2) the aggregate principal amount of such Additional Notes which may be authenticated and delivered under this Indenture (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes of the same series pursuant to Sections 2.07,

2.08, 2.09, 2.10 or 3.06 or Appendix A and except for Notes which, pursuant to Section 2.03, are deemed never to have been authenticated and delivered hereunder);

(3) the issue price and issuance date of such Additional Notes, including the date from which interest on such Additional Notes shall accrue; *provided, however,* that (to the extent such Additional Notes are to be part of the same series as other Notes) such Additional Notes will qualify to be treated as "part of the same issue" as the Original Notes pursuant to Treasury Regulations Section 1.1275-l(f) or 1.1275-2(k); and

(4) if applicable, that such Additional Notes shall be issuable in whole or in part in the form of one or more Global Notes and, in such case, the respective depositaries for such Global Notes, the form of any legend or legends which shall be borne by such Global Notes in addition to or in lieu of those set forth in Exhibit A hereto and any circumstances in addition to or in lieu of those set forth in Section 2.3 of Appendix A in which any such Global Note may be exchanged in whole or in part for Additional Notes registered, or any transfer of such Global Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Note or a nominee thereof.

If any of the terms of any Additional Notes are established by action taken pursuant to a resolution of the Board of Directors, a copy of an appropriate record of such action shall be certified by an Officer's Certificate and delivered to the Trustee at or prior to the delivery of the Officer's Certificate of the Issuer or the indenture supplemental hereto setting forth the terms of the Additional Notes.

Each of the Euro Notes and the Dollar Notes constitutes a separate series of Notes but will be treated as a single class of securities for all purposes under this Indenture, including for purposes of voting and taking all other actions by holders of the Notes, except as otherwise specified herein.

This Indenture is unlimited in aggregate principal amount. The Original Notes, the Exchange Notes and, if issued, any Additional Notes will be treated as a single class for all purposes under this Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to each series of Notes.

SECTION 2.02. Form and Dating

Provisions relating to the Notes are set forth in Appendix A, which is hereby incorporated in and expressly made a part of this Indenture. The (a) Original Notes and (b) any Additional Notes (if issued as Transfer Restricted Notes) shall each be substantially in the form of Exhibit A, which is hereby incorporated in and expressly made a part of this Indenture. Any Additional Notes issued other than as Transfer Restricted Notes (including any Exchange Notes) shall each be substantially in the form of Exhibit A (without the Restricted Notes Legend), which is hereby incorporated in and expressly made part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Issuer is subject, if any, or usage, *provided* that any such notation, legend or endorsement is in a form acceptable to the Issuer and the Trustee. Each Note shall be dated the date of its authentication. The Notes shall be issuable only in registered form without interest coupons and only in minimum denominations of €50,000 or $75,000, as applicable, and whole multiples of €1,000 or $1,000, as applicable, in excess thereof.

SECTION 2.03. Execution and Authentication

One Officer shall sign the Notes for each Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee or an authentication agent manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee or an authentication agent shall authenticate and make available for delivery Notes as set forth in Appendix A following receipt of an authentication order signed by an Officer of each Issuer directing the Trustee or an authentication agent to authenticate such Notes.

The Trustee may appoint an authentication agent reasonably acceptable to the Issuers to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Responsible Officer, a copy of which shall be furnished to the Issuers. Unless limited by the terms of such appointment, an authentication agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authentication agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.04. Registrar and Paying Agent

(a) The Issuers shall maintain one or more registrars with offices in Luxembourg where Notes may be presented for registration (the "*Registrar*"), and a transfer agent in each of (i) the City of London, (ii) Ireland (for so long as the Euro Notes are listed on the Irish Stock Exchange and its rules so require) and (iii) the Borough of Manhattan, City of New York where Notes may be presented for transfer or exchange (the "*Transfer Agent*") or for payment (the "*Paying Agent*"). The Registrar shall keep a register of the Notes of their transfer and exchange. The Issuer may have one or more co-registrars and one or more additional transfer and paying agents. The terms "*Paying Agent*" and "*Transfer Agent*" include any additional paying agent or transfer agent, as applicable, and the term "*Registrar*" includes any co-registrars. The Issuers initially appoint Deutsche Bank AG, London Branch, in the City of London, Deutsche Bank Trust Company Americas, in the Borough of Manhattan, City of New York and Deutsche International Corporate Services (Ireland) Limited, in Ireland, who each have accepted such appointment, as Paying Agent for the Euro Notes, Paying Agent for the Dollar Notes (the "*New York Paying Agent*") and Ireland Paying Agent (the "*Ireland Paying Agent*"), respectively. The Issuers initially appoint Deutsche Bank Luxembourg S.A. in Luxembourg, who accepts such appointment, as Registrar, Transfer Agent and Irish Listing Agent. In addition, the Issuers undertake to the extent possible, to use reasonable efforts to maintain a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income (the "*Directive*"). Deutsche Bank Trust Company Americas will act as New York Registrar, Transfer Agent and New York Paying Agent in connection with the Global Notes with respect to the

Dollar Notes settled through DTC. Deutsche Bank AG, London Branch will act as Transfer Agent and Paying Agent in connection with the Global Notes with respect to the Euro Notes settled through Euroclear or Clearstream.

(b) So long as the Notes are listed on the Irish Stock Exchange and its rules so require, a paying agent and transfer agent (the "*Ireland Transfer Agent*") will be maintained in Ireland at all times that payments are required to be made in respect of the Notes. The Issuers initially appoint Deutsche International Corporate Services (Ireland) Limited, who accepts such appointment, as Ireland Transfer Agent.

(c) The Issuers shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to or appointed under this Indenture. Such agreement shall implement the provisions of this Indenture that relate to such agent, which shall incorporate the terms of the TIA. Any Registrar or Paying Agent appointed hereunder shall be entitled to the benefits of this Indenture as though a party hereto. The Issuers shall notify the Trustee of the name and address of any such agent. If the Issuers fail to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. Either Issuer or any Subsidiary may act as Paying Agent or Registrar.

(d) The Issuers may change any Registrar, Paying Agent or Transfer Agent upon written notice to such Registrar, Paying Agent or Transfer Agent and to the Trustee, without prior notice to the Holders; *provided, however,* that no such removal shall become effective until (i) acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Issuers and such successor Registrar, Paying Agent, or Transfer Agent, as the case may be, and delivered to the Trustee or (ii) written notification to the Trustee that the Trustee shall, to the extent that it determines that it is able, serve as Registrar or Paying Agent or Transfer Agent until the appointment of a successor in accordance with clause (i) above; *provided, further,* that in no event may the Issuers appoint a Paying Agent in any member state of the European Union where the Paying Agent would be obliged to withhold or deduct tax in connection with any payment made by it in relation to the Notes unless the Paying Agent would be so obliged if it were located in all other member states. The Registrar, Paying Agent or Transfer Agent may resign by providing 30 day's written notice to the Issuer and the Trustee. In addition, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuers shall deliver notice of the change in the Registrar, Paying Agent or Transfer Agent to the Companies Announcement Office in Dublin.

SECTION 2.05. Paying Agent to Hold Money in Trust

No later than 10:00 a.m. London time in respect of payments to be made in London or 10:00 a.m. New York time in respect of payments to be made in New York on each due date of the principal of, interest and premium (if any) on any Note, the Issuers shall deposit with the Paying Agent (or if either Issuer or a Restricted Subsidiary of either Issuer is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal, interest and premium (if any) when so becoming due and subject to receipt of such monies, the Paying Agent shall make payment on the Notes in accordance with

this Indenture. The Issuers shall require each Paying Agent to agree in writing (and each Paying Agent party to this Indenture agrees) that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal of, interest and premium (if any) on the Notes but such Paying Agent may use such monies as banker in the ordinary course of business without accounting for profits (other than in the case of Article 8), and shall notify the Trustee of any default by the Issuers in making any such payment. If the Issuer or a Restricted Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by the Paying Agent. Upon complying with this Section, the Paying Agent shall have no further liability for the money delivered to the Trustee. For the avoidance of doubt, the Paying Agent and the Trustee shall be held harmless and have no liability with respect to payments or disbursements to be made by the Paying Agent and Trustee for which payment instructions are not made or that are not otherwise deposited by the respective times set forth in this Section 2.05.

SECTION 2.06. Holder Lists

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuers shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders.

SECTION 2.07. Transfer and Exchange

The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with Appendix A. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met. When Notes are presented to the Registrar with a written request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Issuers shall execute and the Trustee or an authentication agent shall authenticate Notes at the Registrar's request. The Issuers may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Issuers are not required to register the transfer or exchange of any Notes (i) for a period of 15 days prior to any date fixed for the redemption of any Notes, (ii) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part or (iii) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

Prior to the due presentation for registration of transfer of any Note, the Issuers, the Trustee, the Paying Agent, and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and (subject to Section 2 of the Notes) interest, if any, on such Note and for all other

purposes whatsoever, whether or not such Note is overdue, and none of either Issuer, the Trustee, the Paying Agent, or the Registrar shall be affected by notice to the contrary.

Any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interest in such Global Note may be effected only through a book-entry system maintained by (a) the Holder of such Global Note (or its agent) or (b) any Holder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Notes

If a mutilated Note is surrendered to the Registrar or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuers shall issue and the Trustee or an authentication agent shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Holder (a) notifies the Issuers or the Trustee within a reasonable time after such Holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Issuers or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "*protected purchaser*") and (c) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Issuers, such Holder shall furnish an indemnity bond sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Trustee, the Paying Agent and the Registrar from any loss that any of them may suffer if a Note is replaced. The Issuers and the Trustee may charge the Holder for their expenses in replacing a Note including reasonable fees and expenses of counsel. In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Issuers in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Issuers.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

SECTION 2.09. Outstanding Notes

Notes outstanding at any time are all Notes authenticated by the Trustee or an authentication agent except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. Subject to Section 13.06, a Note does not cease to be outstanding because the Issuers or an Affiliate of either Issuer holds the Note.

If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee and the Issuers receive proof satisfactory to them that the replaced Note is held by a protected purchaser.

If the Paying Agent receives (or if either Issuer or a Restricted Subsidiary of either Issuer is acting as Paying Agent and such Paying Agent segregates and holds in trust) in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest and premium, if any, payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and the Paying Agent is not prohibited from paying such amount to the Holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Notes

In the event that Definitive Notes are to be issued under the terms of this Indenture, until such Definitive Notes are ready for delivery, the Issuers may prepare and the Trustee or an authentication agent shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuers consider appropriate for temporary Notes. Without unreasonable delay, the Issuers shall prepare and the Trustee or an authentication agent shall authenticate Definitive Notes and deliver them in exchange for temporary Notes upon surrender of such temporary Notes at the office or agency of the Issuers, without charge to the Holder.

SECTION 2.1l. Cancellation.

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures or deliver canceled Notes to the Issuers pursuant to written direction by an Officer of either Issuer. Certification of the destruction of all canceled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. Neither the Trustee nor an authentication agent shall authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.12. Common Codes, CUSIP and ISIN Numbers

The Issuers in issuing the Notes may use Common Codes, CUSIP and ISIN numbers (if then generally in use) and, if so, the Trustee shall use Common Codes, CUSIP and ISIN numbers in notices of redemption as a convenience to Holders; *provided, however,* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee and the Paying Agent of any change in the Common Code, CUSIP or ISIN numbers.

SECTION 2.13. Currency

In the case of (1) the Euro Notes, the euro and (2) the Dollar Notes, the U.S. dollar, is the sole currency of account and payment for all sums payable by the Issuers under or in connection with the Euro Notes and the Dollar Notes, as the case may be, including damages. Any amount received or recovered in a currency other than euro (in the case of the Euro Notes) or the U.S. dollar (in the case the Dollar Notes), whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise by any Holder of a Euro Note or a U.S. Dollar Note, as the case may be, or by the Trustee, in respect of any sum expressed to be due to it from the Issuers will only constitute a discharge to the Issuers to the extent of the euro amount or the U.S. dollar amount, as the case may be, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the relevant Trustee under any Euro Note, or if that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient or the Trustee under any U.S. Dollar Note, the Issuers will indemnify them against any loss sustained by such recipient as a result. In any event, the Issuers will indemnify the recipient against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner satisfactory to the Issuers (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuers' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

If the Company adopts the U.S. dollar as its reporting currency, it may elect irrevocably to convert all euro denominated restrictions into dollar denominated restrictions at the applicable spot rate of exchange prevailing on the date of such election, and all references in this Indenture to determining Euro Equivalents and euro amounts shall apply *mutatis mutandis* as though referring to U.S. dollars.

ARTICLE 3

Redemption

SECTION 3.01. Notices to Trustee

If the Issuers elect to redeem Notes pursuant to Sections 5 or 6 of the Notes, it shall notify the Trustee and the relevant Paying Agent in writing of the redemption date and the principal amount of Notes to be redeemed and the section of the Note pursuant to which the redemption will occur.

The Issuers shall give each written notice to the Trustee and the relevant Paying Agent provided for in this Article 3 at least 40 days, but not more than 60 days, before the redemption date unless the Trustee or the relevant Paying Agent (as the case may be) consents to a shorter period. In the case of a redemption pursuant to Section 5 of the Notes, such notice shall be accompanied by an Officer's Certificate from the Issuers to the effect that such redemption will comply with the conditions herein.

In the case of a redemption provided for by Section 6 of the Note, prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee and the relevant Paying Agent (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the circumstances referred to above exist. The Trustee will accept such Officer's Certificate and opinion as sufficient existence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

SECTION 3.02. Selection of Notes To Be Redeemed or Repurchased

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, and/or in compliance with the requirements of Euroclear, Clearstream or DTC, as applicable, or if that series of Notes is not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear, Clearstream or DTC, as applicable, or Euroclear, Clearstream or DTC, as applicable, prescribes no method of selection, on a pro rata basis; *provided, however,* that no Note of €50,000 (in the case of Euro Notes) or $75,000 (in the case of Dollar Notes) in aggregate principal amount or less shall be redeemed in part. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Issuers promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.03. Notice of Redemption.

(a) At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 and as provided below to each Holder of Notes to be redeemed at such Holder's registered address; *provided*, however, that any notice of a redemption provided for by Section 6 of the Notes shall not be given earlier than 90 days prior to the earliest date on which the Payor would be obligated to make a payment of Additional Amounts unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. In addition, for so long as the Notes are listed on

the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer shall give notice of redemption to the Companies Announcement Office in Dublin.

The notice shall identify the Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price, and, if applicable, the appropriate calculation of such redemption price and the amount of accrued interest to the redemption date;

(3) the name and address of the Paying Agent;

(4) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed;

(6) that, unless the Issuers default in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(7) the Common Codes, CUSIP or ISIN number, as applicable, if any, printed on the Notes being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the Common Codes, CUSIP or ISIN number, as applicable, if any, listed in such notice or printed on the Notes.

(b) At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at the Issuers' expense. In such event, the Issuers shall provide the Trustee and the Paying Agent with the information required and within the time periods specified by this Section.

SECTION 3.04. Effect of Notice of Redemption

Once notice of redemption is delivered, Notes called for redemption cease to accrue interest, become due and payable on the redemption date and at the redemption price stated in the notice, *provided, however,* that any redemption notice given in respect of the redemption referred to in Section 5 of the Notes may, at the Issuers' discretion, be subject to the satisfaction of one or more conditions precedent to the extent permitted under such Section 5. Upon surrender to the Paying Agent, the Notes shall be paid at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date; *provided, however,* that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the Holder of the redeemed Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption Price

No later than 10:00 a.m. London time in respect of payments to be made in London or 10:00 a.m. New York time in respect of payments to be made in New York on the redemption date, the Issuer shall deposit with the relevant Paying Agent (or, if either Issuer or a Restricted Subsidiary of either Issuer is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Notes or portions thereof to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Issuers to the Trustee for cancellation. On and after the redemption date, interest shall cease to accrue on Notes or portions thereof called for redemption so long as the Issuers have deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest, if any, on, the Notes to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture. For the avoidance of doubt, the Paying Agent and the Trustee shall be held harmless and have no liability with respect to payments or disbursements to be made by the Paying Agent and Trustee for which payment instructions are not made or that are not otherwise deposited by the respective times set forth in this Section 3.05.

SECTION 3.06. Notes Redeemed in Part

Subject to the terms hereof, upon surrender of a Note that is redeemed in part, the Issuers shall execute and the Trustee or an authentication agent shall authenticate for the Holder (at the Issuers' expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.07. Publication

Where any notice is required to be published pursuant to this Indenture, the Issuers must provide the form of such notice to the Trustee and the Paying Agents at least 8 Business Days prior to the final date for publication unless the Trustee agrees to a shorter period.

ARTICLE 4

Covenants

SECTION 4.01. Payment of Notes

The Issuers shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. Principal and interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

SECTION 4.02. Withholding Taxes

(a) all payments made by either Issuer, a Successor Company or Guarantor (a "*Payor*") on the Notes or the Note Guarantees will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) The Netherlands or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuers, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is organized or otherwise considered to be a resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "*Relevant Taxing Jurisdiction*"),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, interest or Additional Interest, if any, the Payor will pay (together with such payments) such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such tax, assessment or other governmental charge;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, interest, if any, or Additional Interest, if any, on the Notes;

(4) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(5) any Taxes that are required to be deducted or withheld on a payment to an individual and that are required to be made pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such directive;

(6) except in the case of the liquidation, dissolution or winding-up of the Payor, any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another paying agent in a member state of the European Union; or

(7) any combination of the above.

Such Additional Amounts will also not be payable (x) if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where presentation is permitted or required for payment) within 15 days after the relevant payment was first made available for payment to the Holder or (y) where, had the beneficial owner of the Note been the Holder, such beneficial owner would not have been entitled to payment of Additional Amounts by reason of any of clauses (1) to (7) inclusive above.

(a) The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Irish Paying Agent if the Notes are then listed on the Irish Stock Exchange. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per €1,000 principal amount of the Euro Notes or per $1,000 principal amount of the Dollar Notes, as the case may be.

(b) If any Payor will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other

information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date).

(c) Wherever in this Indenture or the Note Guarantees there are mentioned, in any context:

(1) the payment of principal,

(2) purchase prices in connection with a purchase of Notes,

(3) interest or Additional Interest, if any, or

(4) any other amount payable on or with respect to any of the Notes,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuers will pay any present or future stamp, court or documentary taxes, or any other excise, property or similar taxes, charges or levies that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, this Indenture or any other document or instrument in relation thereto (other than a transfer of the Notes) excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction, and the Issuers agree to indemnify the Holders for any such taxes paid by such Holders. The foregoing obligations of this paragraph will survive any termination, defeasance or discharge of this Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor to either Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

SECTION 4.03. Change of Control.

(a) If a Change of Control occurs, subject to this Section 4.03, each Holder will have the right to require the Issuers to repurchase all of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however,* that the Issuers shall not be obliged to repurchase Notes of any series as described under Section 4.03, in the event and to the extent that they have unconditionally exercised their right to redeem all of the Notes of such series as described under Section 5 of the Notes or all conditions to such redemption have been satisfied or waived.

(b) Unless the Issuers have unconditionally exercised their right to redeem all the Notes of a series as described under Section 5 of the Notes or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any

Change of Control, the Issuers will mail a notice (the "*Change of Control Offer*") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuers to purchase such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuers, consistent with this Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

(c) On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuers will, to the extent lawful:

(1) accept for payment all Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered; and

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the Notes or portions thereof being purchased by the Issuers in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the principal Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuers; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuers.

(d) If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new

Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount that is at least €50,000 or $75,000, as the case may be, and integral multiples of €1,000 in excess thereof or $1,000 in excess thereof, as the case may be.

(e) For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Company will give notice of the Change of Control Offer to the Companies Announcement Office in Dublin.

(f) This Section 4.03 will be applicable whether or not any other provisions of this Indenture are applicable.

(g) The Issuers will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(h) The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this Section 4.03. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Indenture, the Issuers will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of the conflict.

SECTION 4.04. [Reserved]

SECTION 4.05. Limitation on Indebtedness

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that the Company and any of the Guarantors may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.0.

(b) The limitations of Section 4.05(a) will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) €750 million, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) (i) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Guarantor and (ii) co-issuance by the Co-Issuer of any Indebtedness of the Company in each case so long as the Incurrence of such Indebtedness is permitted under the terms of this Indenture; or

(b) without limiting Section 4.07 Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of this Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however,* that:

(x) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(y) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes), (b) any Indebtedness (other than Indebtedness described in Sections 4.05(b)(l) and 4.05(b)(3)) outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in Sections 4.05(b)(4), 4.05(b)(5), 4.05(b)(7) or 4.05(b)(l1) or Incurred pursuant to Section 4.05(a), and (d) Management Advances;

(5) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition); *provided, however,* with respect to this Section 4.05(b)(5), that at the time of such acquisition or other transaction (x) the Company would

have been able to Incur €1.00 of additional Indebtedness pursuant to Section 4.05(a) after giving effect to the Incurrence of such Indebtedness pursuant to this Section 4.05(b)(5) or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);

(7) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of (A) €100.0 million and (B) 1% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); provided that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within five Business Days of Incurrence;

(B) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(C) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(D) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.05(b)(l1) and then outstanding, will not exceed €450 million;

(12) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this Section 4.05(b)(12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; *provided, howeve*r, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under Sections 4.06(c)(l), 4.06(c)(6) and 4.06(c)(10) to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under Section 4.06(a)(4)(z), 4.06(c)(l), 4.06(c)(6) or 4.06(c)(10) in reliance thereon;

(13) Indebtedness of Restricted Subsidiaries incurred as a result of (i) any governmental or regulatory restrictions, limitations or penalties in the nature of capital controls, exchange controls or similar restrictions affecting the incurrence or repayment of intercompany Indebtedness by any Restricted Subsidiary or (ii) any ordinary course country risk management policies of the Company restricting or limiting transfers or distributions from the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary, provided that the principal amount of such Indebtedness so incurred when aggregated with other Indebtedness previously incurred in reliance on this clause (13) and still outstanding shall not in the aggregate exceed €350.0 million; and

(14) the guarantee by the Company or a Restricted Subsidiary of Debt of any Person in which the Company or a Restricted Subsidiary has beneficial ownership of 15% or more of the Voting Stock in respect of performance, bid or surety bonds issued

by or on behalf of any such Person in the ordinary course of business in an aggregate amount, together with all other guarantees of the Company outstanding pursuant to this clause (14) on the date of such incurrence, not to exceed €15.0 million.

(c) [Reserved].

(d) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 4.05:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Sections 4.05(a) and 4.05(b), the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Senior Facilities Agreement shall be deemed initially Incurred on the Issue Date under Section 4.05(b)(1) and not Section 4.05(a) or Section 4.05(b)(4)(b), and may not be reclassified pursuant to Section 4.05(d)(1);

(3) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to Sections 4.05(b)(1), 4.05(b)(7), 4.05(b)(11), 4.05(b)(12) or 4.05(b)(13) and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this Section 4.05 permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

(e) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of

additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 4.05. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

(f) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 4.05, the Company shall be in Default of this Section 4.05).

(g) For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (3) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euros, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

(h) Notwithstanding any other provision of this Section 4.05, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this Section 4.05 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

SECTION 4.06. Limitation on Restricted Payments

(a) The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

(x) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, Warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

(y) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to Section 4.05(b)(3) or any Subordinated Shareholder Funding; or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) are referred to herein as a "*Restricted Payment*"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(x) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(y) the Company is not able to Incur an additional €1.00 of Indebtedness pursuant to Section 4.05(a) after giving effect, on a pro forma basis, to such Restricted Payment; or

(z) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted by Sections 4.06(c)(6),

4.06(c)(10), 4.06(c)(11) and 4.06(c)(12), but excluding all other Restricted Payments permitted by Section 4.06(c)) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property of assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on Section 4.06(c)(6) and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with Section 4.06(b)) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries (other than SSMC) as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this Section 4.06(a)(4)(z)(iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this Section 4.06(a)(4)(z); *provided, however,* that no amount will be included in Consolidated Net Income for purposes of Section 4.06(a)(4)(z)(i) to the extent that it is (at the Company's option) included under this Section 4.06(a)(4)(z)(iv); and

(v) the amount of the cash and fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company (other than SSMC); and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate (other than SSMC) to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of Section 4.06(a)(4)(z)(i) to the extent that it is (at the Company's option) included under this Section 4.06(a)(4)(z)(v);

provided further, however, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this Section 4.06(a)(4)(z).

(b) The fair market value of property or assets other than cash covered by Section 4.06(a) shall be the fair market value thereof as determined in good faith by the Board of Directors.

(c) The provisions of Section 4.06 will not prohibit any of the following (collectively, "*Permitted Payments*"*):*

(1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from Section 4.06(a)(4)(z)(ii);

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to Section 4.05;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 4.05, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under Section 4.09, but only if the Company shall have first complied with Section 4.09 and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a

purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "*change of control*"), but only (i) if the Company shall have first complied with Section 4.03 and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii)

at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (1) €40 million plus (2) €20 million multiplied by the number of calendar years that have commenced since the Issue Date plus (3) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this Section 4.06(c)(6)(3), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under Section 4.06(a)(4)(z)(ii);

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with Section 4.05;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(b) amounts constituting or to be used for purposes of making payments (i) in connection with, and of fees and expenses Incurred in connection with, the Transactions or (ii) to the extent specified in Sections 4.10(b)(2), 4.10(b)(3), 4.10(b)(5), 4.10(b)(7) and 4.10(b)(12);

(10) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.00;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed €200.0 million;

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however,* that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any

dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(13) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this Section 4.06(c)(13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Issue Date; *provided, however,* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this Section 4.06(c)(14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of the Company, from the issuance or sale of such Designated Preference Shares; and

(15) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries other than SSMC (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents or to the extent the assets owned by such Unrestricted Subsidiary were contributed in contemplation of such dividend or distribution).

(e) The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

(f) In addition to the foregoing, it will be a breach of this Section 4.06 if any of the Initial Investors receives directly or indirectly from SSMC payments that would, if made by the Company, constitute Restricted Payments of the types described in Sections 4.06(a)(l), 4.06(a)(2) and 4.06(a)(3), other than through distributions and dividends (x) to the Company and the making of such payments by the Company in a manner permitted by this Section 4.06 or (y) on a pro rata basis (proportionate to its ownership of SSMC) to another portfolio company of any Initial Investor, or, in the case of Philips, another operating subsidiary, engaged in an active business that owns Capital Stock of SSMC at such time.

SECTION 4.07. Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens or, in the case of assets constituting Collateral, Permitted Collateral Liens) upon any of its property or assets

(including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien secures any Indebtedness (such Lien, the "*Initial Lien*"), unless contemporaneously with the Incurrence of such Initial Lien effective provision is made to secure the Indebtedness due under this Indenture and the Notes equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured. Any such Lien thereby created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, (ii) any sale, exchange or transfer to any Person other than the Company or any Subsidiary of the Company of the property or assets secured by such Initial Lien or (iii) upon the defeasance or discharge of the Notes in accordance with Article 8.

SECTION 4.08. Limitation on Restrictions on Distributions from Restricted Subsidiaries

(a) The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;

(2) make any loans or advances to the Company or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of Section 4.08(a) will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Finance Documents) or (b) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets

(other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this Section 4.08(b)(2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in Section 4.08(b)(l), 4.08(b)(2) or 4.08(b)(3) (an "*Initial Agreement*") or contained in any amendment, supplement or other modification to an agreement referred to in Section 4.08(b)(l), 4.08(b)(2) or 4.08(b)(3); *provided, however,* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(4) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under this Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under this Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the

direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.05 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Senior Facilities Agreement, together with the security documents associated therewith, as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Company) and where, in the case of clause (ii), the Company determines at the time of issuance of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuers' ability to make principal or interest payments on the Notes; or

(12) any encumbrance or restriction existing by reason of any lien permitted under Section 4.07.

SECTION 4.09. Limitation on Sales of Assets and Subsidiary Stock

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than

Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

(A) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (i) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under the Senior Facilities Agreement (or any Refinancing Indebtedness in respect thereof) and any Secured Debt, within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided, however,* that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of the Senior Facilities Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (ii) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; *provided* that the Company shall

redeem, repay or repurchase Pari Passu Indebtedness pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this Section 4.09) an offer to the Holders of the Notes to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

(B) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided, however,* that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day;

provided that, pending the final application of any such Net Available Cash in accordance with Section 4.09(a)(3)(A) or 4.09(a)(3)(B), the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture.

(b) Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in Section 4.09(a) will be deemed to constitute "*Excess Proceeds*" under this Indenture. On the 366th day after an Asset Disposition, if the aggregate amount of Excess Proceeds under this Indenture exceeds €50 million, the Issuers will be required to make an offer *("Asset Disposition Offer*") to all holders of Notes and, to the extent the Issuers elect, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in this Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, and in case of the Euro Notes in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof or, in case of the Dollar Notes in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof.

(c) To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuers may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in this Indenture. If the aggregate principal amount of the Notes issued surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

(d) Any Net Available Cash payable in respect of the Notes pursuant to Section 4.09 will be apportioned between the Euro Notes and the Dollar Notes in proportion to the respective aggregate principal amounts of Euro Notes and Dollar Notes validly tendered and not withdrawn, based upon the Euro Equivalent of such principal amount of Dollar Notes determined as of a date selected by the Issuers that is within the Asset Disposition Offer Period. To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuers upon converting such portion into such currency.

(e) The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuers will purchase the

principal amount of Notes and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this Section 4.09 (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

(f) On or before the Asset Disposition Purchase Date, the Issuers will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of Euro Notes, in minimum denominations of €50,000 and in integral multiples of €1,000 in excess thereof or, in the case of the Dollar Notes, in minimum denominations of $75,000 and in integral multiples of $1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 4.09. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Company for purchase, and the Company will promptly issue a new Note (or amend the applicable Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €50,000 in the case of Euro Notes and $75,000 in the case of Dollar Notes. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company to the Holder thereof.

(g) For the purposes of Section 4.09(a)(2), the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 4.09 that is at that time outstanding, not to exceed the greater of €100.0 million and 1% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

(h) The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this Section 4.09, the Company will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under this Indenture by virtue of any conflict.

SECTION 4.10. Limitation on Affiliate Transactions

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "*Affiliate Transaction*") involving aggregate value in excess of €20 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €50 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in Section 4.10(a)(2) if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 4.10 if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

(b) The provisions of Section 4.10(a) will not apply to:

(1) any Restricted Payment permitted to be made pursuant to Section 4.06, any Permitted Payments (other than pursuant to Section 4.06(c)(9)(b)(ii)) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11) and (15) of the definition thereof);

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted

Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this Section 4.10 or to the extent not more disadvantageous to the Holders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity,

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of this Indenture;

(11) without duplication in respect of payments made pursuant to Section 4.10(b)(12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses customary for portfolio companies of the Initial Investors described in clause (1) of the definition thereof and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by a majority of the Board of Directors in good faith; and

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries.

SECTION 4.11. Reports

(a) For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's fiscal year beginning with the first fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, and in a level of detail that is comparable in all material respects to that included in the Offering Memorandum, the following information: (a) audited consolidated balance sheets of the Company or its predecessor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company or its predecessor for the three most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) within 60 days (or 90 days in the case of the quarter ending September 30, 2006) following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2006, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods (provided that information for prior year interim periods ending prior to the Issue Date may be based on management reports), together with condensed footnote disclosure; (b) unaudited *pro forma* income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

All financial statement and *pro forma* financial information shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in Sections 4.11(a)(1), 4.11(a)(2) and 4.11(a)(3) may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods. Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Company. In addition to the foregoing, following the effectiveness of a registration statement with respect to the Notes, the Company shall file all information required of it with the SEC within the time periods specified. The filing of an Annual Report on Form 20-F within the time period specified in (1) will satisfy such provision. The financial statements included in the quarterly report for the quarter ended September 30, 2006 shall be prepared on the same basis as the unaudited financial statements for the six months ended June 30, 2006 included in the Offering Memorandum, with such pro forma adjustments thereto as management believes appropriate in relation to the allocation of costs and expenses, and shall include a statement of cash flows prepared on a consistent basis with the income statement and balance sheet.

(b) At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by Sections 4.11(a)(1) and 4.11(a)(2) shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

(c) Substantially concurrently with the issuance to the Trustee of the reports specified in Sections 4.11(a)(1), 4.11(a)(2) and 4.11(a)(3), the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Company in good faith) or (b) to the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

(d) So long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The Issuers will comply with Section 314(a) of the TIA.

SECTION 4.12. Guarantees by Restricted Subsidiaries

(a) The following Subsidiaries will fully and unconditionally guarantee the Notes on the Issue Date in accordance with Article 10: NXP Semiconductors B.V., NXP Semiconductors Germany GmbH, NXP Semiconductors (Taiwan) Ltd., NXP Semiconductors Philippines Inc., NXP Semiconductors USA Inc., NXP Semiconductors Hong Kong Limited, NXP Semiconductors (Thailand) Co. Ltd., NXP Semiconductors UK Limited (subject to the Agreed Security Principles), and NXP Semiconductors (Singapore) Pte. Ltd.; *provided* that if any such Subsidiary is unable to provide such Note Guarantee on the Issue Date, the Company shall (subject to the Agreed Security Principles) cause such Subsidiary to provide a Note Guarantee as soon as practicable, and in any event not later than 90 days after the Issue Date (or 120 days if the lenders under the Senior Facilities Agreement agree to defer such date under the Senior Facilities Agreement). If the Company or any of its Restricted Subsidiaries acquires or creates a Wholly Owned Subsidiary (other than an Immaterial Subsidiary) after the Issue Date and the issuance of a Guarantee by such Guarantor is not precluded by the Agreed Security Principles, the new Restricted Subsidiary must within 30 days (or such longer period as the Trustee may agree) after becoming a Restricted Subsidiary, provide a Note Guarantee under this Indenture.

(b) A Restricted Subsidiary required to provide a Note Guarantee shall provide such Note Guarantee in accordance with the provisions of Section 10.07.

SECTION 4.13. Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes of any series have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "*Suspension Event*"), then, beginning on that day and continuing until the Reversion Date, the following provisions of this Indenture will not apply to such Notes: Sections 4.05, 4.06, 4.08, 4.09, 4.10 and 5.01(a)(3) and, in each case, any related default provision of this Indenture will cease to be effective and will not be applicable to the Company and its Restricted Subsidiaries. Such Sections and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such Sections will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and Section 4.06 will be interpreted as if it has been in effect since the date of this Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while Section 4.06 was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to Section 4.05(a) or 4.05(b) (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under Section 4.05(a) or 4.05(b), such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under Section 4.05(b)(4).

SECTION 4.14. [Reserved]

SECTION 4.15. [Reserved]

SECTION 4.16. Compliance Certificate

The Company shall deliver to the Trustee within 120 days after the end of each fiscal year, an Officer's Certificate in substantially the form of Exhibit C hereto stating that a review of the activities of the Company during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to the Officer signing such Officer's Certificate, that to the best of his or her knowledge, the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuers are taking or propose to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest or Additional Amounts, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or propose to take with respect thereto. Within 30 days after the occurrence of a Default, the Company shall deliver to the Trustee a written notice of any events of which it is aware would constitute certain Defaults their status and what action the Company is taking or proposes to take with respect thereto.

The Trustee shall not be deemed to have knowledge of any Default or Event of Default except any Default or Event of Default of which its Responsible Officer shall have received written notification in accordance with Section 13.03 or obtained actual knowledge.

SECTION 4.17. Further Instruments and Acts

Upon request of the Trustee, the Issuers shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.18. Listing

The Issuers will use their reasonable efforts to list, subject to notice of issuance, the Euro Notes on the Irish Stock Exchange and to have the Euro Notes admitted to trading on the Irish Stock Exchange as promptly as practicable after the date hereof. If the Euro Notes cease to be listed on the Irish Stock Exchange, the Issuers shall use their reasonable best efforts to promptly list such Euro Notes on a stock exchange to be agreed between the Issuers and Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

SECTION 4.19. Limitation on Business Activities of the Co-Issuer

The Co-Issuer may not hold any material assets, become liable for any material obligations or engage in any business activities; *provided* that it may be a co-obligor or guarantor with respect to the Notes or any other Indebtedness issued by the Company or a Guarantor, and

may engage in any activities directly related thereto or necessary in connection therewith. The Co-Issuer shall be a Wholly Owned Subsidiary of the Company at all times.

ARTICLE 5

Successor Company

SECTION 5.01. Merger and Consolidation of the Company

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "*Successor Company*") will be a Person organized and existing under the laws of any member state of the European Union on January 1, 2004, or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and this Indenture and (b) all obligations of the Company under the Registration Rights Agreement;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to Section 4.05(a) or (b) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor

Company (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of Sections 5.01(a)(2) and 5.01(a)(3).

(b) Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with Section 5.01(a), and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 4.05.

(c) For purposes of this Section 5.01, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

(d) The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under this Indenture or the Notes.

(e) Notwithstanding Sections 5.01(a)(2) and 5.01(a)(3) (which do not apply to transactions referred to in this Section 5.01(e)) and, other than with respect to Sections 5.01(c) and 5.01(a)(4), (a) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding Sections 5.01(a)(2) and 5.01(a)(3) (which do not apply to the transactions referred to in Section 5.01(e)), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

(f) The provisions of this Section 5.01 (other than the requirements of Section 5.01(a)(2)) shall not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

SECTION 5.02. Merger and Consolidation of the Co-Issuer

(a) The Co-Issuer may not consolidate with, merge with or into any person or permit any person to merge with or into the Co-Issuer unless:

(1) concurrently therewith, a Subsidiary of the Company that is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia (which may be the Co-Issuer or the continuing person as a result of such transaction) expressly assumes all of the obligations of the Co-Issuer under the Notes, this Indenture and the Registration Rights Agreement; or

(2) after giving effect to the transaction, at least one obligor on the Notes is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia.

(b) Upon the consummation of any transaction effected in accordance with Section 5.02(a), the resulting, surviving or transferee Co-Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Co-Issuer under this Indenture and the Notes with the same effect as if such successor Person had been named as the

Co-Issuer in this Indenture. Upon such substitution, the Co-Issuer will be released from its obligations under this Indenture and the Notes.

SECTION 5.03. Merger and Consolidation of a Guarantor

(a) No Guarantor may:

(1) consolidate with or merge with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into the Guarantor

unless

(A) the other Person is the Company or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction); or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee and the Registration Rights Agreement; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by this Indenture.

ARTICLE 6

Defaults and Remedies

SECTION 6.01. Events of Default

(a) An "*Event of Default*" occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes

with any of the Issuers, obligations under Article 4 or 5 (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2));

(4) failure to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with the Issuers other agreements contained in this Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(8) [Reserved]; and

(9) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of this Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with this Indenture.

(b) However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under this Indenture notify the Issuers of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7), as applicable, after receipt of such notice.

SECTION 6.02. Acceleration

(a) If an Event of Default (other than an Event of Default described in Section 6.01(a)(6) above) occurs and is continuing the Trustee by notice to the Issuers or the Holders of at least 30% in principal amount of the outstanding Notes under this Indenture by written notice to the Issuers and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes under this Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in Section 6.01(a)(5) has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to Section 6.01(a)(5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent

jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Interest, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(b) If an Event of Default described in Section 6.01(a)(6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

SECTION 6.03. Other Remedies

Subject to the duties of the Trustee as provided for in Article 7, if an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults

Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may, on behalf of the Holders of all the Notes, waive all past or existing Defaults or Events of Default except a continuing Default in the payment of the principal, premium or interest, and Additional Interest, if any, on the Notes and rescind any acceleration with respect to the Notes and its consequences or if rescission would not conflict with any judgment or decree of a court of competent jurisdiction. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority

The Holders of a majority in principal amount of the Notes then outstanding may direct in writing the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of other Holders or would involve the Trustee in personal liability; *provided, however,* that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification or other security reasonably satisfactory to it against all losses, liabilities and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits

(a) Except to enforce the right to receive payment of principal, premium (if any) or interest when due on the Notes, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 30% in principal amount of the Notes then outstanding make a request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the Notes then outstanding do not give the Trustee a direction that, in the opinion of the Trustee is, inconsistent with the request during such 60-day period.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07. Rights of Holders to Receive Payment

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Notes held by such Holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. Collection Suit by Trustee

If an Event of Default specified in Sections 6.01(a)(l) or 6.01(a)(2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Notes for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim

The Trustee may file such proofs of claim and other papers or documents and take such actions as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceedings relative to the Issuer, their creditors or their property and, unless prohibited by

law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities

If the Trustee collects any money or property pursuant to this Article 6, it shall pay out the money or property in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Issuers.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. At least 15 days before such record date, the Trustee shall mail to each Holder and the Issuers a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as the Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee or a Paying Agent, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in principal amount of the Notes then outstanding.

SECTION 6.12. Waiver of Stay or Extension Laws

The Issuers (to the extent they may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuers (to the extent that they may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

Trustee

SECTION 7.01. Duties of Trustee

(a) The duties and responsibilities of the Trustee are as provided by the TIA and as set forth herein. If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Sections 6.02 or 6.05;

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to Sections 7.01(a), 7.01(b) and 7.01(c) and the TIA.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder or to take or omit to take any action under this Indenture take any action at the request or direction of Holders including without limitation in relation to lender liability claims for restitution by creditors of any pledgor, if it has reasonable grounds for believing that repayment of such funds is not assured to it or it does not receive indemnity reasonably satisfactory to it in its discretion against any loss, liability or expense which might reasonably be incurred by it in compliance with such request or direction nor shall the Trustee be required to do anything which is illegal or contrary to applicable laws. The Trustee will not be liable to the Holders if prevented or delayed in performing any of its obligations or discretionary functions under this Indenture by reason of any present or future law applicable to it, by any governmental or regulatory authority or by any circumstances beyond its control.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers.

(g) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. Rights of Trustee.

Subject to TIA Sections 315(a) through (d):

(a) The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion, based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction or, to the extent applicable, the State of New York. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction, the State of New York or if, in its opinion based upon such legal advice, it would not have the power to do relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction, in the State of New York or if it is determined by any court or other competent authority in that jurisdiction, in the State of New York that it does not have such power.

(b) The Trustee may conclusively rely and shall be fully protected in relying on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(c) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(d) The Trustee may act through attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(e) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or negligence.

(f) The Trustee may retain professional advisers to assist it in performing its duties under this Indenture. The Trustee may consult with counsel, and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any Officer's Certificate, Opinion of Counsel, or any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuers.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee indemnity or other security reasonably satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred by it in compliance with such request, order or direction.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than the requisite majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken and shall be held harmless and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved.

(i) Except with respect to Section 4.01, the Trustee shall have no duty to inquire as to the performance of the Issuers with respect to the covenants contained in Article 4. Delivery of reports, information and documents to the Trustee under Section 4.11 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

(j) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes.

(k) If any Note Guarantor is substituted to make payments on behalf of the Issuers pursuant to Article 10, the Issuers shall promptly notify the Trustee of such substitution.

(l) The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified, are extended to, and shall be enforceable by the Trustee in its capacity hereunder and by each agent (including Deutsche Bank AG, London Branch, Deutsche Bank Trust Company Americas, Deutsche Bank Luxembourg S.A. and Deutsche International Corporate Services (Ireland) Limited)), custodian and other Person employed with due care to act as agent hereunder, including without limitation each Paying Agent and Transfer Agent. Each Paying Agent and Transfer Agent shall not be liable for acting in good faith on instructions believed by it to be genuine and from the proper party.

(m) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(n) [Reserved].

(o) The permissive right of the Trustee to take the actions permitted by this Indenture will not be construed as an obligation or duty to do so.

(p) Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but no limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action

(q) The Trustee may assume without inquiry in the absence of actual knowledge that the Issuers are each duly complying with their obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred.

SECTION 7.03. Individual Rights of Trustee

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee. For the avoidance of doubt, any Paying Agent, Transfer Agent or Registrar may do the same with like rights.

However, the Trustee is subject to TIA Sections 310(b) and 311. For purposes of TIA Section 31l(b)(4) and (6):

(a) "*cash transaction*" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and

(b) "*self-liquidating paper*" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 7.04. Trustee's Disclaimer

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, and it shall not be responsible for any statement of the Issuers in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication. The Trustee shall not be charged with knowledge of the identity of any Significant Subsidiary unless either (a) a Responsible Officer shall have actual knowledge thereof or (b) the Trustee shall have received notice thereof in accordance with Section 13.03 hereof from the Issuers or any Holder.

SECTION 7.05. Notice of Defaults

If a Default or Event of Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer or by any other person, the Trustee must give notice of the Default to the Holders within 60 days after the Trustee is informed of such occurrence. Except in the case of a Default in payment of principal of or interest or premium, if any, on any Note, the Trustee may withhold the notice if and so long as a committee of its trust officers of the Trustee in good faith determines that withholding the notice is in the interests of Holders. Notice to Holders under this Section will be given in the manner and to the extent provided in TIA Section 313(c).

SECTION 7.06. Reports by Trustee to Holders

Within 60 days after each May 15, beginning with May 15, 2007, the Trustee will mail to each Holder, as provided in TIA Section 313(c), a brief report dated as of such May 15, if required by TIA Section 313(a), and file such reports with each stock exchange upon which its Notes are listed and with the SEC as required by TIA Section 313(d).

SECTION 7.07. Compensation and Indemnity

The Issuers, or, upon the failure of the Issuers to pay, each Note Guarantor (if any), jointly and severally, shall pay to the Trustee from time to time such compensation as the Issuer and Trustee may from time to time agree for its acceptance of this Indenture and services hereunder and under the Notes. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

In the event of the occurrence of an Event of Default or the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuers agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee, the Issuers shall pay to the Trustee such additional remuneration as shall be agreed between them. In the event of the Trustee and the Issuers failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee, or upon such additional remuneration, such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuers or, failing such approval, nominated (on the application of the Trustee) by the President of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuers) and the determination of any such investment bank shall be final and binding upon the Trustee and the Issuer.

The Issuers and each Note Guarantor (if any), jointly and severally, shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it (as evidenced in an invoice from the Trustee), including costs of collection, in addition to the compensation for its services. Such expenses shall include the properly incurred compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuers and each Note Guarantor (if any), jointly and severally shall indemnify the Trustee and the Paying Agents and their respective officers, directors, agents and employers against any and all loss, liability, taxes or expenses (including reasonable attorneys' fees) incurred by or in connection with the acceptance or administration of its duties this Indenture and the Notes including the costs and expenses of enforcing this Indenture against the Issuers (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuer or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The Trustee shall notify the Issuer of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided, however,* that any failure so to notify the Issuer shall not relieve the Issuer or any Note Guarantor of its indemnity obligations hereunder. Except in cases where the interests of the Issuers and the Trustee may be adverse, the Issuers shall defend the claim and the indemnified party shall provide reasonable cooperation at the Issuers' and any Note Guarantor's expense in the defense. Notwithstanding the foregoing,

such indemnified party may, in its sole discretion, assume the defense of the claim against it and the Issuers and any Note Guarantor shall, jointly and severally, pay the reasonable fees and expenses of the indemnified party's defense (as evidenced in an invoice from the Trustee). Such indemnified parties may have separate counsel of their choosing and the Issuers and any Note Guarantor, jointly and severally, shall pay the reasonable fees and expenses of such counsel (as evidenced in an invoice from the Trustee); *provided, however,* that the Issuers shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuers and any Note Guarantor, as applicable, and such parties in connection with such defense. The Issuers need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld. The Issuers need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

To secure the Issuers' and any Note Guarantor's payment obligations in this Section 7.07, the Trustee and the Paying Agents have a lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes.

The Issuers' and any Note Guarantor's payment obligations pursuant to this Section and any lien arising thereunder shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any Bankruptcy Law or the resignation or removal of the Trustee and the Paying Agents. Without prejudice to any other rights available to the Trustee and the Paying Agents under applicable law, when the Trustee and the Paying Agents incur expenses after the occurrence of a Default specified in Section 6.01(a)(6) with respect to the Issuers, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee in this Section 7.07, including its right to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder including, without limitation, as Registrar, Transfer Agent and Paying Agent, and by each agent (including Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche International Corporate Services (Ireland) Limited)), custodian and other Person employed with due care to act as agent hereunder.

SECTION 7.08. Replacement of Trustee

(a) The Trustee may resign at any time by so notifying the Issuers. If the Trustee is no longer eligible under Section 7.10 or in the circumstances described in TIA Section 310(b), any Holder that satisfies the requirements of TIA Section 310(b) may petition any court of competent jurisdiction for the removal of the Trustee in writing and the appointment of a successor Trustee. The Holders of a majority in principal amount of the Notes then outstanding may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Issuers shall be entitled to remove the Trustee or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee, if:

(i) the Trustee has or acquires a conflict of interest that is not eliminated;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or;

(iv) the Trustee otherwise becomes incapable of acting as Trustee hereunder.

(b) If the Trustee resigns, is removed pursuant to Section 7.08(a) or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuers shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided*, that all sums owing to the Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of 10% in principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in Section 310(b) of the TIA, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuers' obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

(g) For the avoidance of doubt, the rights, privileges, protections, immunities and benefits given to the Trustee in this Section 7.08, including its right to be indemnified, are extended to, and shall be enforceable by each Paying Agent, Transfer Agent and Registrar employed to act hereunder.

(h) The Trustee agrees to give the notices provided for in, and otherwise comply with, TIA Section 310(b).

SECTION 7.09. Successor Trustee by Merger

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility

The Indenture must always have a Trustee that satisfies the requirements of TIA Section 310(a) and has a combined capital and surplus of at least $25,000,000 as set forth in its most recent published annual report of condition.

SECTION 7.11. Certain Provisions

Each Holder by accepting a Note authorizes and directs on his or her behalf the Trustee to enter into and to take such actions and to make such acknowledgements as are set forth in this Indenture or other documents entered into in connection therewith.

SECTION 7.12. Preferential Collection of Claims Against Issuer

The Trustee shall comply with Section 311(a) of the TIA, excluding any creditor relationship listed in Section 31l(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent indicated.

ARTICLE 8

Discharge of Indenture; Defeasance

SECTION 8.01. Discharge of Liability on Notes; Defeasance

(a) Any Note Guarantees and this Indenture will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuers) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i)

have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers; (2) the Issuers have deposited or caused to be deposited with the Trustee money, European Government Obligations (in the case of the Euro Notes), U.S. Government Obligations (in the case of the Dollar Notes), or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer

has paid or caused to be paid all other sums payable under this Indenture; and (4) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under this Section 8.01 have been complied with, provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

(b) Subject to Sections 8.01(c) and 8.02, either Issuer at any time may terminate (i) all of its obligations and all obligations of each Note Guarantor (if any) under the Notes, any Note Guarantees and this Indenture ("*legal defeasance option*") or (ii) its obligations under Article 4 (other than Section 4.01) and under Article 5 (other than Sections 5.01(a)(l) and 5.01(a)(2)), and thereafter any omission to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes, and the operation of Sections 6.01(a)(3) (other than with respect to Sections 5.01(a)(l) and 5.01(a)(2)), 6.01(a)(4), 6.01(a)(5), 6.6l(a)(6) (with respect to the Issuers and Significant Subsidiaries), 6.01(a)(7) and 6.01(a)(9) ("*covenant defeasance option*"). The Issuers at their option at any time may exercise their legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Issuers terminate all of their obligations under the Notes and this Indenture by exercising its legal defeasance option, the obligations under any Note Guarantees shall each be terminated simultaneously with the termination of such obligations.

If the Issuers exercise their legal defeasance option or its covenant defeasance option, the Collateral will be released and each Note Guarantor (if any) will be released from all its obligations under its Note Guarantee.

Upon satisfaction of the conditions set forth herein and upon request of the Issuers, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding Sections 8.01(a) and 8.01(b) above, the Issuers' and any Note Guarantors' obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, 7.01, 7.02, 7.03, 7.07, 7.08 and this Article 8, as applicable, shall survive until the Notes have been paid in full. Thereafter, the Issuers' and any Note Guarantors' obligations in Sections 7.07, 8.05 and 8.06, as applicable, shall survive.

SECTION 8.02. Conditions to Defeasance

(a) The Issuers may exercise its legal defeasance option or its covenant defeasance option only if:

(1) an Issuer has irrevocably deposited in trust (the "*defeasance trust*") with the Trustee cash in euros or euro-denominated European Government Obligations or a combination thereof (in the case of the Euro Notes) or in dollars or U.S. Government Obligations or a combination thereof (in case of the Dollar Notes) for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(A) an Opinion of Counsel in the United States to the effect that holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(B) an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions, following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, liquidation, reorganization, administration, moratorium, receivership or similar laws affecting creditors' rights generally under any applicable U.S. federal or state law and that the Trustee has a perfected security interest in such trust funds for the ratable benefit of the Holders;

(C) an Officer's Certificate stating that the deposit was not made by the Issuers with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuers or any Note Guarantors;

(D) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(E) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(F) the Issuers deliver to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

(2) Before or after a deposit, the Issuers may make arrangements satisfactory to the Trustee for the redemption of Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money

The Trustee shall hold in trust money or Government Obligations deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from the Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

SECTION 8.04. Repayment to Issuers

The Trustee and the Paying Agent shall promptly turn over to the Issuers upon request any money or Government Obligations held by it as provided in this Article which, in the written opinion of an internationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if Government Obligations have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuers upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, Holders entitled to the money must look to the Issuers for payment as general creditors, and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

SECTION 8.05. Indemnity for Government Obligations

The Issuers and any Note Guarantor, jointly and severally, shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited Government Obligations or the principal and interest received on such Government Obligations.

SECTION 8.06. Reinstatement

If the Trustee or Paying Agent is unable to apply any money or Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the Issuers' obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or Paying Agent is permitted to apply all such money or Government Obligations in accordance with this Article 8; *provided*, *however*, that if the Issuers have made any payment of principal of or interest on any Notes because of the reinstatement of its obligations, the Issuers shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Obligations held by the Trustee or Paving Agent.

ARTICLE 9

Amendments

SECTION 9.01. Without Consent of Holders

The Issuers, the Trustee and the other parties thereto may amend or supplement any Note Documents without notice to or consent of any Holder to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision to the "Description of Notes" in the Offering Memorandum, or reduce the minimum denomination of any Note;

(2) provide for the assumption by a successor Person of the obligations of the Issuers under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuers or any Restricted Subsidiary;

(5) make any change that does not adversely affect the rights of any Holder in any material respect;

(6) at the Issuers' election, comply with any requirement of the SEC in connection with the qualification of this Indenture under the TIA, if such qualification is required;

(7) make such provisions as necessary (as determined in good faith by the Issuers) for the issuance of Additional Notes;

(8) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with Section 4.05, to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee with respect to the Notes when such release, termination, discharge or retaking is provided for under this Indenture; or

(9) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document.

SECTION 9.02. With Consent of Holders

(a) The Issuers, the Trustee and the other parties thereto, as applicable, may amend, supplement or otherwise modify the Note Documents with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes); *provided*, that if any amendment, waiver or other modification will only affect

one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required. However, without the consent of Holders holding not less than 100% (or, in the case of clauses (7) and (10), 90%) of the then outstanding principal amount of the Notes), an

amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described in Section 5 of the Notes;

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder to receive payment of principal of and interest, including Additional Interest, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change to Section 4.02 that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) [Reserved];

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(10) make any change in this Section 9.02(a) which require the Holders' consent described in this sentence.

(b) The Issuer will, for so long as the Notes are listed on the Irish Stock Exchange, to the extent required by the rules of the Irish Stock Exchange, (i) inform the Irish Stock Exchange of any of the foregoing amendments, supplements and waivers and (ii) deliver notice of any amendment, supplement and waiver in Ireland to the Companies Announcement Office in Dublin.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment of the Note Documents, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment or waiver under this Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

After an amendment under this Section 9.02 becomes effective, in case of Holders of Definitive Notes, the Issuers shall mail to the Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

The Notes issued on the Issue Date, and any Additional Notes part of the same series, will be treated as a single class for all purposes under this Indenture, including with respect to waivers and amendments, except as the relevant amendment, waiver, consent, modification or similar action affects the rights of the Holders of the different series of Notes dissimilarly. For the purposes of calculating the aggregate principal amount of Notes that have consented to or voted in favor of any amendment, waiver, consent, modifications or other similar action, the Issuers (acting reasonably and in good faith) shall be entitled to select a record date as of which the Euro Equivalent of the principal amount of any Notes shall be calculated in such consent or voting process.

SECTION 9.03. Revocation and Effect of Consents and Waivers

(a) A written consent to an amendment or a waiver by a Holder shall bind the Holder and every subsequent Holder of that Note or portion of the Notes that evidences the same debt as the consenting Holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such Holder or subsequent Holder may revoke the written consent or waiver as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officer's Certificate from the Issuer certifying that the requisite number of consents have been received. After an amendment or waiver becomes effective, it shall bind every Holder. An amendment or waiver becomes effective upon the (i) receipt by the Issuers or the Trustee of the requisite number of consents, (ii) satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii) execution of such amendment or waiver (or supplemental indenture) by the Issuers and the Trustee.

(b) The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their written consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding Section 9.03(a), those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.04. Notation on or Exchange of Notes

If an amendment changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuers or the Trustee so determine, the Issuers

in exchange for the Note shall issue and the Trustee or an authentication agent shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment.

SECTION 9.05. Trustee to Sign Amendments

(a) The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment does not impose any personal obligations on the Trustee or adversely affect the rights, duties, liabilities or immunities of the Trustee under this Indenture. If it does, the Trustee may, but need not sign it. In signing such amendment the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment complies with this Indenture and that such amendment has been duly authorized, executed and delivered and is the legal, valid and binding obligation of the Issuers and the Note Guarantors (if any) enforceable against them in accordance with its terms, subject to customary exceptions.

(b) Every amendment or supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA.

SECTION 9.06. Payment for Consent

Neither the Issuers nor any Affiliate of either Issuer shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Note Documents (or the appointment of any Proxy in relation to any of the foregoing) unless such consideration is offered (subject to limitations of applicable law) to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement or proxies in relation thereto.

ARTICLE 10

Note Guarantees

SECTION 10.01. Note Guarantees.

(a) Subject to the limitations set forth in Schedule 10.1, each Restricted Subsidiary that is required to become a Note Guarantor pursuant to Section 4.12 hereof hereby irrevocably Guarantees (collectively, the "*Note Guarantees*"), as primary obligor and not merely as surety, on a senior basis to each Holder and to the Trustee and its successors and assigns (i) the full and punctual payment when due, whether at Stated Maturity, by

acceleration or otherwise, of all payment obligations of the Issuers under this Indenture and the Notes, whether for payment of principal of, premium, or interest and all other monetary obligations of the Issuers under this Indenture or in respect of the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuers whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "*Guaranteed Obligations*"). Any such Note Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Note Guarantor, and that such Note Guarantor shall remain bound under this Article 10 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Note Guarantor waives presentation to, demand of payment from and protest to the Issuers of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Note Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Note Guarantor hereunder shall not be affected by (i) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuers or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of any thereof; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any Notes held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (v) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of such Note Guarantor, except as provided in Section 10.02(b).

(c) Each Note Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Note Guarantors, such that such Note Guarantor's obligations would be less than the full amount claimed. Each Note Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuers first be used and depleted as payment of the Issuers' or such Note Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Note Guarantor hereunder. Each Note Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Note Guarantor.

(d) Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any Note held for payment of the Guaranteed Obligations.

(e) If any Note Guarantor makes payments under its Note Guarantee, each Note Guarantor must contribute its share of such payments. Each Note Guarantor's share of such payment will be computed based on the proportion that the net worth of the relevant Note Guarantor represents relative to the aggregate net worth of all the Note Guarantors combined.

(f) [Reserved].

(g) Each Note Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of the Guaranteed Obligations. Except as expressly set forth in Sections 4.12, 4.13, 8.01(b), 10.02, Schedule 10.1 and the terms of any Note Guarantee Supplement, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination

whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Note Guarantor or would otherwise operate as a discharge of such Note Guarantor as a matter of law or equity.

(h) Each Note Guarantor agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuers or otherwise unless such Note Guarantee has been released in accordance with this Indenture.

(i) Subject to the limitations set forth in Schedule 10.1, in furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Note Guarantor by virtue hereof, upon the failure of the Issuers to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Note Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of the Notes, (ii) accrued and unpaid interest on the Notes and (iii) all other monetary obligations of the Issuers to the Holders and the Trustee, including any other unpaid principal amount of such Guaranteed Obligations, accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and any Additional Amounts.

(j) Each Note Guarantor agrees that it shall not be entitled to exercise any right of subrogation in relation to the Holders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations. Each Note Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such

Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Note Guarantor for the purposes of this Section 10.01.

(k) Each Note Guarantor also agrees to pay any and all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section.

(l) Upon request of the Trustee, each Note Guarantor shall execute and deliver such further instruments and do such further acts as the Trustee may reasonably require to carry out more effectively the purpose of this Indenture.

SECTION 10.02. Limitation on Liability

(a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Note Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Note Guarantor without rendering the Note Guarantee, as it relates to such Note Guarantor, voidable under applicable law relating to fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally.

(b) A Note Guarantee as to any Note Guarantor shall terminate and be of no further force or effect and such Note Guarantor shall be deemed to be released from all obligations under this Article 10 upon:

(1) a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary) otherwise permitted by this Indenture,

(2) the designation in accordance with this Indenture of the Guarantor as an Unrestricted Subsidiary,

(3) defeasance or discharge of the Notes, as provided in Article 8,

(4) to the extent that such Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (1) of the definition of "Immaterial Subsidiary," upon the release of the guarantee referred to in such clause, or

(5) upon the achievement of Investment Grade Status by the relevant series of Notes so long as each of Moody's and S&P (or another Nationally Recognized Statistical Ratings Organization which has provided a rating used to achieve Investment Grade Status) has been notified in advance that such Investment Grade Status will result in the termination of such Note Guarantee; *provided* that such Note Guarantee shall, subject to the Agreed Security Principles, be reinstated upon the Reversion Date.

In all cases, the Issuers and such Note Guarantors that are to be released from their Note Guarantees shall deliver to the Trustee an Officer's Certificate and an Opinion of Counsel certifying compliance with this Section 10.02(b). At the request of the Issuers, the

Trustee shall execute and deliver an appropriate instrument evidencing such release (in the form provided by the Issuers).

SECTION 10.03. Successors and Assigns

This Article 10 shall be binding upon each Note Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 10.04. No Waiver

Neither a failure nor a delay on the part of, the Trustee or the Holders in exercising any right, power or privilege under this Article 10 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 10 at law, in equity, by statute or otherwise.

SECTION 10.05. Modification

No modification, amendment or waiver of any provision of this Article 10; nor the consent to any departure by any Note Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Note Guarantor in any case shall entitle such Note Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 10.06. [Reserved.]

SECTION 10.07. Execution of Note Guarantee Supplement for Note Guarantors

Each Subsidiary which is required to become a Note Guarantor pursuant to this Indenture shall promptly execute and deliver to the Trustee a note guarantee supplement in the form of Exhibit D hereto pursuant to which such Subsidiary shall become a Note Guarantor under this Article 10 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such note guarantee supplement, the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such note guarantee supplement complies with this Indenture and has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Note Guarantor is a legal, valid and binding obligation of such Note Guarantor, enforceable against such Note Guarantor in accordance with its terms and to such other matters as the Trustee may reasonably request.

SECTION 10.08. Non-Impairment

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

ARTICLE 11

[Reserved].

ARTICLE 12

[Reserved].

ARTICLE 13

Miscellaneous

SECTION 13.01. Trust Indenture Act of 1939

The Indenture shall incorporate and be governed by the provisions of the TIA that are required to be part of and to govern indentures qualified under the TIA.

SECTION 13.02. Noteholder Communications; Noteholder Actions

(a) The rights of Holders to communicate with other Holders with respect to the Indenture or the Notes are as provided by the TIA, and the Company and the Trustee shall comply with the requirements of TIA Sections 312(a) and 312(b). Neither the Company nor the Trustee will be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the TIA.

(b) (1) Any request, demand, authorization, direction, notice, consent to amendment, supplement or waiver or other action provided by this Indenture to be given or taken by a Holder (an "*act*") may be evidenced by an instrument signed by the Holder delivered to the Trustee. The fact and date of the execution of the instrument, or the authority of the person executing it, may he proved in any manner that the Trustee deems sufficient.

(2) The Trustee may make reasonable rules for action by or at a meeting of Holders, which will be binding on all the Holders.

(c) Any act by the Holder of any Note binds that Holder and every subsequent Holder of a Note that evidences the same debt as the Note of the acting Holder, even if no notation thereof appears on the Note. Subject to paragraph (d), a Holder may

revoke an act as to its Notes, but only if the Trustee receives the notice of revocation before the date the amendment or waiver or other consequence of the act becomes effective.

(d) The Company may, but is not obligated to, fix a record date (which need not be within the time limits otherwise prescribed by TIA Section 316(c)) for the purpose of determining the Holders entitled to act with respect to any amendment or waiver or in any other regard, except that during the continuance of an Event of Default, only the Trustee may set a record date as to notices of default, any declaration or acceleration or any other remedies or other consequences of the Event of Default. If a record date is fixed, those Persons that were Holders at such record date and only those Persons will be entitled to act, or to revoke any previous act, whether or not those Persons continue to be Holders after the record date. No act will be valid or effective for more than 90 days after the record date.

SECTION 13.03. Notices

Any notice or communication shall be in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Issuers:

NXP B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Attention of: Guido Dierick
Fax: (31) 40 272-4005

with a copy to:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Attention of: Erik Thyssen
Fax: (31) 20 5407500

if to the Trustee, New York Paying Agent, New York Registrar or Transfer Agent:

Deutsche Bank Trust Company Americas
60 Wall Street
27th Floor
New York, New York 10005
United States

Attention of:
Trust and Securities Services

with a copy to:

Deutsche Bank National Trust Company for Deutsche Bank Trust Company Americas
25 DeForest Avenue
2nd Floor
Summit, New Jersey 07901
United States

Attention of:
Trust and Securities Services
Fax: +1-732-578-4635

if to the Euro Paying Agent:

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention of:
Trust and Securities Services
Fax: +44 20 7547 6149

if to the Registrar Transfer Agent and Irish Listing Agent:

Deutsche Bank Luxembourg SA
2 Boulevard Konrad Adenauer
L-115, Luxembourg

Attention of:
The Coupon Paying Department
Fax: +352 473136

if to the Ireland Paying Agent:

Deutsche International Corporate Services (Ireland) Limited
5 Harbourmaster Place
IFSC
Dublin 1
Ireland

Attention of:
Corporate Services Department
Fax: +353 1680 6050

Each of the Issuers or the Trustee by notice to the others may designate additional or different addresses for subsequent notices or communications.

Any notice or communication sent to a Holder of Definitive Notes shall be in writing and shall be made by first-class mail, postage prepaid, or by hand delivery to the Holder at the Holder's address as it appears on the registration books of the Registrar, with a copy to the Trustee.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuers shall deliver notices in Ireland to the Companies Announcement Office in Dublin.

If and so long as any Notes are represented by one or more Global Notes and ownership of book-entry interests therein are shown on the records of DTC, Euroclear or Clearstream or any successor securities clearing agency appointed by the Depositary at the request of the Issuers, notices will be delivered to such securities clearing agency for communication to the owners of such book-entry interests, delivery of which shall be deemed to satisfy the notice requirements of this Section 13.03.

Notices given by first-class mail, postage prepaid, will be deemed given seven calendar days after mailing. Notices given by publication will be deemed given on the first date on which any of the required publications is made, or if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh calendar day after being so mailed. Failure to mail or send a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed or sent in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent

Upon any request or application by the Issuers to the Trustee to take or refrain from taking any action under this Indenture, the Issuers shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and any other matters that the Trustee may reasonably request; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with and any other matters that the Trustee may reasonably request.

SECTION 13.05. Statements Required in Certificate or Opinion

Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 4.16) shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such covenant or condition has been complied with.

SECTION 13.06. When Notes Disregarded

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuers, any Note Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuers or any Note Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Trustee, Paying Agent and Registrar

The Trustee may make reasonable rules for action by or a meeting of Holders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays

If a payment date is a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. If a regular record date is not a Business Day, the record date shall not be affected.

SECTION 13.09. Governing Law

This Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 13.10. Consent to Jurisdiction and Service

The Issuers and each Note Guarantor (if any) irrevocably (i) agree that any legal suit, action or proceeding against the Issuer or any Note Guarantor arising out of or based upon this Indenture, the Notes or any Note Guarantee or the transactions contemplated hereby may be instituted in any U.S. Federal or state court in the Borough of Manhattan, The City of New York court and (ii) waive, to the fullest extent they may effectively do so, any objection which they

may now or hereafter have to the laying of venue of any such proceeding. The Company and each Note Guarantor have appointed (and any Subsidiary becoming a Note Guarantor shall appoint) NXP Funding LLC, as their authorized agent (the "*Authorized Agent*") upon whom process may be served in any such action arising out of or based on this Indenture, the Notes or the transactions contemplated hereby which may be instituted in any New York court, expressly consent to the jurisdiction of any such court in respect of any such action, and waive any other requirements of or objections to personal jurisdiction with respect thereto. Such appointment shall be irrevocable. The Issuers represent and warrant that the Authorized Agent has agreed to act as such agent for service of process and agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent and written notice of such service to the Issuers and each Note Guarantor shall be deemed, in every respect, effective service of process upon the Issuers and each Note Guarantor.

SECTION 13.11. No Recourse Against Others

No director, officer, employee, incorporator or shareholder of the Issuers or any of their respective Subsidiaries or Affiliates as such, will have any liability for any obligations of the Issuers under the Note Documents, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.12. Successors

All agreements of the Issuers and each Note Guarantor in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.13. Multiple Originals

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.14. Table of Contents; Headings

The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 13.15. USA Patriot Act

The Trustee hereby notifies the parties hereto that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26,2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the parties to this Indenture, which information includes the name and address of the parties hereto and other

information that will allow the Trustee to identify the parties hereto in accordance with the Patriot Act.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the date first written above.

NXP B.V.

By: /s/ Illegible
Name:
Title:

J.M.L.M. INGEN HOUSE

SIGNATURE PAGE TO INDENTURE

NXP FUNDING LLC

By: /s/ Illegible
Name: [Illegible]
Title: Secretary

SIGNATURE PAGE TO INDENTURE

DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee

by: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

by: /s/ Richard L. Buckwalter
Name: Richard L. Buckwalter
Title: Vice President

Signature Page to Senior Secured Indenture

PHILIPS SEMICONDUCTORS B.V.

By: /s/ Illegible
Name: [Illegible]
Title: attorney

SIGNATURE PAGE TO INDENTURE

**PHILIPS SEMICONDUCTORS
GERMANY GMBH**

By: /s/ Illegible
Name: [Illegible]
Title: CEO

By:
Name:

Title:

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
GERMANY GMBH

By: _____
Name:
Title:

By: /s/ Illegible
Name: [Illegible]
Title: [Illegible]

SIGNATURE PAGE TO INDENTURE

PHILIPS ELECTRONIC
BUILDING ELEMENTS
INDUSTRIES (TAIWAN) LTD.

By: /s/ J. J. Wang
Name: J. J. Wang
Title: Director

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
PHILIPPINES INC.

By: /s/ Virginia Melba A. Cuyahon
VIRGINIA MELBA A. CUYAHON
General Manager - Calamba Plant

/s/ Steven Brader
STEVEN BRADER
General Manager - Cabuyao Plant

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
USA, INC.

By: /s/ Illegible
Name:
Title:

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS
HONG KONG LIMITED

By: /s/ Anthony Lear
Name: Anthony Lear
Title: Director

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS (THAILAND) CO. LTD.

By: /s/ Illegible
Name:
Title:

[GRAPHIC]

By: /s/ Illegible
Name:
Title:

SIGNATURE PAGE TO INDENTURE

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

By: /s/ Frederik Rausch
Name: Frederik Rausch
Title: Chairman & Chief Executive Officer

By: /s/ Michel Gerard Luc Besseau
Name: Michel Gerard Luc Besseau
Title: Chief Financial Officer

SIGNATURE PAGE TO INDENTURE

SCHEDULE 2.1

AGREED SECURITY PRINCIPLES(1)

1. Agreed Security Principles

The Guarantees and Liens to be provided by the Issuers and the Guarantors will be given in accordance with certain agreed security principles (the "*Agreed Security Principles*"). This Schedule 2.1 identifies the Agreed Security Principles and addresses the manner in which the Agreed Security Principles will impact on or be determinant of the Guarantees and Liens to be taken in relation to this Indenture.

1.2 The Agreed Security Principles embody a recognition by all parties that there may be certain legal, commercial and practical difficulties in obtaining effective security from the Company and each of its Restricted Subsidiaries in every jurisdiction in which the Company and its Restricted Subsidiaries are located. In particular:

(a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters may limit the ability of the Company or any of its Restricted Subsidiaries to provide a Guarantee or Liens or may require that it be limited as to amount or otherwise, and if so the same shall be limited accordingly, *provided* that the Company or the relevant Restricted Subsidiary shall use reasonable endeavors to overcome such obstacle. The Company will use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each of the Restricted Subsidiary;

(b) the Company and its Restricted Subsidiaries will not be required to give Guarantees or enter into Security Documents if (or to the extent) it is not within the legal capacity of the Company or its relevant Restricted Subsidiary or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or regulatory condition or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any officer or director of the Company or any of the Restricted Subsidiaries, *provided* that the Company and each of its Restricted Subsidiaries shall use reasonable endeavors to overcome any such obstacle;

(c) a key factor in determining whether or not security shall be taken is the applicable cost (including adverse effects on interest deductibility, registration taxes and notarial costs) which shall not be disproportionate to the benefit to the Holders of obtaining such security;

(1) For purposes of this Indenture, the Agreed Security Principles relate only to the Guarantees.

(d) where there is material incremental cost involved in creating security over all assets owned by any of the Issuers or a Guarantor in a particular category (e.g. real estate), regard shall be had to the principle stated at paragraph 1.2(c) of this Schedule 2.1 which shall apply to the immaterial assets and, subject to the Agreed Security Principles, only the material assets in that category (e.g. real estate of material economic value) shall be subject to security;

(e) it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

(f) any assets subject to contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Agreement and which (subject to override by the UCC and other relevant provisions of applicable law), effectively prevent those assets from being charged will be excluded from any relevant Security Document; *provided* that reasonable endeavors to obtain consent to creating Liens in any such assets shall be used by the Company and each of its Restricted Subsidiaries to avoid or overcome such restrictions if either Collateral Agent reasonably determines that the relevant asset is material (which endeavors shall not include the payment of any consent fees), but unless effectively prohibited by contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Indenture, this shall not prevent security being given over any receipt or recovery under such contract, lease or license;

(g) the giving of a Guarantee, the granting of security or the perfection of the security granted will not be required if it would have a material adverse effect (as reasonably determined in good faith by management of the relevant obligor) on the ability of the relevant obligor to conduct its operations and business in the ordinary course as otherwise permitted by this Indenture;

(h) in the case of accounts receivable, a material adverse effect on either Issuer's or a Guarantor's relationship with or sales to the customer generating such receivables or material legal or commercial difficulties (as reasonably determined by management of the relevant obligor in good faith) *provided* that none of the Issuers and the Guarantors may utilize this exception unless, after giving effect thereto no less than a majority of the book value of the accounts receivable of the Company and its Subsidiaries on a consolidated basis (as measured at the end of each fiscal quarter) is subject to perfected liens, and *provided* further that any accounts receivable of the Issuers and the Guarantors excluded from collateral by virtue of this clause (except where prohibited by law and subject to the remainder of these Agreed Security Principles) shall be subject to perfected Liens promptly if and when the corporate credit of the Company is downgraded to "B" or lower from S&P and "B2" or lower from Moody's;

(i) security will be limited so that the aggregate of notarial costs and all registration and like taxes relating to the provision of security shall not exceed an amount to be agreed. Any additional costs may be paid by the Holders at their option; and

(j) all security shall be given in favor of a single security trustee or collateral agent and not the secured parties individually. "Parallel debt" provisions and other similar structural options will be used where necessary and such provisions will be contained in the intercreditor agreement and not the individual security documents unless required under local law. No action will be required to be taken in relation to the guarantees or security when any lender assigns or transfers any of its participation in this Indenture to a new lender.

2. Terms of Security Documents

The following principles will be reflected in the terms of any Security Document to be executed and delivered:

(a) subject to permitted liens and these Agreed Security Principles the security will be first ranking and the perfection of security (when required) and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Note Documents or, if earlier or to the extent no such time period is specified in the Note Documents, within the time periods specified by applicable law in order to ensure due perfection;

(b) the security will not be enforceable until an Event of Default has occurred and notice of acceleration of the Notes has been given by the Trustee or the Notes have otherwise become due and payable prior to the scheduled maturity thereof (an "*Enforcement Event*");

(c) prior to the Maturity Date, notification of any Liens over bank accounts will be given (subject to legal advice) to the banks with whom the accounts are maintained only if an Enforcement Event has occurred;

(d) notification of receivables security to debtors who are not members of the Company or its Subsidiaries will only be given if an Enforcement Event has occurred;

(e) notification of any security interest over insurance policies will be served on any insurer of the Company's or any Restricted Subsidiaries' assets (other than in respect of any insurance policy maintained by the Company or any of its Restricted Subsidiaries which is due to expire on or before December 31, 2006);

(f) the Security Documents should only operate to create security rather than to impose new commercial obligations. Accordingly, they should not contain material additional representations, undertakings or indemnities (such as in

respect of insurance, information or the payment of costs) unless these are the same as or consistent with those contained in this Indenture or are necessary for the creation or perfection of the security;

(g) in respect of the share pledges and pledges of intra-group receivables, until an Enforcement Event has occurred, the pledgors will be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not materially adversely affect the value of the security (taken as a whole) or the validity or enforceability of the security or cause an Event of Default to occur, and the pledgors will be permitted to receive dividends on pledged shares and payment of intra-group receivables and retain the proceeds and/or make the proceeds available to Holdings and its Subsidiaries to the extent not prohibited under this Indenture;

(h) the Collateral Agents will only be able to exercise a power of attorney in any Security Document following the occurrence of an Enforcement Event or with respect to perfection or further assurance obligations that following request, the relevant obligor has failed to satisfy;

(i) no obligor shall be required to provide surveys on real property (unless such surveys already exist in which case there shall be no requirement that such surveys be certified to the Holders) or to remove any encumbrances on title (not created in contemplation of the Transactions (as defined in the Senior Facilities Agreement)) that are reflected in any title insurance or any other existing encumbrances on real property (not created in contemplation of the Transactions) (not including Liens securing Indebtedness of the Company or any of its Restricted Subsidiaries);

(j) no obligor shall be required to protect any Liens in the United States prior to the occurrence of an Enforcement Event by means other than customary filings (including UCC-1s, mortgage or deed of trust filings and patent and trademark filings) and delivery of share certificates (accompanied by powers of attorney executed in blank) and any intercompany promissory notes; and

(k) information, such as lists of assets, will be provided if, and only to the extent, required by local law to be provided to protect or create, perfect or register the security and, to the extent so required will be provided annually (unless required to be provided by local law more frequently, but not more frequently than quarterly) and following the occurrence and during the continuance of an Event of Default, on the Collateral Agents' reasonable request.

SCHEDULE 10.1

GUARANTOR LIMITATIONS

1. The right to enforce the guarantee given by a Guarantor incorporated in Germany as a GmbH (a "*German Guarantor*") shall be excluded if and to the extent that the Guaranty secures the obligations of an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*) of such German Guarantor (other than any of the German Guarantor's direct or indirect subsidiaries), and if and to the extent that (a) the enforcement of the Guaranty would cause such German Guarantor's assets (the calculation of which shall include all items set forth in section 266(2) A, B and C of the German Commercial Code (*Handelsgesetzbuch*)) less such German Guarantor's liabilities (the calculation of which shall include all items set forth in section 266(3) B, C and D of the German Commercial Code) (the "*Net Assets*") being less than its registered share capital (*Stammkapital*) (*Begründung einer Unterbilanz*) or (b) (if such German Guarantor's Net Assets are already less than its registered share capital) causing such amount to be further reduced (*Vertiefung einer Unterbilanz*).

(c) For the purposes of such calculation the following balance sheet items shall be adjusted as follows:

(i) The amount of the increase of the relevant German Guarantor's registered share capital out of retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) after the date of this Agreement that has been effected without the prior written consent of the Global Collateral Agent (as defined in and pursuant to the Secured Indenture) (acting on behalf of the Guaranteed Parties) shall be deducted from the registered share capital; and

(ii) Obligations arising out of loans made to the relevant German Guarantor and other liabilities shall be disregarded if and to the extent such loans and other liabilities are subordinated; and

(iii) Loans and other contractual liabilities incurred in violation of the provisions of the Indenture, the Security Documents or the Guaranty shall be disregarded; and

(iv) Claims of the relevant German Guarantor against its shareholders arising out of any upstream loans permitted under the Indenture, the Security Documents or the Guaranty shall only be taken into account (*aktiviert*) if and to the extent this is permitted pursuant to the jurisprudence of the German Federal High Court (*Bundesgerichtshof*) relating to the permissability of loans to shareholders under Sections 30, 31 of the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

(d) In addition, a German Guarantor shall realize, to the extent legally permitted, in a situation where after enforcement of the Guaranty such German Guarantor would not have Net Assets in excess of its registered share capital, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the asset if such asset is not necessary for the German business (*betriebsnotwendig*).

(e) The limitations set out in sub-clause (i) above shall only apply (i) if and to the extent that within 5 Business Days following the demand against such German Guarantor under the Guaranty by the Global Collateral Agent (the "*Guaranty Demand*") the managing directors of the German Guarantor have confirmed in writing to the Global Collateral Agent (x) to what extent the Guaranty is an up-stream or cross-stream security and (y) the amount which cannot be enforced as causing the net assets of such German Guarantor, to fall below its stated share capital and such confirmation is supported by interim financial statements up to the end of the last completed calendar month (taking into account the adjustments set out in paragraph sub-clause (ii) above and such confirmation is supported by evidence reasonably satisfactory to the Global Collateral Agent (the "*Management Determination*") and the Global Collateral Agent has not contested this and argued that no or a lesser amount would be necessary to maintain its stated share capital; or (B) within 20 Business Days from the date the Global Collateral Agent has contested the Management Determination the Global Collateral Agent receives a determination by auditors of international standard and reputation (the "*Auditor's Determination*") as appointed by such German Guarantor of the amount that would have been necessary on the date the Guaranty Demand was made to maintain the German Guarantor stated share capital based on an up to date balance sheet which shall be based on the same accounting principles that were applied when establishing the previous year's balance sheet and calculated and adjusted in accordance with sub-clauses (i) and (ii) above. If a German Guarantor fails to deliver an Auditor's Determination within 20 Business Days after the date the Global Collateral Agent has contested the Management Determination, the Global Collateral Agent shall be entitled to enforce the Guaranty without limitation or restriction

(f) If the Global Collateral Agent disagrees with the Management Determination and/or the Auditor's Determination, the Guaranty shall be enforceable up to the amount which is undisputed between itself and the relevant German Guarantor. In relation to the amount which is disputed, the Global Collateral Agent shall be entitled to further pursue its claims and enforce the Guaranty always subject to sub-clauses (i) to (iv) (inclusive) above and sub-clause (vi) below, if it determines in good faith that the financial condition of such German Guarantor as set forth in the Auditor's Determination and/or the Management Determination has substantially improved (in particular, if such German Guarantor has performed any actions in accordance with sub-clause (iii) above).

(g) Notwithstanding the above provisions of this clause (c), and subject to the following paragraph below, the Guaranty shall not be enforced against a German Guarantor to the extent that such German Guarantor provides constructive evidence that such enforcement will deprive such German Guarantor of the liquidity necessary to fulfill its liabilities to its creditors or result in a breach of the duty of care owed by the relevant managing director to the respective company *(Verbot des existenzvernichtenden Eingriffs, Gebot der Riicksichtnahme auf die Eigenbelange der Gesellschaft*) and is reasonably likely to result in a personal civil or criminal liability of the relevant managing directors of such German Guarantor or the relevant managing directors of its shareholder.

(h) For the avoidance of doubt, nothing in this Schedule shall be interpreted as a restriction or limitation of the enforcement of the Guaranty to the extent it guarantees the prompt and complete payment and discharge of any and all obligations of a German Guarantor itself or any of its subsidiaries including in each case their legal successors.

APPENDIX A

PROVISIONS RELATING

TO THE NOTES

1. Definitions.

1.1 Definitions.

Capitalized terms used but not otherwise defined in this Appendix A shall have the meanings assigned to them in the Indenture. For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"*Applicable Procedures*" means, with respect to any transfer or transaction involving a Regulation S Global Note or beneficial interest therein, the rules and procedures of the Depositary for such Global Note, DTC, Euroclear and Clearstream, in each case to the extent applicable to such transaction and as in effect from time to time.

"*Clearstream*" means Clearstream Banking, société anonyme, or any successor securities clearing agency.

"*Definitive Note*" means a certificated Note that does not include the Global Notes Legend.

"*Depositary*" means, with respect to Global Notes denominated in euros, a common depository of Euroclear and Clearstream, their respective nominees and their respective successors and with respect to Dollar Global Notes denominated in U.S. dollars, DTC.

"*DTC*" means The Depository Trust Company, its nominees and their respective successors.

"*Euroclear*" means the Euroclear Bank S.A./N.V., as operator of the Euroclear system as currently in effect, or any successor securities clearing agency.

"*Global Notes Legend*" means the legend set forth under that caption in Exhibit A to the Indenture.

"*Notes Custodian*" means the custodian with respect to a Global Note (as appointed by the applicable Depositary) or any successor person thereto.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S under the Securities Act.

"*Regulation S Notes*" means all Notes offered and sold outside the United States in reliance on Regulation S.

"*Restricted Period*", with respect to any Notes, means the period of 40 consecutive days beginning on and including the later of(a) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S, notice of which day shall be promptly given by the Issuer to the Trustee, and (b) the Issue Date with respect to such Notes.

"*Restricted Notes Legend*" means the legend set forth under that caption in Exhibit A to the Indenture.

"*Rule 144A*" means Rule 144A under the Securities Act.

"*Rule 144A Notes*" means all Notes offered and sold to QIBs in reliance on Rule 144A.

"*Securities Act*" means the Securities Act of 1933.

"*Transfer Restricted Notes*" means Definitive Notes and any other Notes that bear or are required to bear the Restricted Notes Legend.

2. The Notes.

2.1 Form and Dating.

(a) The Notes issued on the date hereof will be (i) offered and sold by the Issuers pursuant to a Purchase Agreement dated as of October 5, 2006 among the Issuers and the initial purchasers named therein and (ii) resold, initially only to (1) QIBs in reliance on Rule 144A and (2) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Notes may thereafter be transferred to, among others, QIBs and purchasers in reliance on Regulation S. Additional Notes offered after the date hereof may be offered and sold by the Issuers from time to time pursuant to one or more Purchase Agreements in accordance with applicable law.

(b) Notes issued in global form will be substantially in the form of Exhibit A-l or A-2 to the Indenture (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A-l or A-2 to the Indenture (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2 hereof.

(c) [Reserved.]

(d) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to the Regulation S Permanent Global Note that are held by Participants through Euroclear or Clearstream.

(e) [Reserved.]

(f) Book-Entry Provisions. This Section 2.l(d) shall apply only to a Global Note deposited with or on behalf of the Depositary.

The Issuers shall execute and the Trustee or an authentication agent shall, in accordance with this Section 2.1(d) and Section 2.2 and pursuant to an order of the Issuers signed by one Officer, authenticate and deliver initially one or more Global Notes that (i) shall be registered in the name of the Depositary for such Global Note or Global Notes or the nominee of such Depositary and (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Notes Custodian.

Members of, or participants in, DTC, Euroclear or Clearstream *("Agent Members*") shall have no rights under the Indenture with respect to any Global Note held on their behalf by the Depositary or by the Notes Custodian or under such Global Note, and the Depositary may be treated by the Issuers, the Trustee and any agent of the Issuers or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuers, the Trustee or any agent of the Issuers or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC, Euroclear or Clearstream or impair, as between DTC, Euroclear or Clearstream and their respective Agent Members, the operation of customary practices thereof governing the exercise of the rights of a holder of a beneficial interest in any Global Note.

(g) Definitive Notes. Except as provided in Section 2.3 or 2.4, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of certificated Notes.

2.2 Authentication. The Trustee or an authentication agent shall authenticate and make available for delivery upon a written order of the Issuer signed by one of its Officers (a) Original Notes for original issue on the date hereof consisting of Euro Notes in an aggregate principal amount of €525,000,000 and Dollar Notes in an aggregate principal amount of $1,250,000,000 and (b) subject to the terms of the Indenture, Additional Notes. Such order shall (a) specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated, (b) direct the Trustee or an

authentication agent to authenticate such Notes and (c) certify that all conditions precedent to the issuance of such Notes have been complied with in accordance with the terms hereof.

2.3 Transfer and Exchange of Global Notes. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of any of the preceding events in (1), (2) or (3) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.10 of the Indenture. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section or Section 2.08 or 2.10 of the Indenture, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section, however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.03(b), (c) or (f) hereof upon prior written notice given to the Trustee by or on behalf of the Depositary.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note.* Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an

Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section.

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.03(b)(l) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon consummation of an Exchange Offer by the Company in accordance with Section 2.03(f) hereof, the requirements of this Section 2.03(b)(2) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.03(h) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.03(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Permanent Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.03(b)(2) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Company, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar

to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (C) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (C) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(a) (1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(B) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(C) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (4) thereof; or

(D) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.03(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this

Section 2.03(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(l) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *[Reserved.]*

(3) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with

the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(4) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.03(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.03(h) hereof, and the Issuers will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.03(c)(4) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.03(c)(4) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(B) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (4) thereof;

the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the 144A Global Note, and in the case of clauses (B) and (C) above, the Regulation S Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Issuers;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.03(C)(2), the Trustee will cancel the Definitive Notes and increase

or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(C) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.03(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.03(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the

certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (i) a Broker-Dealer acquiring Notes directly from the Issuers, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of either Issuer;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement; or

(C) the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (3) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (C), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the

Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Exchange Offer.* Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate:

(1) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers acquiring Notes directly from the Issuers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company; and

(2) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer by Persons that certify in the applicable Letters of Transmittal that (A) they are not Broker-Dealers acquiring Notes directly from the Issuers, (B) they are not participating in a distribution of the Exchange Notes and (C) they are not affiliates (as defined in Rule 144) of the Company.

Concurrently with the issuance of such Notes, the Trustee will cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers will execute and the Trustee will authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Unrestricted Definitive Notes in the appropriate principal amount.

The Issuers may issue, and upon receipt of an authentication order the Trustee will authenticate, Exchange Notes with respect to the Notes to be sold using a Shelf Registration Statement.

(g) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN

THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE I44A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF

AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(3), (c)(4),

(d)(2), (d)(3), (e)(2), (e)(3) or (f) of this Section 2.03 (and all Notes issued in exchange therefor or substitution thereof), any Regulation S Global Note and any Additional Notes issued in transactions registered with the SEC will not bear the Private Placement Legend.

(2) *Global Note Legend.* Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO APPENDIX A OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO APPENDIX A OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(h) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of the Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for

Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges.*

(1) To permit registrations of transfers and exchanges, the Issuers will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to the Indenture).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Issuers will be required;

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 of the Indenture and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.03 to effect a registration of transfer or exchange may be submitted by facsimile.

EXHIBIT A-l

[FORM OF EURO NOTE]

$8^{5}/_{8}$% Senior Notes due 2015

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK S.A./N.V., AS OPERATOR OF THE EUROCLEAR SYSTEM ("EUROCLEAR"), OR CLEARSTREAM BANKING, SOCIETE ANONYME ("CLEARSTREAM"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THEIR AUTHORIZED NOMINEE, OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE CLOSING OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNTTED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.]

[Restricted Notes Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE 144A; AND (2) OUTSIDE THE UNITED STATES TO

PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE I44A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE 144A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO

REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS.

[Each Definitive Note shall bear the following additional legend:]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Common Code. [ ]
ISINNo.[ ]

$8^{5}/_{8}$% Senior Notes due 2015

No. [ ] €[ ]

NXP B.V.
NXP FUNDING LLC

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware, jointly and severally promise to pay to BT Globenet Nominees Limited, as nominee for the common depositary for Euroclear and Glearstream, or its registered assigns, the principal sum of €[ ] [subject to adjustments listed on the Schedule of Increases or Decreases in Global Note attached hereto](2), on October 15, 2015.

Interest Payment Dates: April 15 and October 15, commencing [ ].

Record Dates: April 1 and October 1.

Additional provisions of this Note are set forth on the other side of this Note.

(Signature page to follow.)

(2) Use the Schedule of Increases and Decreases language if Note is in Global Form.

IN WITNESS WHEREOF, NXP B.V. and NXP Funding LLC have caused this Note to be signed manually or by facsimile by their duly authorized officers.

Dated:

NXP B.V.

By: _____
Name:
Title:

NXP FUNDING LLC

By: _____
Name:
Title:

This is one of the Notes referred
to in the Indenture.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: _____
(Authorized Signatory)

[FORM OF BACK OF EURO NOTE]

1. Interest

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware (together with NXP B.V. and their respective successors and assigns under the Indenture hereinafter referred to, being herein called "*the Issuers* "), jointly and severally promise to pay interest on the principal amount of this Note at the rate of 8(5)/8% per annum. The Issuers shall pay interest semi-annually on April 15 and October 15 of each year commencing on [ ]. The Issuers will make each interest payment to Holders of record of the Notes on the immediately preceding April 1 and October 1. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from October 12, 2006 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

The Holders of this Note are entitled to the benefits of the Registration Rights Agreement, dated October 12, 2006, among the Issuers, the guarantors party thereto and the Initial Purchasers named therein (the "*Registration Rights Agreement*"*).* The Holders of this Note are entitled to the Additional Interest payable in the circumstances as set forth in the Registration Rights Agreement.

2. Method of Payment

Holders must surrender Notes to the relevant Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, and Additional Amounts, if any, and interest and Additional Interest, if any, in euro or such other lawful currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community that at the time of payment is legal tender for payment of public and private debts. Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on the Global Notes will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of Euroclear and/or Clearstream will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on any Definitive Notes will be payable at the specified office or agency of one or more Paying Agents in the City of London,

maintained for such purposes. In addition, interest on the Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Notes; *provided, however,* that cash payments on the Notes may also be made, in the case of a Holder of at least €1,000,000 aggregate principal amount of Notes, by wire transfer to a euro account maintained by the payee with a bank in a country that is a member of the European Union if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

3. Paving Agent and Registrar

Initially, Deutsche Bank AG, London Branch will act as Euro Paying Agent and Deutsche Bank Luxembourg S.A. will act as Registrar and Transfer Agent. The Issuers may appoint and change any Registrar, Transfer Agent and Paying Agent. The Issuers or any of its Restricted Subsidiaries may act as Registrar, Transfer Agent and Paying Agent.

4. Indenture

The Issuers issued the Notes under the Indenture dated as of October 12, 2006 (the "*Indenture*"*),* among the Issuers, the Guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee ").* The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture for a statement of such terms and provisions. In the event of a conflict, the terms of the Indenture control.

The Notes are senior obligations of the Issuers. This Note is one of the Notes referred to in the Indenture. The Notes and the Additional Notes are treated as a single class under the Indenture. The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness and layer Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens, make asset sales, impair certain security interests, issue certain guarantees and designate Restricted and Unrestricted Subsidiaries.

The Indenture also imposes limitations on the ability of the Issuers to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all its property.

5. Optional Redemption

(a) At any time prior to October 15, 2011, the Issuers may redeem the Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

(b) At any time and from time to time on or after October 15, 2011, the Issuers may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	Percentage
2011	104.313%
2012	102.875%
2013	101.438%
2014 and thereafter	100.000%

(c) At any time and from time to time prior to October 15, 2009, the Issuers may redeem the Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 108.625% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Euro Fixed Rate Senior Unsecured Notes initially issued remains outstanding immediately thereafter.

(d) Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

6. Optional Tax Redemption

The Issuers or Successor Company may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of

Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determines in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after October 5, 2006. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after October 5, 2006, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described in paragraph 8. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The

Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

7. Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

8. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 of the Indenture and as provided below.

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, as certified to the Trustee by the Issuers, and/or in compliance with the requirements of Euroclear or Clearstream, as applicable, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream, as applicable, prescribes no method of selection, on a pro rata basis; provided, however, that no Note of €50,000 in aggregate principal amount or less shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

9. Additional Amounts

The Issuers are required to make all payments under or with respect to the Notes or the Note Guarantees free and clear of and without withholding or deduction for or on account of any present or future Taxes in accordance with Section 4.02 of the Indenture.

10. Repurchase of Notes at the Option of Holders upon (i) a Change of Control and (ii) the occurrence of certain Asset Dispositions

If a Change of Control occurs, each Holder of Notes will have the right, subject to certain conditions specified in the Indenture, to require the Issuers

to repurchase all of the Notes of such Holder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.09 of the Indenture, the Issuers will be required to offer to purchase Notes upon the occurrence of certain events, including certain Asset Dispositions.

11. Denominations; Transfer; Exchange

The Notes are in registered form without interest coupons in minimum denominations of €50,000 and multiples of €1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

12. Persons Deemed Owners

Except as *provided* in paragraph 2 of this Note, the registered Holder of this Note will be treated as the owner of it for all purposes.

13. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuers at their written request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look to the Issuers for payment as general creditors and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

14. Discharge and Defeasance

Subject to certain conditions, the Issuers at any time may terminate some of or all their obligations under the Notes and the Indenture if the Issuers, among other things, deposit or cause to be deposited with the Trustee money or European Government Obligations denominated in euro in such amounts as will be sufficient for the payment of the entire Indebtedness including principal of, premium, if any, and interest on the Notes to the date of redemption or maturity, as the case may be.

15. Amendment, Waiver

The Indenture and the Notes may be amended as set forth in the Indenture.

16. Defaults and Remedies

The following events constitute "*Events of Default*" under the Indenture: An "*Event of Default*" occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of its obligations under Article 4 and 5 of the Indenture (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2) of the Indenture);

(4) failure to comply for 60 days after notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or

makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final; or

(8) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the Indenture.

However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) and 6.01(a)(7) of the Indenture will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify either Issuer of the default and the Issuers do not cure such default within the time specified in Sections 6.01 (a)(3), 6.01(a)(4), 6.01(a)(5) or 6.01(a)(7) of the Indenture, as applicable, after receipt of such notice.

If an Event of Default occurs and is continuing the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture by written notice to either Issuer, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes will become due and payable immediately without any declaration.

17. Trustee Dealings with the Issuers

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliates and may

otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

No director, manager, officer, employee, incorporator or shareholder of either Issuer or any of its Subsidiaries or any parent company of either Issuer shall have any liability for any obligations of either Issuer or any Subsidiary with respect to the Notes or the Indenture, or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

19. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note. The signature shall be conclusive evidence that the security has been authenticated under the Indenture.

20. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

21. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

22. Common Codes and ISIN Numbers

The Issuers in issuing the Notes may use Common Codes and ISIN numbers (if then generally in use) and, if so, the Trustee shall use Common Codes and ISIN numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Issuers will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the test of this Note.

[FORM OF ASSIGNMENT FORM]

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

_____

_____

_____

_____

(Insert assignee's name, address and zip code)

and irrevocably appoint

_____

to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

[FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE
OR REGISTRATION OF TRANSFER RESTRICTED NOTES]

This certificate relates to € principal amount of Notes held in (check applicable box) o book-entry or o definitive registered form by the undersigned.

The undersigned (check one box below):

o has requested the Trustee by written order to deliver, in exchange for its beneficial interest in the Global Note held by the Depositary, a Definitive Note in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

o has requested the Trustee by written order to exchange or register the transfer of a Note.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Issuers; or

(2) o to the Registrar for registration in the name of the Holder, without transfer; or

(3) o pursuant to an effective registration statement under the U.S. Securities Act of 1933; or

(4) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through Euroclear or Clearstream until the expiration of the Restricted Period (as defined in the Indenture); or

(6) o pursuant to Rule 144 under the U.S. Securities Act of 1933 or another available exemption from registration.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof, *provided, however,* that if box (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Trustee or the Issuers have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration *provided* by Rule 144A.

Date: _____

Signature: _____

(to be executed by an executive officer of purchaser)

[TO BE ATTACHED TO GLOBAL NOTES]

[FORM OF SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE]

The initial principal amount of this Global Note is €[ ]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

[FORM OF OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.03 (Change of Control) or Section 4.09 (Limitation on Sales of Assets and Subsidiary Stock) of the Indenture, check the box:

Asset Disposition o Change of Control o

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.03 or Section 4.09 of the Indenture, state the amount (minimum amount of €50,000):

€ _____

Date: _____

Your Signature:

_____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee*: _____

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

EXHIBIT A-2

[FORM OF DOLLAR NOTE]

9½% Senior Notes due 2015

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THEIR AUTHORIZED NOMINEE, OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE, OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[[FOR REGULATION S GLOBAL NOTE ONLY] UNTIL 40 DAYS AFTER THE CLOSING OF THE OFFERING, AN OFFER OR SALE OF SECURITIES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE U.S. SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.]

[Restricted Notes Legend]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE NOTES ARE BEING OFFERED AND SOLD ONLY TO (1) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIBS") IN COMPLIANCE WITH RULE I44A; AND (2) OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS ("FOREIGN PURCHASERS"), WHICH TERM SHALL INCLUDE DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ON A DISCRETIONARY BASIS FOR FOREIGN BENEFICIAL OWNERS (OTHER THAN AN ESTATE OR TRUST), IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF OR

OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) (i) IT IS A QIB OR A REGISTERED BROKER-DEALER ACTING FOR THE ACCOUNT OF A QIB, (ii) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF THE NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A, (iii) IT IS ACQUIRING SUCH NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, AS THE CASE MAY BE, AND (iv) IT IS AWARE THAT THE NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES ACT OR (B) IT IS PURCHASING, AND THE PERSON, IF ANY, FOR WHOSE ACCOUNT IT IS ACQUIRING THE NOTES IS PURCHASING, THE NOTES IN AN OFFSHORE TRANSACTION, AS SUCH TERM IS DEFINED IN RULE 902 UNDER THE SECURITIES ACT, IN ACCORDANCE WITH REGULATION S, (2) IS AWARE THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE BEING OFFERED IN THE UNITED STATES IN RELIANCE ON RULE 144A IN A TRANSACTION NOT INVOLVING ANY PUBLIC OFFERING IN THE UNITED STATES, (3) UNDERSTANDS THAT THE NOTES MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (i) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (ii) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S, (iii) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (iv) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER FOR RESALES OF THE NOTES, AND (4) ACKNOWLEDGES THAT THE INITIAL PURCHASERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS.

[Each Definitive Note shall bear the following additional legend:]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Common Code. [ ]
ISIN No. [ ]
CUSIP [ ]

9½% Senior Notes due 2015

No. [ ] $[&nbs p;]

NXP B.V.
NXP FUNDING LLC

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware, jointly and severally promise to pay to Cede & Co. or its registered assigns, the principal sum of $[ ] [subject to adjustments listed on the Schedule of Increases or Decreases in Global Note attached hereto](3), on October 15, 2015.

Interest Payment Dates: April 15 and October 15, commencing [ ].

Record Dates: April 1 and October 1.

Additional provisions of this Note are set forth on the other side of this Note.

(Signature page to follow.)

(3) Use the Schedule of Increases and Decreases language if Note is in Global Form.

IN WITNESS WHEREOF, NXP B.V. and NXP Funding LLC have caused this Note to be signed manually or by facsimile by their duly authorized officers.

Dated:

NXP B.V.

By: _____
Name:
Title:

NXP FUNDING LLC

By: _____
Name:
Title:

This is one of the Notes referred
to in the Indenture.

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: _____
(Authorized Signatory)

[FORM OF BACK OF DOLLAR NOTE]

9½% SENIOR NOTES DUE 2015

1. Interest

NXP B.V., a company organized under the laws of The Netherlands, and NXP Funding LLC, a limited liability company organized under the laws of Delaware (together with NXP B.V. and their respective successors and assigns under the Indenture hereinafter referred to, being herein called "*the Issuers*"), jointly and severally promise to pay interest on the principal amount of this Note at the rate of 9½% per annum. The Issuers shall pay interest semi-annually on April 15 and October 15 of each year commencing on [ ]. The Issuers will make each interest payment to Holders of record of the Notes on the immediately preceding April 1 and October 1. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from October 12, 2006 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

The Holders of this Note are entitled to the benefits of the Registration Rights Agreement, dated October 12, 2006, among the Issuers, the guarantors party thereto and the Initial Purchasers named therein (the "*Registration Rights Agreement*"). The Holders of this Note are entitled to the Additional Interest payable in the circumstances as set forth in the Registration Rights Agreement.

2. Method of Payment

Holders must surrender Notes to the relevant Paying Agent to collect principal payments. The Issuers shall pay principal, premium, if any, Applicable Amounts, if any, and interest and Additional Interest, if any, in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on the Global Notes will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of DTC will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, Additional Amounts, if any, interest and Additional Interest, if any, on any Definitive Notes will be payable at the specified office or agency of one or more Paying Agents in New York, maintained for such purposes. In addition, interest on the Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Notes; *provided, however,* that cash payments on the Notes may also be made, in the case of a Holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a dollar account maintained by the payee with a bank in the United States of America if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

3. Paying Agent and Registrar

Initially, Deutsche Bank Trust Company Americas will act as New York Registrar and U.S. Dollar Paying Agent and Deutsche Bank Luxembourg S.A. will act as Registrar and Transfer Agent. The Issuers may appoint and change any Registrar, Transfer Agent and Paying Agent. The Issuers or any of its Restricted Subsidiaries may act as Registrar, Transfer Agent and Paying Agent.

4. Indenture

The Issuers issued the Notes under the Indenture dated as of October 12, 2006 (the "*Indenture*"), among the Issuers, the Guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee*"). The terms of the Notes include those stated in the Indenture. Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and Holders (as defined in the Indenture) are referred to the Indenture for a statement of such terms and provisions. In the event of a conflict, the terms of the Indenture control.

The Notes are senior obligations of the Issuers. This Note is one of the Notes referred to in the Indenture. The Notes and the Additional Notes are treated as a single class under the Indenture. The Indenture imposes certain limitations on the ability of the Issuers and their Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, incur Indebtedness and layer Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of such

Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or incur Liens, make asset sales, impair certain security interests, issue certain guarantees and designate Restricted and Unrestricted Subsidiaries. The Indenture also imposes limitations on the ability of the Issuers to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all its property.

5. Optional Redemption

(a) At any time prior to October 15, 2011, the Issuers may redeem the Notes in whole or in part, at their option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the applicable redemption date.

(b) At any time and from time to time on or after October 15, 2011, the Issuers may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date.

12-month period commencing October 15, in Year	**Percentage**
2011	104.750%
2012	103.167%
2013	101.583%
2014 and thereafter	100.000%

(c) At any time and from time to time prior to October 15, 2009, the Issuers may redeem the Notes with the net cash proceeds received by the Issuers from any Equity Offering at a redemption price equal to 109.5% plus accrued and unpaid interest to the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including Additional Notes), *provided* that

(1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and

(2) not less than 60% of the original aggregate principal amount of the Notes initially issued remains outstanding immediately thereafter.

(d) Any redemption and notice of redemption may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

6. Optional Tax Redemption

The Issuers or Successor Company may redeem any series of Notes in whole as to such series, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, including Additional Interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuers, Successor Company or Guarantor determines in good faith that, as a result of:

(1) any change in, or amendment to, the law (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

the Issuers, Successor Company or Guarantor are, or on the next interest payment date in respect of the relevant series of Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuers, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying

Agent where this would be reasonable but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at October 5, 2006, such Change in Tax Law must become effective on or after October 5, 2006. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after October 5, 2006, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction, unless the Change in Tax Law would have applied to the predecessor of the Successor Company. Notice of redemption for taxation reasons will be published in accordance with the procedures described in paragraph 8. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Issuers will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuers have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the holders of the Notes.

7. Sinking Fund

The Issuers are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

8. Notice of Redemption

At least 30 days but not more than 60 days before a date for redemption of Notes, the Issuers shall transmit a notice of redemption in accordance with Section 13.03 of the Indenture and as provided below.

If less than all of any series of Notes is to be redeemed at any time, the Trustee will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which that series of Notes is listed, and/or in compliance with the requirements of DTC, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through DTC, prescribes no method of selection, on a pro rata basis; provided, however, that no Note of $75,000 in aggregate principal amount or less shall be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On

and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

9. Additional Amounts

The Issuers are required to make all payments under or with respect to the Notes or the Note Guarantees free and clear of and without withholding or deduction for or on account of any present or future Taxes in accordance with Section 4.02 of the Indenture.

10. Repurchase of Notes at the Option of Holders upon (i) a Change of Control and (ii) the occurrence of certain Asset Dispositions

If a Change of Control occurs, each Holder of Notes will have the right, subject to certain conditions specified in the Indenture, to require the Issuers to repurchase all of the Notes of such Holder at a purchase price equal to 101% of the principal amount of the Notes to be repurchased plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.09 of the Indenture, the Issuers will be required to offer to purchase Notes upon the occurrence of certain events, including certain Asset Dispositions.

11. Denominations; Transfer; Exchange

The Notes are in registered form without interest coupons in minimum denominations of $75,000 and multiples of $1,000 in excess thereof. A Holder may transfer or exchange Notes in accordance with the Indenture. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at DTC, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

12. Persons Deemed Owners

Except as *provided* in paragraph 2 of this Note, the registered Holder of this Note will be treated as the owner of it for all purposes.

13. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuers at their written request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look to the Issuers for payment as general creditors and the Trustee and the Paying Agent shall have no further liability with respect to such monies.

14. Discharge and Defeasance

Subject to certain conditions, the Issuers at any time may terminate some of or all their obligations under the Notes and the Indenture if the Issuers, among other things, deposit or

cause to be deposited with the Trustee money or U.S. Government Obligations denominated in U.S. dollars in such amounts as will be sufficient for the payment of the entire Indebtedness including principal of, premium, if any, and interest on the Notes to the date of redemption or maturity, as the case may be.

15. Amendment, Waiver

The Indenture and the Notes may be amended as set forth in the Indenture.

16. Defaults and Remedies

The following events constitute "*Events of Default*" under the Indenture: An "*Event of Default*" occurs if or upon:

(1) default in any payment of interest or Additional Interest, if any, on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with any of its obligations under Article 4 and 5 of the Indenture (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2) of the Indenture);

(4) failure to comply for 60 days after notice by the Trustee on behalf of the Holders or by the Holders of 30% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by either Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to either Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness; or

(b) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €100 million or more;

(6) either Issuer or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the

benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(7) failure by the Issuers or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuers and their Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €100 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final; or

(8) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the Indenture or a Guarantor denies or disaffirms its obligations under its Guarantee, other than in accordance with the terms thereof or upon release of the Guarantee in accordance with the Indenture.

However, a default under Sections 6.01(a)(3), 6.01(a)(4), 6.01(a)(5) and 6.01(a)(7) of the Indenture will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify either Issuer of the default and the Issuers do not cure such default within the time specified in Sections 6.01(a)(3), 6.01(a)(4), 6.01 (a)(5) or 6.01(a)(7) of the Indenture, as applicable, after receipt of such notice.

If an Event of Default occurs and is continuing the Trustee by notice to either Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture by written notice to either Issuer, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, the principal of, premium, if any, and accrued and unpaid interest, including Additional Interest, if any, on all the Notes will become due and payable immediately without any declaration.

17. Trustee Dealings with the Issuers

The Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuers or their Affiliates and may otherwise deal with the Issuers or their Affiliates with the same rights it would have if it were not Trustee.

18. No Recourse Against Others

No director, manager, officer, employee, incorporator or shareholder of either Issuer or any of its Subsidiaries or any parent company of either Issuer shall have any liability for any obligations of either Issuer or any Subsidiary with respect to the Notes or the Indenture, or for any claim based on, in respect of, or by reason of such obligations or their creation. Each

Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

19. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note. The signature shall be conclusive evidence that the security has been authenticated under the Indenture.

20. Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

21. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

22. CUSIP Numbers, Common Codes and ISIN Numbers

The Issuers in issuing the Notes may use CUSIP Numbers, Common Codes and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP Numbers, Common Codes and ISIN numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

The Issuers will furnish to any Holder of Notes upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note.

[FORM OF ASSIGNMENT FORM]

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

_____

_____

_____

_____

(Insert assignee's name, address and zip code)

and irrevocably appoint

_____

to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

[FORM OF CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR REGISTRATION OF TRANSFER RESTRICTED NOTES]

This certificate relates to $ principal amount of Notes held in (check applicable box) o book-entry or o definitive registered form by the undersigned.

The undersigned (check one box below):

- o has requested the Trustee by written order to deliver, in exchange for its beneficial interest in the Global Note held by the Depositary, a Definitive Note in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

- o has requested the Trustee by written order to exchange or register the transfer of a Note.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) o to the Issuers; or

(2) o to the Registrar for registration in the name of the Holder, without transfer; or

(3) o pursuant to an effective registration statement under the U.S. Securities Act of 1933; or

(4) o inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) o outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through DTC until the expiration of the Restricted Period (as defined in the Indenture); or

(6) o pursuant to Rule 144 under the U.S. Securities Act of 1933 or another available exemption from registration.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered Holder thereof,

provided, however, that if box (5) or (6) is checked, the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Trustee or the Issuers have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

Date: _____

Your Signature:

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee*: _____

_____

* (Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuers as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration *provided* by Rule 144A.

Date: _____

Signature: _____

(to be executed by an executive officer of purchaser)

[TO BE ATTACHED TO GLOBAL NOTES]

[FORM OF SCHEDULE OF INCREASES OR DECREASES IN GLOBAL NOTE]

The initial principal amount of this Global Note is $[ ]. The following increases or decreases in this Global Note have been made:

Date of Increase/Decrease	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee

[FORM OF OPTION OF HOLDER TO ELECT PURCHASE]

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.03 (Change of Control) or Section 4.09 (Limitation on Sales of Assets and Subsidiary Stock) of the Indenture, check the box:

Asset Disposition o Change of Control o

If you want to elect to have only part of this Note purchased by the Issuers pursuant to Section 4.03 or Section 4.09 of the Indenture, state the amount (minimum amount of $75,000):

$_____

Date: _____

Your Signature:

_____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee*: _____

_____

*(Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee)

EXHIBIT B

[FORM OF CERTIFICATE OF TRANSFER]

[Deutsche Bank Trust Company Americas
60 Wall Street
27th Floor
New York, NY 10005
USA]

Re: **[Euro-denominated 8 5/8% Senior Unsecured Notes due 2015] [Dollar-denominated 9½% Senior Unsecured Notes due 2015] NXP B.V. and NXP Funding LLC (the "Notes")**

Reference is hereby made to the Senior Unsecured Indenture dated October 12, 2006 among NXP B.V. and NXP Funding LLC, as Issuers, the guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee (the "*Indenture*"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "*Transferor*") owns and proposes to transfer the Note/Notes or interest in such Note/Notes (the "*Book-Entry Interest*") specified in Annex A hereto, in the principal amount of [€/$] in such Note/Notes or interests (the "*Transfer*"), to (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. o **Check if Transfer is Pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933 (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the Book-Entry Interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the Book-Entry Interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A to whom notice was given that the Transfer was being made in reliance on Rule 144A and such Transfer is in compliance with any applicable securities laws of any state of the United States or any other jurisdiction. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Rule 144A Global Note and/or the Rule 144A Definitive Note and in the Indenture and the Securities Act.

2. o **Check if Transfer is pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (A) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the

Transferee was outside the United States or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States; (ii) no directed selling efforts have been made in contravention of the requirements of Regulation S under the Securities Act; (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act; and (iv) the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer printed on the Regulation S Global Note and/or the Regulation S Definitive Note and contained in the Securities Act, the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

3. o **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144 or Regulation S and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Restricted Notes Legend.

4. o **Check if Transfer as Pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction; (ii) the Transferor is not (and during the three months preceding the Transfer was not) an Affiliate of the Issuer, (iii) at least two years have elapsed since such Transferor (or any previous transferor of such Book-Entry Interest or Definitive Note that was not an Affiliate of the Issuers) acquired such Book-Entry Interest or Definitive Note from the Issuers or an Affiliate of the Issuers, and (iv) the restrictions on transfer contained in the Indenture and the Restricted Notes Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred Book-Entry Interest or Rule 144A Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Restricted Notes Legend printed on the Rule 144A Global Note and/or the Rule 144A Definitive Note and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers and the Trustee.

[Insert Name of Transferor]

By:
Name:
Title:

Dated: _____

EXHIBIT C

[FORM OF OFFICER'S COMPLIANCE CERTIFICATE DELIVERED PURSUANT TO SECTION 4.16 OF THE INDENTURE]

OFFICER'S COMPLIANCE CERTIFICATE OF NXP B.V.

Pursuant to Section 4.16 of the Senior Unsecured Indenture dated October 12, 2006 (the "*Indenture*") among NXP B.V. (the "*Company*") and NXP Funding LLC, as Issuers, the guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee, the undersigned, [•], [officer], of the Company, do hereby certify on behalf of the Company that:

1. a review of the activities of the Company during the preceding fiscal year has been made under my supervision with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under the Indenture;

2. as to the best of my knowledge, the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of the Indenture [or, if a Default or Event of Default shall have occurred, describe all such Defaults or Events of Default of which you have knowledge and what action the Company is taking or proposes to take with respect thereto] and to the best of my knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest or Additional Amounts, if any, on the Notes is prohibited [or if such event has occurred, give a description of the event and what action the Company is taking or proposes to take with respect thereto].

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate this [ ] day of [ ], 20[ ].

NXP B.V.

by

Name:
Title:

EXHIBIT D

[FORM OF NOTE GUARANTEE SUPPLEMENT]

NOTE GUARANTEE SUPPLEMENT dated as of , , between [NAME OF NOTE GUARANTOR] (the "*Note Guarantor*"), NXP B.V. (the "*Company*") and Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee*").

WHEREAS, the Company, NXP Funding LLC, the Trustee and the Guarantors party thereto are parties to a Senior Unsecured Indenture dated as of October 12, 2006 (as amended and/or supplemented, the "*Indenture*");

WHEREAS, Section 4.12 of the Indenture provides that Persons may become party to the Indenture as Guarantors by execution and delivery of a supplement in the form of this Note Guarantee Supplement; and

WHEREAS, terms defined in the Indenture and not otherwise denned herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

2. *Party to Indenture.* In accordance with Section 4.12 of the Indenture, on and from the date of this Note Guarantee Supplement (the "*Effective Date*"), the Note Guarantor will become a party to the Indenture and hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Indenture including but not limited to Article 10 thereof. The Note Guarantor will be bound by all the provisions thereof as fully as if the Note Guarantor were one of the original parties thereto.

3. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator, stockholder or agent of the Note Guarantor, as such, shall have any liability for any obligations of the Company or any Guarantors under the Notes, any Note Guarantees, the Indenture or this Note Guarantee Supplement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

4. *Notices.* The contact information of the Note Guarantor for purposes of notices under the Indenture is as follows:

[Address]
Attention:
Facsimile:
E-mail:

5. *Governing Law.* This Note Guarantee Supplement shall be construed in accordance with and governed by the laws of the State of New York.

6. *The Trustee.* The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Note Guarantee Supplement or for or in respect of the recitals contained herein, all of which recitals are made solely by the Note Guarantor and the Company.

7. *[Guarantor Limitations.* In accordance with the Agreed Security Principles, the following limitations apply to the Guarantee of the Note Guarantor: [Limitations consistent with Agreed Security Principles to be specified here]]

Exhibit 4.3

EXECUTION VERSION

COLLATERAL AGENCY AGREEMENT

dated as of

September 29, 2006

among

KASLION ACQUISITION B.V.,
as Holdings,

NXP B.V.,
as the Company,

THE SUBSIDIARIES OF THE COMPANY PARTY HERETO,
as Guarantors,

THE SECURED PARTIES PARTY HERETO,

MORGAN STANLEY SENIOR FUNDING, INC.,
as Global Collateral Agent

and

MIZUHO CORPORATE BANK, LTD.,
as Taiwan Collateral Agent

TABLE OF CONTENTS

COLLATERAL AGENCY AGREEMENT dated as of September 29, 2006, among KASLION ACQUISITION B.V. with its corporate seat in Amsterdam, the Netherlands (**"Holdings"**), NXP B.V. with its corporate seat in Eindhoven, the Netherlands (the **"Company"**), the Subsidiaries of the Company from time to time party hereto (each a **"Guarantor"**), the Secured Parties from time to time party hereto, MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent (in such capacity, the **"Global Collateral Agent"**) and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent (in such capacity, the **"Taiwan Collateral Agent"**).

WHEREAS, each Lien Grantor is party to certain of the Secured Agreements;

WHEREAS, the Lien Grantors have entered or will enter into, and may from time to time enter into, the Security Documents in order to secure the Secured Obligations;

WHEREAS, the Company and certain of the other Lien Grantors may, after the date of this Agreement, enter into the Note Secured Documents and incur Note Secured Obligations and, from time to time, may enter into the Additional Secured Documents and incur the Additional Secured Obligations. In addition, the Company and certain of the other Lien Grantors may, from time to time, enter into the Secured Hedging Agreements and incur the Secured Hedging Obligations;

WHEREAS, the Secured Obligations include the obligations of the Lien Grantors under the Secured Agreements and, with respect to certain jurisdictions, the Parallel Debt;

WHEREAS, the Global Collateral Agent has agreed to enter into the Security Documents (other than the Taiwan Security Documents) and hold the Collateral subject thereto for the benefit of the Secured Parties on the terms set out in this Agreement and, with respect to certain jurisdictions, as a direct creditor in respect of the Parallel Debt; and

WHEREAS, the Taiwan Collateral Agent has agreed to enter into the Taiwan Security Documents and hold the Collateral subject thereto for the benefit of the Secured Parties as a joint and several creditor in accordance with Article 283 of the Civil Code of the Republic of China;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Defined Terms.* As used in this Agreement, the following terms have the meanings specified below:

"Additional Secured Document" means any document designated as such in any Additional Secured Obligations Supplement in accordance with Section 10.02.

"Additional Secured Obligations" means any obligations of any Lien Grantor designated as such in an Additional Secured Obligations Supplement in accordance with Section 10.02 (including any Contingent Secured Obligations in respect thereof).

"Additional Secured Obligations Supplement" means a supplement hereto substantially in the form set forth on Schedule 7.

"Additional Secured Party" means any Person that becomes a party to this Agreement pursuant to an Additional Secured Obligations Supplement (whether in its individual capacity or as agent or trustee for and on behalf of any other Person).

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **"control"** when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing.

"Agent" means the RCF Administrative Agent or the Bridge Administrative Agent.

"Agreed Security Principles" means the principles set forth on Schedule 5.

"Authorized Signatory" means, in relation to any Person and any document, an individual duly authorized by such Person to sign such document and in respect of whom a certified copy of the authorizing resolution and specimen signature has been provided to each other Person which is party to or a recipient of such document.

"Base Currency" means Euros.

"Base Currency Equivalent" shall mean, on any date of determination, (a) with respect to any amount denominated in the Base Currency, such amount,

and (b) with respect to any amount denominated in any Foreign Currency, the equivalent in the Base Currency of such amount, determined by the Collateral Agent using the Exchange Rate.

"Bridge Administrative Agent" means Morgan Stanley Senior Funding, Inc. or any successor administrative agent appointed under the Bridge Facility Agreement.

"Bridge Facility Agreement" means the €1,500,000,000 and US$1,921,290,000 Senior Secured Increasing Rate Bridge Facility dated as of the date of this Agreement between the Bridge Administrative Agent, the Bridge Lenders, Holdings, the Company and NXP Funding LLC.

"Bridge Guarantee" means the Guaranty dated as of the date of this Agreement between Holdings, the Company, each of the Subsidiaries of the Company named as guarantors and the Bridge Administrative Agent.

"Bridge Loan" means a loan made under the Bridge Facility Agreement and includes any extended loan or exchange note issued in exchange for any such loan pursuant to the terms of the Bridge Facility Agreement.

"Bridge Lender" means, at any time, a lender under the Bridge Facility Agreement at that time (and includes such lender as the holder of any rollover loan or exchange notes issued thereunder).

"Bridge Secured Document" means the Bridge Facility Agreement, the Bridge Guarantee, or any security agreement or other instrument or document entered into from time to time to secure or guarantee any of the Bridge Secured Obligations.

"Bridge Secured Obligations" means all principal of all Bridge Loans outstanding from time to time under the Bridge Facility Agreement, all interest (including Post-Petition Interest) on such Bridge Loans and all other amounts now or hereafter payable by the Company and/or the Guarantors pursuant to the Bridge Secured Documents (including any Contingent Secured Obligations in respect thereof).

"Bridge Take-out Date" means the date on which the Bridge Administrative Agent confirms in writing to the Collateral Agent that the Bridge Loans have been repaid in full and all other Bridge Secured Obligations (other than contingent indemnities and similar obligations which are not then due and payable) have been paid and performed in full. The Bridge Administrative Agent shall provide such confirmation to the Collateral Agents promptly upon such repayment, payment and performance.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom and New York, New York, United States.

"Cash Equivalents" means:

(a) securities issued or directly and fully guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(b) certificates of deposit, time deposits, Eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any Secured Party or by any bank or trust company (i) whose commercial paper is rated at least "A-l" or the equivalent thereof by S&P or at least "P-l" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (ii) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500,000,000;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) entered into with any bank meeting the qualifications specified in clause (b) above;

(d) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(e) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(f) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time,

neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(g) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(h) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (a) through (g) above.

"Collateral" means all property and assets, whether now owned or hereafter acquired, on which a Lien is granted or purported to be granted to the Collateral Agent pursuant to the Security Documents. When used with respect to a specific Lien Grantor, the term **"Collateral"** means all its property and assets on which such a Lien is granted or purported to be granted.

"Collateral Account" means the Restricted Proceeds Collateral Account or the Unrestricted Proceeds Collateral Account.

"Collateral Agent" means the Global Collateral Agent or the Taiwan Collateral Agent.

"Combined Dutch Parallel Debt" has the meaning given in Section 11.02(a).

"Contingent Secured Obligations" means, at any time, any Secured Obligation (or portion thereof) that is contingent in nature at such time, including any Secured Obligation that is:

(a) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it;

(b) any other obligation (including any guarantee) that is contingent in nature at such time; or

(c) an obligation to provide collateral to secure any of the foregoing types of obligations.

"Designated Note Release" means a release of a Lien Grantor, any Lien or any assets or properties of a Lien Grantor subject to a Lien which, under the terms of the Note Secured Documents, does not require the consent of, or any action by, the Note Secured Party or the holders of any of the Note Secured Obligations and in respect of which the Company has certified in writing to the Collateral Agents that the conditions for such release have been satisfied and the

Company and the Lien Grantors are in compliance with their respective obligations under the Note Secured Documents with respect to such release.

"Dutch Lien Grantors" means the Lien Grantors under the Dutch Security Documents.

"Effective Date" means the date of this Agreement.

"Enforcement Event" means the occurrence of a default, Event of Default or termination event (however described) under a Secured Agreement in respect of which notice of acceleration of amounts outstanding under such Secured Agreement has been given by the relevant Secured Party or amounts outstanding under such Secured Agreement have otherwise become due and payable prior to the scheduled maturity thereof.

"Dutch Security Document" means each document, agreement and instrument set forth in Part A of Schedule 9 or any other document, agreement or instrument designated as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Enforcement Notice" has the meaning given in Section 3.03.

"English Security Document" means each document, agreement and instrument set forth in Part B of Schedule 9 or any other document, agreement or instrument designated as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, Law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

"Euro" and **"€"** means the lawful currency of Participating Member States.

"Event of Default" means any event of default under and as defined in any Secured Agreement.

"Exchange Rate" means, for the purposes of determining the Base Currency Equivalent of the amount of any Secured Obligation as of any date, the rate at which a currency may be exchanged into the Base Currency, as set forth at approximately 11:00 a.m. on such day on the Reuters World Currency Page for

such currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the relevant Collateral Agent and the Company, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the relevant Collateral Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11.00 a.m. on such date for the purchase of the Base Currency for delivery two Business Days later.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) of the quotations for the day of such transactions received by a Collateral Agent from three federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Company or, if not authorized to act individually and so notified to the Collateral Agents in writing, any two of the foregoing.

"Foreign Currency" shall mean any currency other than the Base Currency.

"French Guarantor" means NXP Semiconductors France SAS.

"French Security Document" means each document, agreement and instrument set forth in Part C of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"German Security Document" means each document, agreement and instrument set forth in Part D of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank, stock exchange or regulator of any financial market.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

"Hedging Secured Obligations" means all amounts now or hereafter payable by the Company and/or the Guarantors pursuant to the Secured Hedging Agreements (including any Contingent Secured Obligations in respect thereof).

"Hong Kong Security Document" means each document, agreement and instrument set forth in Part E of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Indebtedness" has the meaning given in the Secured Agreements (excluding any Additional Secured Document and any Secured Hedging Agreement) as in effect on the date hereof.

"Insolvency Proceeding" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code of the United States or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar Law.

"Investment Grade Securities" means:

(a) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(b) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(c) debt securities or debt instruments with a rating of "A-" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(d) investments in any fund that invests exclusively in investments of the type described in clauses (a), (b) and (c) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Law" includes common or customary law, principles of equity and any constitution, code of practice, decree, judgment, decision, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, guideline, request, rule or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, guideline, request, rule or requirement is intended to apply) of any Governmental Authority.

"L/C Advance" has the meaning given in the Revolving Credit Agreement.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Lien Grantor" means Holdings, the Company or a Guarantor.

"Lien Grantor Supplement" means a supplement hereto substantially in the form set forth on Schedule 6.

"Moody's" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Nationally Recognized Statistical Rating Organization" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"Non-Contingent Secured Obligation" means at any time any Secured Obligation (or portion thereof) that is not a Contingent Secured Obligation at such time.

"Note Secured Document" means any document designated as such in any Note Supplement in accordance with Section 10.01.

"Note Secured Obligations" means any obligations of any Lien Grantor designated as such in any Note Supplement in accordance with Section 10.01 (including any Contingent Secured Obligations in respect thereof).

"Note Secured Party" means any Person that becomes a party to this Agreement in its capacity as trustee under any Note Secured Document pursuant to a Note Supplement.

"Note Supplement" means a supplement hereto substantially in the form set forth on Schedule 4.

"Parallel Debt" means, in relation to an Underlying Debt (and, with respect to the Dutch Lien Grantors only, subject to Section 11.02), an obligation to pay to the Global Collateral Agent an amount equal to (and in the same currency as) the amount of that Underlying Debt.

"Participating Member State" means any member state of the European Communities that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Permitted Lien" means, at any time, a Lien permitted to exist under each of the Secured Agreements (excluding any Additional Secured Documents and Secured Hedging Agreements) at that time.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"Personal Property Collateral" means all property included in the Collateral except Real Property Collateral.

"Philippines Security Document" means each document, agreement and instrument set forth in Part F of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Post-Petition Interest" means any interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Lien Grantor (or would accrue but for the operation of applicable bankruptcy or insolvency laws), whether or not such interest is allowed or allowable as a claim in any such proceeding.

"RCF Administrative Agent" means Morgan Stanley Senior Funding, Inc. or any successor administrative agent appointed under the Revolving Credit Agreement.

"RCF Finance Party" means any Lender or any Letter of Credit Issuer under and as defined in the Revolving Credit Agreement.

"RCF Guarantee" means the Guarantee dated as of the date of this Agreement between Holdings, the Company, each of the Subsidiaries of the Company named as guarantors and the RCF Administrative Agent.

"RCF Secured Document" means the Revolving Credit Agreement, the RCF Guarantee, any Refinancing Document or any security agreement or other instrument or document entered into from time to time to secure or guarantee any of the RCF Secured Obligations.

"RCF Secured Obligations" mean (a) all principal of all Revolving Loans, L/C Advances and Unpaid Drawings outstanding from time to time under the Revolving Credit Agreement, all interest (including Post-Petition Interest) on such Loans, L/C Advances and Unpaid Drawings, (b) all principal of and interest (including any Post-Petition Interest) and premium (if any) on all loans made pursuant to any Refinancing Document, all reimbursement obligations (if any) and interest thereon (including Post-Petition Interest) with respect to any letter of credit, bank guarantee or similar instruments issued pursuant to any Refinancing Document, and (c) all other amounts now or hereafter payable by the Company and/or the Guarantors pursuant to the RCF Secured Documents (including any Contingent Secured Obligations in respect thereof).

"Real Property Collateral" means all real property (including leasehold interests in real property) included in the Collateral.

"Refinancing Document" means any credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the RCF Secured Obligations or any other agreement or instrument referred to in this definition, unless such agreement or instrument expressly provides that it is not intended to be and is not a Refinancing Document under and for the purposes of this Agreement.

"Regulated Subsidiary" means a Subsidiary as to which the consent of a Governmental Authority is required for any acquisition of control or change of control thereof.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Release Conditions" means:

(a) in relation to Section 5.01, the relevant Collateral Agent has received written confirmation from the Required Secured Parties that the applicable Secured Obligations (other than contingent indemnities and similar obligations which are not then due and payable) have been paid and performed in full and all

commitments under the applicable Secured Agreements have been terminated; and

(b) in relation to Section 5.02 and Section 5.03, the relevant Collateral Agent has received written confirmation from the Required Secured Parties that all conditions to the release of such Lien Grantor or such assets or property, as applicable, set forth in the relevant Secured Agreements and applicable under Law have been satisfied or waived.

"Required Secured Parties" means (a) with respect to any Restricted Collateral, any Security Document which creates a Lien on any Restricted Collateral or the Restricted Proceeds Collateral Account, the RCF Administrative Agent, each Secured Hedge Counterparty holding Hedging Secured Obligations secured by such Collateral, each Additional Secured Party holding Additional Secured Obligations secured by such Collateral, and until the Bridge Take-out Date, the Bridge Administrative Agent or (b) with respect to any Unrestricted Collateral, any Security Document which creates a Lien on any Unrestricted Collateral or the Unrestricted Proceeds Collateral Account, all of the Secured Parties, *provided* that (i) no consent of the Note Secured Party shall be required in respect of any Designated Note Release and (ii) no consent of any Collateral Agent (acting in its individual capacity) shall be required for the release of any Collateral (so long as any fees and expenses owing to such Collateral Agent hereunder have been paid in full).

"Rescission Notice" has the meaning given in Section 3.04.

"Restricted Collateral" means Collateral of the French Guarantor and Collateral of Holdings and any proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon any such Collateral.

"Restricted Proceeds Collateral Account" means the segregated account with such name established and maintained by the Global Collateral Agent.

"Restricted Subsidiary" means a Subsidiary of the Company designated as such under and in accordance with the Secured Agreements.

"Revolving Credit Agreement" means the €500,000,000 Secured Revolving Facility dated as of the date of this Agreement between the RCF Administrative Agent, the banks and financial institutions party thereto, Holdings, the Company and NXP Funding LLC.

"Revolving Loan" means a loan made under the Revolving Credit Agreement.

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Secured Agreement" means any RCF Secured Document, any Bridge Secured Document, any Note Secured Document, any Security Document or any other document or agreement that evidences or governs the terms of any of the Secured Obligations.

"Secured Hedge Counterparty" means any RCF Finance Party or any Affiliate thereof that is a party to any Secured Hedging Agreement and has become a party to this Agreement in the capacity as such.

"Secured Hedging Agreement" means any Hedging Agreement (as defined in the Revolving Credit Agreement) in respect of which the relevant Lien Grantor has granted security in favor of the counterparty to secure such Lien Grantor's obligations thereunder.

"Secured Hedging Supplement" means a supplement hereto substantially in the form set forth on Schedule 10.

"Secured Obligations" means (a) the RCF Secured Obligations, (b) the Bridge Secured Obligations, (c) the Hedging Secured Obligations, (d) any Note Secured Obligations, (e) any Additional Secured Obligations or (f) any Parallel Debt owed in relation to the obligations referred to under paragraphs (a) to (e) (inclusive).

"Secured Party" means (a) the RCF Administrative Agent, as agent for and on behalf of the RCF Finance Parties, (b) until the Bridge Take-out Date only, the Bridge Administrative Agent, as agent for and on behalf of the Bridge Lenders, (c) each Secured Hedge Counterparty, (d) any Note Secured Party, (e) any Additional Secured Party or (f) each Collateral Agent.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Security Document" means this Agreement, each French Security Document, each German Security Document, each Hong Kong Security Document, each Dutch Security Document, each Philippines Security Document, each Singapore Security Document, each Taiwan Security Document, each Thai Security Document, each English Security Document, each U.S. Security Document or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Singapore Security Document" means each document, agreement and instrument set forth in Part G of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Subsidiary" means, with respect to any Person:

(a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares or stock (including preferred shares, but excluding debt securities convertible into such equity) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(b) any partnership, joint venture, limited liability company or similar entity of which:

(i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Supplement" means an Additional Secured Obligations Supplement, a Note Supplement, a Secured Hedging Supplement or a Lien Grantor Supplement.

"Supplemental Collateral Agent" has the meaning given in Section 8.05.

"Taiwan Security Document" means each document, agreement and instrument set forth in Part H of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Taiwan Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Thai Security Document" means each document, agreement and instrument set forth in Part I of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

"Transactions" means the acquisition by Holdings of the Company and its Subsidiaries and the related transactions (including disentanglement) pursuant to the Stock Purchase Agreement dated as of September 29, 2006, the drawing of

Bridge Loans and the refinancing thereof with one or more note issuances, and the extensions of credit under the Revolving Credit Agreement.

"UCC" means the New York Uniform Commercial Code as in effect from time to time.

"Underlying Debt" means, in relation to a Lien Grantor and at any given time, each obligation (whether present or future, actual or contingent) owing by that Lien Grantor to a Secured Party under the Secured Agreements (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Secured Agreements, in each case whether or not anticipated as of the date of this Agreement) excluding that Lien Grantor's Parallel Debts.

"Unpaid Drawing" has the meaning given in the Revolving Credit Agreement.

"Unrestricted Collateral" means Collateral that is not Restricted Collateral.

"Unrestricted Proceeds Collateral Account" means the segregated account with such name established and maintained by the Global Collateral Agent.

"U.S. Security Document" means each document, agreement and instrument set forth in Part J of Schedule 9 or any other document, agreement or instrument designated in writing as such by the Global Collateral Agent and the Lien Grantor entering into such document, agreement or instrument.

Section 1.02. *Terms Generally.* The definitions of terms herein (including those incorporated by reference to another document) apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. The words **"include"**, **"includes"** and **"including"** shall be deemed to be followed by the phrase "without limitation". The word **"will"** shall be construed to have the same meaning and effect as the word **"shall"**. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, extended, novated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words **"herein"**, **"hereof"** and **"hereunder"**, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and

Exhibits and Schedules to, this Agreement, (e) the words "**property**" and "**assets**" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (f) an Enforcement Event will be "**continuing**" until a Rescission Notice is received by the Global Collateral Agent in accordance with the terms hereof, and (g) any reference to a time of day is a reference to London time.

Section 1.03. *Amounts Due to Secured Parties.* If any Secured Party is an agent, trustee or representative for any other Person or Persons, any reference in this Agreement to an amount being "due", "payable" or "owing" to such Secured Party shall include all amounts (including Post-Petition Interest) that are due, payable or owing to any Person for which such Secured Party acts as agent, trustee or other representative.

Section 1.04. *Holdings and the Guarantors.* Holdings and the Guarantors are parties to this Agreement solely for the purpose of (a) giving the acknowledgements, and making the agreements and covenants, set forth in Sections 11.01 and 11.02, (b) giving the acknowledgments set forth in Section 7.03, (c) acknowledging the contents of Article 8, (d) receiving excess proceeds pursuant to the final distribution priority set forth in Section 4.04(a), (e) receiving the benefits of Sections 5.05, 6.02(c) and 7.03. Holdings and the Guarantors shall have no other rights or obligations under this Agreement.

ARTICLE 2
APPOINTMENT OF COLLATERAL AGENTS

Section 2.01. *Initial Appointment.* (a) Each Secured Party hereby appoints Morgan Stanley Senior Funding, Inc. as the Global Collateral Agent:

(i) to act as its agent (and as trustee under and in connection with the Singapore Security Documents and any Liens created thereunder) for all or any of the purposes set out in this Agreement and the Security Documents (other than the Taiwan Security Documents);

(ii) without in any way limiting the foregoing, to enforce on its behalf the rights which it may have under any of the Security Documents (other than the Taiwan Security Documents);

(iii) to apply the proceeds of such enforcement in accordance with the terms of this Agreement; and

(iv) to enter into the Security Documents (other than the Taiwan Security Documents) in its capacity as Collateral Agent and as agent (and to the extent specified in clause (i) above, trustee) for that Secured Party and to perform its obligations thereunder,

and the Global Collateral Agent accepts such appointment, subject to the conditions and limitations set out in this Agreement; *provided* that with respect to the Relevant Jurisdictions, the Global Collateral Agent shall act in its own name in its capacity as a direct creditor in respect of the Parallel Debt.

(b) Each Secured Party hereby appoints Mizuho Corporate Bank, Ltd. as the Taiwan Collateral Agent:

(i) to act as its agent for all or any of the purposes set out in this Agreement and the Taiwan Security Documents;

(ii) without in any way limiting the foregoing, to enforce on its behalf the rights which it may have under any of the Taiwan Security Documents;

(iii) to apply the proceeds of such enforcement in accordance with the terms of this Agreement; and

(iv) to enter into the Taiwan Security Documents in its capacity as Taiwan Collateral Agent and as agent for that Secured Party and to perform its obligations thereunder,

and the Taiwan Collateral Agent accepts such appointment, subject to the conditions and limitations set out in this Agreement.

Section 2.02. *No Other Agency.* It is expressly declared that each Collateral Agent is an agent (and to the extent specified in clause (a) above, trustee) for the Secured Parties only and not for any Lien Grantor or any of their respective Subsidiaries or any other Person whatsoever; *provided* that with respect to the Relevant Jurisdictions, the Global Collateral Agent shall act in its own name in its capacity as direct creditor in respect of the Parallel Debt.

ARTICLE 3
INSTRUCTIONS TO AND ACTIONS BY COLLATERAL AGENTS

Section 3.01. *Instructions in Writing.* Instructions to a Collateral Agent shall only be effective if in writing and signed or countersigned by an Authorized Signatory of the Secured Party giving such instructions.

Section 3.02. *Actions Under Security Documents.* No Collateral Agent shall be obliged or required to take any action under this Agreement or any other Security Document in the absence of instructions received from the Secured Parties in accordance with this Agreement but may take, but shall have no

obligation to take, any and all actions under any applicable Security Document as

it shall deem necessary in its sole discretion in order to maintain, protect or preserve the Collateral and the rights and interests of the Secured Parties therein.

Section 3.03. *Enforcement Notices.* (a) Following the occurrence and during the continuance of an Enforcement Event under a Secured Agreement, the relevant Secured Party that holds, or that is the agent or trustee for the holders of, the Secured Obligations under such Secured Agreement may deliver to the Collateral Agents a notice in substantially the form set forth on Schedule 1 (an "**Enforcement Notice**") instructing the Collateral Agents to take enforcement action under the Security Documents. An Enforcement Notice must certify that all or part of the relevant Secured Obligations have become due and payable prior to or at the stated maturity thereof pursuant to the terms of the relevant Secured Agreement and remain unpaid as of the date of such Enforcement Notice. An Enforcement Notice shall be deemed to be in effect at all times after such Enforcement Notice has been given until such time, if any, as a Rescission Notice has been delivered in accordance with Section 3.04.

(b) The Global Collateral Agent shall promptly provide a copy of any Enforcement Notice received by it from any Secured Party to the other Secured Parties and the Company.

Section 3.04. *Rescission of Instructions.* (a) Any instruction given to the Collateral Agents pursuant to Section 3.01, 3.02 or 3.03 (including any Enforcement Notice) may only be revoked by further notice in writing from the instructing Secured Party. In the case of revocation of an Enforcement Notice, the Secured Party that delivered such Enforcement Notice must deliver to the Collateral Agents a notice in substantially the form set forth on Schedule 2 (a "**Rescission Notice**"). Any such notice of revocation (including a Rescission Notice) shall not, however, affect the liability of the Collateral Agents under this Agreement or any Security Document for any action taken in reliance upon the relevant instruction prior to actual receipt of such notice of revocation (including the consequences of such action whether occurring before or after such receipt).

(b) The Global Collateral Agent shall promptly provide a copy of any Rescission Notice or other revocation instruction received by it from any Secured Party to the other Secured Parties and the Company.

ARTICLE 4
ENFORCEMENT ACTION AND APPLICATION OF PROCEEDS

Section 4.01. *Remedies Upon Enforcement Event.* (a) If an Enforcement Event shall have occurred and be continuing and a Secured Party shall have issued an Enforcement Notice, each Collateral Agent shall exercise (or cause its sub-agents to exercise) any or all of the remedies available to it (or to such sub-agents) under the applicable Security Documents and at Law; *provided* that no

Collateral Agent shall exercise any remedy involving the acceptance of any Collateral in full or partial satisfaction of any Secured Obligation, to the extent available in any applicable jurisdiction, except with the consent of the Required Secured Parties and any other Secured Party that has any Secured Obligation thereby satisfied without payment in full in cash.

(b) Without limiting the generality of clause (a) above, if an Enforcement Event shall have occurred and be continuing and a Secured Party shall have issued an Enforcement Notice, each Collateral Agent may, to the extent permitted by applicable Law, exercise on behalf of the Secured Parties all the rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) with respect to any Personal Property Collateral. In addition, the Collateral Agents may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of Law (i) withdraw all amounts held in the Collateral Accounts and apply such amounts as provided in Section 4.04 and (ii) if there shall be no such amounts or if such amounts shall be insufficient to pay all the Secured Obligations in full, sell, lease, license or otherwise dispose of the Collateral or any part thereof; *provided* that the right of a Collateral Agent to sell or otherwise dispose of the capital stock of any Regulated Subsidiary shall be subject to the relevant Collateral Agent or the relevant Lien Grantor obtaining, to the extent necessary under applicable Law, the prior approval of such sale or other disposition by the Governmental Authority having jurisdiction with respect to such Regulated Subsidiary. Notice of any such sale or other disposition shall be given to the relevant Lien Grantor in accordance with the requirements set forth in the Security Documents or as otherwise required by applicable Law. The foregoing provisions of this clause (b) shall apply to Real Property Collateral only to the extent permitted by applicable Law and the provisions of any applicable Security Document.

(c) Following receipt of an Enforcement Notice, each Collateral Agent shall enforce its rights under each Security Document in accordance with the instructions of the Required Secured Parties (which instructions shall relate to the manner of enforcement only and not the requirement to take enforcement action, which shall be governed exclusively by the Enforcement Notice).

(d) Following receipt of a Rescission Notice from each Secured Party that has issued an Enforcement Notice, each Collateral Agent shall promptly cease enforcing its rights under the Secured Documents. Receipt of a Rescission Notice shall not affect the liability of the Collateral Agents under this Agreement or any Security Documents for actions taken in reliance upon an Enforcement Notice or other instruction received for the Required Secured Parties prior to actual receipt of such Rescission Notice (including the consequences of such actions whether occurring before or after such receipt).

Section 4.02. *Limitation on Duty in Respect of Collateral.* Beyond the exercise of reasonable care in the custody and preservation thereof, no Collateral Agent will have any duty as to any Collateral in its possession or control or in the possession or control of any sub-agent or bailee or any income therefrom or as to the preservation of rights against prior parties or any other rights pertaining thereto. Each Collateral Agent will be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equal to that which it accords its own assets or property, and will not be liable or responsible for any loss or damage to any Collateral, or for any diminution in the value thereof, by

reason of any act or omission of any sub-agent or bailee selected by a Collateral Agent in good faith, except to the extent that such liability arises from such Collateral Agent's gross negligence or willful misconduct.

Section 4.03. *Restrictions on Actions.* Each Secured Party agrees that, unless and until this Agreement is terminated as provided herein, the provisions of this Agreement shall provide the exclusive method by which any Secured Party may exercise, or direct the exercise of, rights and remedies under the Security Documents. Therefore, each Secured Party shall, except as permitted under this Agreement:

(a) refrain from taking or filing any action, judicial or otherwise, to enforce any rights or pursue any remedies under the Security Documents, except for delivering notices or instructions hereunder; and

(b) refrain from exercising any rights or remedies under the Security Documents which may be exercisable as a result of an Enforcement Event;

provided that the foregoing shall not prevent (i) any Secured Party from imposing a default rate of interest in accordance with any Secured Agreement, (ii) a Collateral Agent from exercising any right or remedy or taking any other action on behalf of the Secured Parties that it is permitted or authorized to exercise or take or (iii) a Secured Party from exercising its rights and remedies as a general creditor in accordance with the applicable Secured Agreement and applicable Law, including the right to commence legal proceedings to collect any of the Secured Obligations due and payable to such Secured Party and remaining unpaid, to accelerate the maturity of any Secured Obligations or to terminate any commitment under any Secured Agreement in accordance with the applicable Secured Agreement, to commence legal proceedings to enforce any Secured Agreement and obtain a judgment and to enforce such judgment, in each case to the same extent as if such Secured Party were an unsecured creditor. If any Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Lien Grantor shall be entitled to use such violation as a defense to any action by any Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any Secured Party.

Section 4.04. *Application of Proceeds.* (a) The Global Collateral Agent shall apply (i) any amounts held in the Collateral Accounts, (ii) the proceeds of any enforcement of any Liens created by any of the Security Documents, including from the sale or other disposition of all or any part of the Collateral and (iii) any amount received or recovered pursuant to any Insolvency Proceeding relating to any Lien Grantor, in the following order of priorities; *provided* that all amounts received or recovered from any Restricted Collateral or standing to the credit of the Restricted Proceeds Collateral Account shall be applied solely to pay and discharge the RCF Secured Obligations, the Bridge Secured Obligations (until the Bridge Take-out Date), any Hedging Secured Obligations and any Additional Secured Obligations in the priority specified below:

first, to pay ratably (i) the costs, expenses, charges and liabilities incurred by each Collateral Agent in exercising its rights under the Security Documents (including in connection with any sale or other disposition of any Collateral), including reasonable compensation to agents of and counsel for the Collateral Agents, and all expenses, liabilities and advances incurred or made by the Collateral Agents in connection with the Security Documents, and any other amounts then due and payable to the Collateral Agents pursuant to Section 8.04 or Section 8.05, (ii) any amounts due and payable to any Agent for its own account under any RCF Secured Document or any Bridge Secured Document, (iii) any fees payable to any Letter of Credit Issuer under any RCF Secured Document, and (iv) any amounts due and payable to any agent or trustee for its own account under any Note Secured Document or any Additional Secured Documents;

second, to pay ratably (i) all principal, Unpaid Drawings, L/C Advances, interest and other RCF Secured Obligations (other than fees) due and payable to the RCF Finance Parties under the Revolving Credit Agreement, (ii) any amounts (other than fees) due and payable under any Secured Hedging Agreement, and (iii) to the extent that the Additional Secured Obligations under such Additional Secured Documents are designated to have such priority under the applicable Additional Secured Obligations Supplement, all unpaid principal, reimbursement obligations, interest and other Additional Secured Obligations (other than fees) due and payable under the Additional Secured Documents;

third, to pay ratably all fees due and payable to (i) the RCF Finance Parties under the RCF Secured Documents, (ii) the Secured Hedge Counterparties under any Secured Hedging Agreements, and (iii) to the extent that such Additional Secured Obligations are designated to have such priority under the applicable Additional Secured Obligations Supplement, the Additional Secured Parties under the relevant Additional Secured Documents;

fourth, to pay ratably, all principal, interest, reimbursement obligations and other Secured Obligations (other than fees) due and payable (i) to the Bridge Lenders under the Bridge Secured Documents, (ii) to the holders of the Note Secured Obligations under the Note Secured Documents, and (iii) to the

extent that the Additional Secured Obligations under such Additional Secured Documents are designated under the applicable Additional Secured Obligations Supplement to be equal in priority to the Secured Obligations described in the foregoing clauses (i) and (ii) of this paragraph *fourth*, the Additional Secured Parties under the relevant Additional Secured Documents;

fifth, to pay ratably all fees due and payable (i) to the Bridge Lenders under the Bridge Secured Documents, (ii) to the holders of Note Secured Obligations under the Note Secured Documents, and (iii) to the extent that the Additional Secured Obligations under such Additional Secured Documents are designated under the applicable Additional Secured Obligations Supplement to be equal in priority to the Secured Obligations described in the foregoing clauses (i) and (ii) of this paragraph *fifth*, the Additional Secured Parties under any Additional Secured Document;

sixth, to pay to the relevant Lien Grantor, or as a court of competent jurisdiction may direct, any surplus then remaining from the proceeds of the Collateral owned by it.

(b) Amounts distributed to Secured Parties pursuant to the foregoing clause (a) shall be allocated among such Secured Parties for all Secured Obligations referred to in the relevant paragraph, in accordance with the requirements set forth in the applicable Secured Agreements or, in the absence of any such requirement, pro rata among such Secured Obligations in accordance with the respective amounts thereof.

(c) In making distributions pursuant to the foregoing clause (a), the relevant Collateral Agent may provide for the payment of any Contingent Secured Obligation in accordance with clause (f) below.

(d) All amounts received or recovered by the Taiwan Collateral Agent under or in connection with the Taiwan Security Documents shall, to the extent permitted by applicable Law, be deposited into the Unrestricted Proceeds Collateral Account. In the event that the Taiwan Collateral Agent is not permitted under applicable Law to make such deposits, the Taiwan Collateral Agent shall establish and maintain a sub-account into which all amounts received or recovered (or any portion thereof) shall be deposited. Amounts standing to the creditor of such sub-account shall be applied in accordance with clause (a) above.

(e) The Collateral Agents may make such distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

(f) If at any time any portion of any monies collected or received by a Collateral Agent would, but for the provisions of this clause (f), be payable pursuant to clause (a) above in respect of a Contingent Secured Obligation that would be payable if the amount thereof were due and payable, the relevant

Collateral Agent shall not apply any monies to pay such Contingent Secured Obligation but instead shall request the holder thereof, at least three Business Days (or such shorter period as the relevant Collateral Agent may agree) before each proposed distribution hereunder, to notify the relevant Collateral Agent as to the maximum amount of such Contingent Secured Obligation if then ascertainable together with any detail and/or evidence of the computation of such amounts as the relevant Collateral Agent may reasonably request. If the holder of such Contingent Secured Obligation does not notify the relevant Collateral Agent of the maximum ascertainable amount thereof and provide such additional detail and/or evidence at least one Business Day before such distribution, such holder will not be entitled to share in such distribution with respect to such Contingent Secured Obligation. If such holder does so notify the relevant Collateral Agent as to the maximum ascertainable amount thereof, the relevant Collateral Agent will allocate to such holder a portion of the monies to be distributed in such distribution, calculated as if such Contingent Secured Obligation were due and payable in such maximum ascertainable amount. However, the relevant Collateral Agent will not apply such portion of such monies to pay such Contingent Secured Obligation, but instead will hold such monies or invest such monies in Investment Grade Securities or Cash Equivalents as may be directed by the Required Secured Parties from time to time. All such monies and Investment Grade Securities or Cash Equivalents and all proceeds thereof will constitute Collateral hereunder, but will be subject to distribution in accordance with this clause (f) rather than clause (a) above. The relevant Collateral Agent will hold all such monies and Investment Grade Securities or Cash Equivalents and the net proceeds thereof in trust until all or part of such Contingent Secured Obligation becomes a Non-Contingent Secured Obligation, whereupon the relevant Collateral Agent at the request of the relevant Secured Party will apply the amount so held in trust to pay such Non-Contingent Secured Obligation; *provided* that, if the other Secured Obligations theretofore paid pursuant to the same paragraph of clause (a) above were not paid in full, the relevant Collateral Agent will apply the amount so held in trust to pay the same percentage of such Non-Contingent Secured Obligation as the percentage of such other Secured Obligations theretofore paid pursuant to the same paragraph of clause (a) above. If (i) the holder of such Contingent Secured Obligation shall advise the relevant Collateral Agent that no portion thereof remains in the category of a Contingent Secured Obligation and (ii) the relevant Collateral Agent still holds any amount held in trust pursuant to this clause (f) in respect of such Contingent Secured Obligation (after paying all amounts payable pursuant to the preceding sentence with respect to any portions thereof that became Non-Contingent Secured Obligations), such remaining amount will be applied by the relevant Collateral Agent in the order of priorities set forth in clause (a) above. Any interest, income or other amount received or any Investment Grade Securities or Cash Equivalents shall form part of the Collateral and shall not be the property of the relevant Secured Party and no Secured Party shall have any liability or responsibility for

any diminution in value of or losses upon sale or liquidation of Cash Equivalents or Investment Grade Securities.

(g) In making the payments and allocations required by this Section, a Collateral Agent may request and rely upon a certificate delivered to it by each of the Secured Parties to be dated at a date specified by the relevant Collateral Agent and stating:

(i) whether all Secured Obligations owed or owing to that Secured Party have been paid or discharged in full;

(ii) any amounts due to that Secured Party under the Secured Agreements;

(iii) the currency or currencies in which such amounts are due;

(iv) the nature of any amounts due and the date or dates on which such amounts are payable or repayable; and

(v) such other matters as the Relevant Collateral Agent may, acting in good faith, deem necessary or desirable to enable it to make a distribution as at such date.

(h) No Collateral Agent shall be required, until it receives such certificate, to apply any sums in accordance with clause (a) above if it has, as soon as reasonably practicable after receipt or recovery of any amount under any Security Document, requested but not received a certificate under clause (g) without which it is not able to apply such sums in accordance with its obligation under clause (a) above. Each Secured Party shall provide a certificate requested by the Collateral Agent under clause (g) as soon as reasonably practicable after receipt of such request.

Section 4.05. *Currency Conversions for Calculations.* For the purposes of Section 4.04 the value of any Secured Obligations outstanding under any Secured Agreement which are denominated in a currency other than the Base Currency shall be determined by notionally converting such currency into its Base Currency Equivalent.

Section 4.06. *Determinations Conclusive.* All distributions made by any Collateral Agent pursuant to this Section shall be final (except in the event of manifest error) and no Collateral Agent shall have any duty to inquire as to the application by any Secured Party of any amount distributed to it.

Section 4.07. *Turnover of Receipts.* Any Collateral, including without limitation any such Collateral constituting proceeds of other Collateral, that may be received by any Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the Global Collateral

Agent, for the benefit of the Secured Parties, in the same form as received, with any necessary endorsements, and each Secured Party hereby authorizes the Global Collateral Agent to make any such endorsements as agent for such Secured Party (which authorization, being coupled with an interest, is irrevocable).

Section 4.08. *Avoidance Issues.* If any Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Lien Grantor, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the relevant Secured Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred.

ARTICLE 5
RELEASE OF LIENS AND COLLATERAL

Section 5.01. *Termination on Satisfaction of Release Conditions.* All Liens granted by the Lien Grantors under the Security Documents shall terminate when the relevant Release Conditions are satisfied. Promptly upon such satisfaction, the Required Secured Parties will provide written confirmation thereof to the Global Collateral Agent, and the Global Collateral Agent shall forward a copy of such confirmation to the Company.

Section 5.02. *Release of Lien Grantors.* At any time before the Liens granted by the Lien Grantors terminate in accordance with Section 5.01, the Liens granted by a Lien Grantor under the Security Documents to which such Lien Grantor is a party will terminate when the relevant Release Conditions are satisfied, *provided* that the Global Collateral Agent shall, and is hereby authorized and instructed by the Secured Parties to, release the Liens created under the Thai Share Pledge on each Accession Date (as defined therein) in accordance with and subject to the conditions set forth in clause 2.2(b)(i) of the Thai Share Pledge and to enter into a replacement pledge pursuant to clause 2.2(b)(ii) of the Thai Share Pledge. Promptly upon such satisfaction, the Required Secured Parties will provide written confirmation thereof to the Global Collateral Agent, and the Global Collateral Agent shall forward a copy of such confirmation to the Company.

Section 5.03. *Release of Assets from Liens.* The assets or properties of a Lien Grantor subject to a Lien under the Security Documents to which such Lien Grantor is a party will be released from such Lien when the relevant Release Conditions are satisfied.

Section 5.04. *Reinstatement of Liens and Collateral.* Any Lien shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by a Collateral Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation, reorganization or similar proceeding under any applicable Law of a Lien Grantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar official for, a Lien Grantor or any part of its property or assets, or otherwise, all as though such payments had been due but not made at such time.

Section 5.05. *Release Documentation.* In connection with any termination of a Lien or release of Collateral in accordance with Section 5.01, Section 5.02 or Section 5.03, the relevant Collateral Agent will, at the expense of the relevant Lien Grantor, execute and deliver to such Lien Grantor such documents as such Lien Grantor shall reasonably request to evidence the termination of such Lien or the release of such Collateral, as the case may be. Any execution and delivery of documents pursuant to this Section 5.05 shall be without recourse to or warranty by the relevant Collateral Agent.

Section 5.06. *No Release By Other Secured Parties.* Release or discharge of any Lien or any asset or property of any Lien Grantor subject to any such Lien by a Secured Party shall not constitute a release or discharge by any other Secured Party except to the extent approved by the Required Secured Parties.

ARTICLE 6
COLLATERAL ACCOUNTS

Section 6.01. *Establishment of Collateral Accounts.* (a) The Global Collateral Agent shall establish and maintain the Collateral Accounts over which the Global Collateral Agent shall have sole dominion and control. The Taiwan Collateral Agent, any sub-agent of a Collateral Agent appointed pursuant to Section 8.0l(h) or Supplemental Collateral Agent may establish and maintain one or more sub-accounts under the Collateral Accounts of the Global Collateral Agent, and any such sub-accounts shall constitute part of the Collateral Accounts of the Global Collateral Agent for purposes hereof.

Section 6.02. *Deposits to Collateral Accounts.* (a) While a Notice of Enforcement received by it is in effect, all amounts which are received or recovered by the Global Collateral Agent in respect of any Restricted Collateral, whether in connection with the exercise of any right or remedy provided in this Agreement or any other Security Document or otherwise (including all amounts received on account of any sale of or other realization upon any Restricted Collateral pursuant to any Security Document or in any Insolvency Proceeding), shall be deposited in the Restricted Proceeds Collateral Account.

(b) While a Notice of Enforcement received by it is in effect, all amounts which are received or recovered by a Collateral Agent in respect of any Unrestricted Collateral, whether in connection with the exercise of any right or remedy provided in this Agreement or any other Security Document or otherwise (including all amounts received on account of any sale of or other realization upon any Unrestricted Collateral pursuant to any Security Document or in any Insolvency Proceeding), shall be deposited in the Unrestricted Proceeds Collateral Account.

(c) Following receipt of a Rescission Notice in accordance with the terms hereof, the Collateral Agents shall (subject to the payment of, or provision for, any Secured Obligations then due and payable in accordance with Section 4.04, and after deducting amounts reasonably estimated to be payable in respect of expenses incurred that constitute Secured Obligations) release any funds then remaining on deposit in any Collateral Account to the Lien Grantor or Lien Grantors entitled thereto.

Section 6.03. *Rights in Collateral Accounts.* (a) All amounts deposited in the Restricted Proceeds Collateral Account shall be held by the Global Collateral Agent solely for the benefit of the RCF Administrative Agent, the Bridge Administrative Agent (until the Bridge Take-out Date), the Secured Hedge Counterparties and each Additional Secured Party, subject to the terms hereof and, if applicable, the Security Documents.

(b) All amounts deposited in the Unrestricted Proceeds Collateral Account shall be held by the Collateral Agents for the benefit of the Secured Parties subject to the terms hereof and, if applicable, the Security Documents.

(c) No Lien Grantor shall have any rights with respect to any Collateral Account other than the right to receive excess proceeds pursuant to the final distribution priority set forth in Section 4.04(a).

Section 6.04. *Investment of Balance of Collateral Accounts.* The Collateral Agents will from time to time invest any cash held in any Collateral Account in Cash Equivalents or Investment Grade Securities in accordance with any directions received in writing from the Required Secured Parties; *provided* that no Collateral Agent shall be obligated to make any such investment in Cash Equivalents unless directed in writing by the Required Secured Parties. In the absence of any instruction to invest any cash held in a Collateral Account in Cash Equivalents or Investment Grade Securities, the Collateral Agent shall deposit any such cash in an interest bearing account or short term time deposit, in each case, with the Global Collateral Agent (or one of its Affiliates) and bearing a market rate of interest. No Collateral Agent shall be obligated to pay any interest to any Lien Grantor on any cash held in the Collateral Account, but any interest earned on any Cash Equivalents, Investment Grade Securities, interest bearing account or time deposit shall form part of the Collateral Account to be applied as provided

herein. The Collateral Agents shall have the right to sell or liquidate any Cash Equivalents or Investment Grade Securities for the purpose of providing the cash necessary for any withdrawal in accordance with this Agreement. No Collateral Agent shall have any responsibility or liability for any diminution in value of or losses upon sale or liquidation of any Cash Equivalents or Investment Grade Securities.

Section 6.05. *Conversion of Currencies.* In the event that any amount is received or recovered by a Collateral Agent or any agent or nominee of a Collateral Agent in any currency other than the currency in which the Secured Obligations (or any part thereof) are denominated, the relevant Collateral Agent shall convert such amount (or any part thereof) into the relevant currency at the applicable Exchange Rate, unless otherwise directed in writing by a Secured Party with respect to its share thereof. No Collateral Agent nor any agent or nominee of any Collateral Agent shall be liable for any losses from such conversion of currencies.

ARTICLE 7
INFORMATION, NOTICES AND AMENDMENTS

Section 7.01. *Delivery of Agreements.* The Company shall deliver to each Collateral Agent, promptly upon the execution thereof, true and complete copies of (a) all amendments, amendments and restatements, extensions, novations, supplements or other modifications to any Secured Agreement, (b) each Note Secured Document, (c) each Secured Hedging Agreement and (d) each Additional Secured Document.

Section 7.02. *Information.* Within 120 days after the end of each year, and while a Notice of Enforcement is in effect, upon the reasonable request of any Collateral Agent, the Company shall promptly deliver to such Collateral Agent a list, setting forth as of a specified date not more than 10 Business Days prior to the date of delivery, of the aggregate outstanding Secured Obligations and Secured Agreements and the name and address of each Secured Party and the respective amounts of Secured Obligations attributable to each. Each Collateral Agent shall provide a copy of the most recent list delivered to it under this Section to any Secured Party upon written request.

Section 7.03. *Waivers and Amendments.* (a) This Agreement and the other Security Documents may only be amended, modified, supplemented, waived or released with the written approval of (i) in the case of this Agreement, the Collateral Agents, the Secured Parties and the Company, (ii) in the case of any other Security Document (other than the Taiwan Security Documents), the Global Collateral Agent, the Required Secured Parties and the Lien Grantor that is a party thereto or (iii) in the case of any Taiwan Security Document, the Taiwan Collateral Agent, the Required Secured Parties and the Lien Grantor that is a party

thereto. Any amendment, modification, supplement, waiver or release with respect to a Security Document shall not affect any other Security Document.

(b) Each Collateral Agent shall promptly notify each Secured Party in the event that such Collateral Agent receives any request by any party hereto or by any Lien Grantor for any consent, waiver, amendment or modification with respect hereto or any other Security Document.

(c) Notwithstanding the foregoing provisions of this Section 7.03, the Collateral Agents and the Lien Grantors, at any time and from time to time, may enter into one or more agreements supplemental hereto or to any other Security Document, in a form satisfactory to the Collateral Agents, (i) to add to the covenants of the Lien Grantors hereunder or thereunder, for the benefit of the Secured Parties or to surrender any right or power herein or therein conferred upon the Lien Grantors or (ii) to cure any ambiguity, to correct or supplement any provision herein or in any other Security Document, or to make any other provision with respect to matters or questions arising hereunder which shall not be inconsistent with any provision hereof; provided, that any such action contemplated by this clause (c) shall not adversely affect the interests of any Secured Party (as certified by the Company to the Collateral Agents) and the Collateral Agents shall be conclusively entitled to rely on such certification in taking any such action.

(d) In connection with the accession of any trustee representing the holders of any Note Secured Obligations, the Collateral Agents shall make such changes to the terms hereof relating to the rights and duties of such trustee and any other party as are required by such trustee without the consent of any other party, *provided* that such changes would not have a material adverse effect on the other parties.

ARTICLE 8
THE COLLATERAL AGENT

Section 8.01. *General Provisions Concerning the Collateral Agents.* (a) Each Collateral Agent is authorized to take such actions and to exercise such powers as are delegated to such Collateral Agent by the terms of this Agreement and the other Security Documents, together with such actions and powers as are reasonably incidental thereto.

(b) Any bank serving as a Collateral Agent shall, in its capacity as a Secured Party, have the same rights and powers as any other Secured Party and may exercise the same as though it were not a Collateral Agent. Such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any the Company or Affiliate thereof as if it were not a Collateral Agent hereunder.

(c) No Collateral Agent shall have any duties or obligations under this Agreement and the other Security Documents to which it is a party except as expressly set forth herein and therein. Without limiting the generality of the foregoing, (i) no Collateral Agent shall be subject to any fiduciary or other implied duties, regardless of whether an Enforcement Event has occurred and is continuing, (ii) no Collateral Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Security Documents to which it is a party that a Collateral Agent is required in writing to exercise by the Required Secured Parties, and (iii) except as expressly set forth in the Security Documents, no Collateral Agent shall have any duty to disclose, and shall not be liable for any failure to disclose, any information relating to the Company or its Affiliates that is communicated to or obtained by any bank serving as a Collateral Agent or any of its Affiliates in any capacity.

(d) No Collateral Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Secured Parties or in the absence of its own gross negligence or willful misconduct.

(e) No Collateral Agent shall be responsible for the existence, genuineness or value of any Collateral or for the validity, perfection, priority or enforceability of any Lien created or purported to be created under any Security Document, whether impaired by operation of law or by reason of any action or omission to act on its part under the Security Documents.

(f) No Collateral Agent shall be deemed to have knowledge of any Enforcement Event unless and until written notice thereof is given to such Collateral Agent by a Secured Party, and no Collateral Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Security Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Security Document or any Secured Agreement, (iv) the validity, enforceability, effectiveness or genuineness of any Security Document, any Secured Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Security Document or any Secured Agreement.

(g) Each Collateral Agent shall be entitled to rely on, and shall not incur any liability for relying on, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Collateral Agent also may rely on any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. A Collateral Agent may consult with legal counsel (who may be counsel for a Secured Party or any Lien Grantor), independent accountants and other experts

selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountant or expert. Each Collateral Agent may rely conclusively on advice from a Secured Party as to whether at any time the maturity of the relevant Secured Obligations has been accelerated.

(h) Each Collateral Agent may perform any of its duties and exercise any of its rights and powers through one or more sub-agents appointed by it. Each Collateral Agent and any such sub-agent may perform any of its duties and exercise any of its rights and powers through its Related Parties. All of the provisions of this Agreement applicable to the Collateral Agents (excluding, for this purpose, the rights arising in respect of the Parallel Debts under Section 11.01) shall apply to and be enforceable by any such sub-agent and Related Parties of a Collateral Agent and any such sub-agent. All references herein to a "Collateral Agent" (excluding, for this purpose, the rights arising in respect of the Parallel Debts under Section 11.01) shall include any such sub-agent and Related Parties of a Collateral Agent or any such sub-agent. The parties hereto acknowledge that as of the date hereof the Global Collateral Agent shall appoint The Hong Kong and Shanghai Banking Corporation Limited, Philippines Branch to act as its sub-agent under and in connection with the Philippine Security Documents and to hold the benefit of all Liens and other rights created thereunder for the benefit of the Secured Parties.

(i) Promptly, and in any event within two Business Days after receipt, each Collateral Agent shall send to each Secured Party copies of any certificate or notice received or given by such Collateral Agent under or in connection with any Security Document.

(j) A Collateral Agent may refuse to act on any notice, consent, direction or instruction from any Secured Parties that, in such Collateral Agent's opinion, (i) is contrary to Law or the provisions of any Security Document to which it is a party, or (ii) may expose such Collateral Agent to liability (unless such Collateral Agent shall have been indemnified, to its reasonable satisfaction, for such liability by the Secured Parties that gave such notice, consent, direction or instruction).

Section 8.02. *No Reliance by Secured Parties.* Each Secured Party acknowledges that it will, independently and without reliance upon any Collateral Agent or any other Secured Party and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Security Document or related agreement or any document furnished hereunder or thereunder.

Section 8.03. *Resignation and Removal; Successor Collateral Agent.* (a) Subject to the appointment and acceptance of a successor Collateral Agent as

provided in this Section, a Collateral Agent may resign at any time by notifying the Secured Parties and the Company. Upon any such resignation, the Secured Parties shall have the right, in consultation with the Company, to appoint a successor Collateral Agent. If no successor shall have been so appointed by the Secured Parties and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Secured Parties, appoint a successor Collateral Agent that complies with clause (b) below. In addition, the Required Secured Parties may remove a Collateral Agent by notice in writing in the event that such Collateral Agent becomes subject to, or affected by, an Insolvency Proceeding; *provided* that the Required Secured Parties shall have appointed a replacement Collateral Agent that complies with clause (b) below and such replacement shall have accepted such appointment.

(b) Any replacement or successor Collateral Agent shall (i) in the case of the Global Collateral Agent, be a bank with an office in New York, New York or London, England, or an Affiliate of any such bank or (ii) in the case of the Taiwan Collateral Agent, be a bank which holds a commercial banking license in Taiwan and satisfies the other criteria to qualify to hold registered security interests over collateral located in the Republic of China as a joint and several creditor under Article 2.83 of the Civil Code of the Republic of China. Upon acceptance of its appointment as Collateral Agent hereunder by a replacement or successor, such replacement or successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent hereunder, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder.

(c) The fees payable by the Company to a replacement or successor Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Company and such replacement or successor. After a Collateral Agent's resignation or removal hereunder, the provisions of this Section and Section 4.02 shall continue in effect for the benefit of the Collateral Agent so retired or removed, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the Collateral Agent so retired or removed was acting as Collateral Agent.

Section 8.04. *Fees and Expenses; Indemnification.* (a) The Company will pay or reimburse to each Collateral Agent:

(i) the amount of any taxes that a Collateral Agent may have been required to pay under or in connection with the creation of the Liens on the Collateral under the Security Documents on or following the date of this Agreement (including, without limitation, any filing, recordation or other registration fees) or to free any Collateral from any other Lien thereon;

(ii) the amount of any and all reasonable and documented out-of-pocket expenses, including transfer taxes and reasonable fees and expenses of counsel and other advisers, that a Collateral Agent may incur after the date of this Agreement in connection with (x) the enforcement of the Security Documents, including such expenses as are incurred to preserve the value of the Collateral or the validity, perfection, rank or value of any Lien created thereunder, (y) the collection, sale or other disposition of any Collateral or (z) the exercise by such Collateral Agent of any of its rights or powers under any of the Security Documents (including with respect to the addition of new Collateral and the release of any Lien Grantor, any Lien under any Security Documents or any assets or properties subject to a Lien under any Security Documents);

(iii) the amount of any fees that the Company shall have agreed in writing to pay to each Collateral Agent and that shall have become due and payable in accordance with such written agreement; and

(iv) the amount required to indemnify each Collateral Agent for, or hold it harmless and defend it against, any loss, liability or expense (including the reasonable fees and expenses of its counsel and any advisers or sub-agents appointed by it hereunder) incurred or suffered by each Collateral Agent in connection with the enforcement and performance of the Security Documents, including, without limitation, any of the foregoing relating to any violation of, noncompliance with or liability under, any Environmental Law or to any actual or alleged presence, release or threatened release of Hazardous Materials involving or attributable to the operations of the Company or any of its Subsidiaries (all the foregoing in this clause (iv), collectively, the "**indemnified liabilities**"), *provided* that the Company shall have no obligation hereunder with respect to indemnified liabilities to the extent attributable to (A) the gross negligence or willful misconduct of the party to be indemnified or any of its Related Parties or (B) disputes among the Collateral Agents or any Collateral Agent and any of the Secured Parties.

(b) If any transfer tax, documentary stamp tax or other tax is payable in connection with any transfer or other transaction provided for in the Security Documents, the Company will pay such tax and provide any required tax stamps to the relevant Collateral Agent or as otherwise required by Law.

(c) All amounts payable under this Section 8.04 shall be paid within ten Business Days of receipt by the Company of an invoice relating thereto setting forth such expense in reasonable detail.

Section 8.05. *Appointment of Supplemental Collateral Agents.* (a) It is the purpose of this Agreement and the other Security Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of

banking corporations or associations to transact business as agent or trustee in such jurisdiction. Without limiting Section 8.02(h), it is recognized that in case of litigation under, or enforcement of, this Agreement or any of the other Security Documents, or in case a Collateral Agent deems that by reason of any present or future Law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the Security Documents or take any other action which may be desirable or necessary in connection therewith, each Collateral Agent is hereby authorized to appoint an additional individual or institution selected by such Collateral Agent in its sole discretion as a separate trustee, co-trustee, administrative agent, collateral agent, administrative sub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a **"Supplemental Collateral Agent"** and collectively as **"Supplemental Collateral Agents"**).

(b) In the event that a Collateral Agent appoints a Supplemental Collateral Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Security Documents (other than the rights arising in respect of the Parallel Debts under Section 11.01) to be exercised by or vested in or conveyed to such Collateral Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Collateral Agent to the extent, and only to the extent, necessary to enable such Supplemental Collateral Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Security Documents and necessary to the exercise or performance thereof by such Supplemental Collateral Agent (other than covenants and obligations

relating to the Parallel Debt) shall run to and be enforceable by either such Collateral Agent or such Supplemental Collateral Agent, and (ii) the provisions of this Agreement (and, in particular, this Article 8) that refer to a Collateral Agent shall inure to the benefit of such Supplemental Collateral Agent and all references therein to a Collateral Agent shall be deemed to be references to a Collateral Agent and/or such Supplemental Collateral Agent, as the context may require.

(c) Should any instrument in writing from the Company or any other Lien Grantor be required by any Supplemental Collateral Agent so appointed by a Collateral Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, the Company, shall, or shall cause the relevant Lien Grantor to, execute, acknowledge and deliver any and all such instruments promptly upon request by a Collateral Agent. In case any Supplemental Collateral Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Collateral Agent, to the extent permitted by Law, shall vest in and be exercised by a Collateral Agent until the appointment of a new Supplemental Collateral Agent.

Section 8.06. *Specific Provisions Relating To Parallel Debt.* (a) Notwithstanding any provision to the contrary in any Secured Agreement, in relation to the Parallel Debts and with respect to any security governed by Dutch law the rights, powers and authorities vested in the Global Collateral Agent pursuant to the Secured Agreements are subject to any restrictions imposed by mandatory Dutch law.

(b) If the Global Collateral Agent resigns or is replaced in accordance with Section 8.03, each Lien Grantor shall execute such documents and take all such other action as is necessary or (in the opinion of the Global Collateral Agent) desirable in connection with the substitution, in accordance with applicable law, of the successor Global Collateral Agent as creditor of the Parallel Debts and as secured party in respect of any security securing the Parallel Debts.

ARTICLE 9
AGREED SECURITY PRINCIPLES AND CONFLICTS

Section 9.01. *Agreed Security Principles.* The parties acknowledge and agree that the obligations of the Lien Grantors with respect to the provision of Liens in favor of a Collateral Agent and the nature of any assets or property that shall be subject to any such Lien are subject to the Agreed Security Principles.

Section 9.02. *Conflicts.* To the extent permitted by applicable Law, in the event of any inconsistency between the provisions of this Agreement and the provisions of any Security Document, the provisions of this Agreement shall prevail to the extent of such inconsistency.

ARTICLE 10
ADDITIONAL PARTIES AND OBLIGATIONS

Section 10.01. *Note Secured Obligations.* The Company may from time to time designate obligations of any Lien Grantor under any Note Secured Document entered into for the purpose of refinancing or repaying the Bridge Secured Obligations (or any portion thereof) as Note Secured Obligations for purposes hereof and the other Security Documents by delivering to the Collateral Agents (a) a certificate signed by a Financial Officer in substantially the form set forth in Schedule 3 that (i) certifies that the Note Secured Documents have been entered into for the purpose of repaying Bridge Secured Obligations, (ii) identifies such Note Secured Documents, specifies the name and address of the Note Secured Party, describes the Note Secured Obligations and the termination date thereof, and (iii) states that the Lien Grantors' obligations thereunder are designated as Secured Obligations for purposes hereof and (b) a Note Supplement hereto with respect to such Note Secured Party.

Section 10.02. *Additional Secured Obligations.* The Company may from time to time designate obligations of any Lien Grantor under any Additional Secured Document entered into from time to time by the Company or any of the Guarantors as Additional Secured Obligations for purposes hereof and the other Security Documents by delivering to the Collateral Agents (a) a certificate signed by a Financial Officer in substantially the form set forth in Schedule 8 that (i) certifies that the Additional Secured Documents have been entered into in compliance with the requirements of the Secured Agreements and that such Indebtedness and such Liens are permitted thereunder, (ii) specifies the priority which such Additional Secured Obligations shall have under Section 4.04 and certifies that such priority is permitted under the Secured Agreements, (iii) identifies such Additional Secured Documents, specifies the name and address of each Additional Secured Party, describes the Additional Secured Obligations and the maturity, expiration or termination date thereof, and (iv) states that the Lien Grantors obligations thereunder are designated as Secured Obligations for purposes hereof and (b) an Additional Secured Obligations Supplement hereto with respect to such Additional Secured Party.

Section 10.03. *Secured Hedging Agreements.* The Company may from time to time designate obligations of any Lien Grantor under any Hedging Agreement (as defined in the Revolving Credit Agreement) as Hedging Secured Obligations by delivering to the Collateral Agents (a) a certificate signed by a Financial Officer in substantially the form set forth in Schedule 11 that (i) certifies that the relevant Secured Hedging Agreements have been entered into in compliance with the requirements of the Secured Agreements, (ii) identifies such Secured Hedging Agreements, specifies the name and address of the Secured Hedge Counterparty and describes the maturity, expiration or termination date of the relevant Secured Hedging Obligations, and (iii) states that the Lien Grantors obligations thereunder are designated as Secured Obligations for purposes hereof and (b) a Secured Hedging Supplement hereto with respect to such Secured Hedge Counterparty.

Section 10.04. *Additional Lien Grantors.* The Company shall ensure that each Subsidiary of the Company that becomes a Guarantor pursuant to the terms of any Secured Agreement shall become a party hereto by signing and delivering to the Collateral Agents a Lien Grantor Supplement, whereupon such Subsidiary shall become a party hereto as a "Guarantor" and a "Lien Grantor", with the same force and effect as if originally named as a Guarantor and Lien Grantor herein.

Section 10.05. *Rights and Obligations Unaffected.* (a) The execution and delivery of any Supplement shall not require the consent of any Lien Grantor hereunder (other than the Company) and, in the case of a Lien Grantor Supplement, the Lien Grantor to which such Lien Grantor Supplement relates.

(b) The rights and obligations of each Lien Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Lien

Grantor, Note Secured Party, Additional Secured Party or Secured Hedge Counterparty as a party to this Agreement.

ARTICLE 11
PARALLEL DEBT AND JOINT AND SEVERAL CLAIMS

Section 11.01. *Parallel Deb.* (a) Each Lien Grantor undertakes with the Global Collateral Agent to pay to the Global Collateral Agent its Parallel Debts. The parties acknowledge that the Global Collateral Agent is the creditor of the Parallel Debts and shall act in its own name and not as agent of any Secured Party (but always for the benefit of the Secured Parties in accordance with the provisions of the Secured Agreements).

(b) Paragraph (a) above is (i) for the purpose of ensuring the validity and effect of any security right governed by Dutch or German laws, or the laws of any other relevant jurisdiction and granted or to be granted by any Lien Grantor pursuant to the Secured Agreements; and (ii) without prejudice to the other provisions of the Secured Agreements.

(c) Each Parallel Debt is a separate and independent obligation and shall not constitute the Global Collateral Agent and any Secured Party as joint and several creditors (in Dutch: *hoofdelijk schuldeisers*) of any Underlying Debt.

Section 11.02. *Fall Back.* In respect of the Dutch Lien Grantors only:

(a) if (notwithstanding Section 11.01(c)) any Parallel Debt constitutes the Global Collateral Agent as a joint and several creditor with any Secured Party, the Global Collateral Agent may determine (at its discretion) that that Parallel Debt and one or more other Parallel Debts shall be combined into one single Parallel Debt (a **"Combined Dutch Parallel Debt"**), whereupon those Parallel Debts shall be combined into a Combined Dutch Parallel Debt:

(i) the amount of which shall be equal to the aggregate of the amounts of the Underlying Debts combined into it;

(ii) which shall, if the Underlying Debts are expressed in different currencies, be expressed in such of those currencies or Euro as the Global Collateral Agent may determine (and, for this purpose, each Underlying Debt shall be converted into the currency of the Combined Dutch Parallel Debt at the applicable Exchange Rate);

(iii) which shall, if the Underlying Debts combined into it fall due at different times, fall due in parts corresponding to those Underlying Debts (but otherwise in accordance with Section 11.03); and

(iv) to which this Agreement shall otherwise apply as if the Combined Dutch Parallel Debt were a Parallel Debt.

(b) if any Underlying Debt is avoided or reduced other than (i) as a result of payment to, or recovery or discharge by, the Secured Party to which the Underlying Debt is owed; or (ii) otherwise with the consent of that Secured Party, then, in either case, the amount of the Parallel Debt corresponding to that Underlying Debt shall be equal to the amount which the Underlying Debt would have had if the avoidance or reduction had not occurred.

Section 11.03. *Payment.* (a) No Lien Grantor may pay any Parallel Debt other than at the instruction of, and in the manner determined by, the Global Collateral Agent.

(b) Without prejudice to clause (a) above, no Lien Grantor shall be obliged to pay any Parallel Debt before the corresponding Underlying Debt has fallen due.

Section 11.04. *Application.* Any payment made, or amount recovered, in respect of a Lien Grantor's Parallel Debts shall reduce the Underlying Debts owed to any Secured Party by the amount which that Secured Party is entitled to receive out of that payment or recovery under the Secured Agreements and shall be applied in accordance with Article 4.

Section 11.05. *Joint and Several Claims.* The parties hereto hereby agree that (a) as regards any Collateral located in or related to the Republic of China, the Taiwan Collateral Agent and each Secured Party shall be deemed a creditor jointly and severally with each other with respect to the rights and claims against the Lien Grantors hereunder and under any of the Secured Agreement pursuant to Article 283 of the Republic of China Civil Code and shall be entitled to exercise and pursue all such rights and claims against the Lien Grantors and (b) the Liens created under the Taiwan Security Documents shall be created in favor of the Taiwan Collateral Agent in its capacity as a joint and several creditor and for the joint and several benefit of the Secured Parties; *provided* that nothing in this Section 11.02 shall release the Taiwan Collateral Agent or any Secured Party from its obligations as to actions requiring the authorization of the Required Secured Parties or under Section 4.

ARTICLE 12
MISCELLANEOUS

Section 12.01. *Continuing Nature of Provisions.* This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until this Agreement is terminated in accordance with Section 12.08. This is a continuing agreement and the Secured Parties may continue, at any time and without notice

to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, the Company or any other Lien Grantor on the faith hereof.

Section 12.02. *Notices.* Each notice, request or other communication given to any party hereunder shall be in writing (which term includes facsimile or other electronic transmission) and shall be effective (a) when delivered to such party at its address specified below, (b) when sent to such party by facsimile or other electronic transmission, addressed to it at its facsimile number or electronic address specified below, and such party sends back an electronic confirmation of receipt or (c) ten days after being sent to such party by certified or registered United States mail, addressed to it at its address specified below, with first class or airmail postage prepaid:

(i) in the case of each Lien Grantor:

NXP B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 40 272-2041
Telecopy: (31) 40 272-4005
Email: guido.dierick@nxp.com
Attention: Guido Dierick

With a copy to:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

(ii) in the case of the Global Collateral Agent:

20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

(iii) in the case of the Taiwan Collateral Agent:

Bracken House
One Friday Street
London EC4M 9JA
England
Facsimile: +44 20 7012 4304
Attention: +44 20 7012 4131
E-mail: neil.rickard@mhcb.co.uk

(iv) in the case of the RCF Administrative Agent:

20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

(v) in the case of the Bridge Administrative Agent:

20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

(vi) in the case of any Note Secured Party, its address, facsimile number and email address set forth in its Note Supplement;

(vii) in the case of any Additional Secured Party, its address, facsimile number and email address set forth in its Additional Secured Obligations Supplement; and

(viii) in the case of any Secured Hedge Counterparty, its address, facsimile number and email address set forth in its Secured Hedging Supplement.

Any party may change its address, facsimile number and/or e-mail address for purposes of this Section by giving notice of such change to the Collateral Agents and the Company in the manner specified above.

Section 12.03. *No Implied Waivers; Remedies Not Exclusive.* No failure by a Collateral Agent or any Secured Party to exercise, and no delay in exercising and no course of dealing with respect to, any right or remedy under any Security Document shall operate as a waiver thereof; nor shall any single or partial exercise by a Collateral Agent or any Secured Party of any right or remedy under any Security Document preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies specified in the Security Documents are cumulative and are not exclusive of any other rights or remedies provided by law.

Section 12.04. *Successors and Assigns.* This Agreement is for the benefit of the Collateral Agents and the Secured Parties. If all or any part of any Secured Party's interest in any Secured Obligation is assigned or otherwise transferred, the transferor's rights hereunder, to the extent applicable to the obligation so transferred, shall be automatically transferred with such obligation. This Agreement shall be binding on the parties hereto and their respective successors and assigns.

Section 12.05. *Choice of Law.* This Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

Section 12.06. *Waiver of Jury Trial.* EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY SECURITY DOCUMENT OR ANY TRANSACTION CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.07. *Severability.* If any provision of any Security Document is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by applicable Law, (a) the other provisions of the Security Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agents and the Secured Parties in order to carry out the intentions of the parties thereto as nearly as may be possible and (b) the invalidity

or unenforceability of such provision in such jurisdiction shall not affect the validity or enforceability thereof in any other jurisdiction.

Section 12.08. *Termination.* This Agreement shall automatically terminate (provided that the provisions of Article 8 shall not be affected by any such termination) when (a) all Liens and security interests granted under the Security Documents have terminated, (b) all the Secured Obligations have been indefeasibly paid in full in cash and no Secured Party has any further commitment to extend credit under any Secured Agreement, and (c) each Secured Party has notified the Collateral Agents in writing that the events described in clauses (a) and (b) have occurred (and each Secured Party agrees to provide such notification promptly after such occurrence); *provided*, however, that (i) this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Secured Obligation is rescinded or must otherwise be restored by any Collateral Agent, any Secured Party, the Company or any other Lien Grantor in any Insolvency Proceeding of the Company, any other Lien Grantor or otherwise and (ii) Section 8.04 shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GLOBAL COLLATERAL AGENT

MORGAN STANLEY SENIOR
FUNDING, INC.,
as Global Collateral Agent

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Attorney

TAIWAN COLLATERAL AGENT

MIZUHO CORPORATE BANK, LTD.,
as Taiwan Collateral Agent

By: /s/ M. Kobayashi
Name: M. Kobayashi
Title: Joint General Manager

SECURED PARTIES

MORGAN STANLEY SENIOR
FUNDING, INC.,
as RCF Administrative Agent

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Attorney

MORGAN STANLEY SENIOR
FUNDING, INC.,
as Bridge Administrative Agent

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Attorney

KASLION ACQUISITION B.V.

By: /s/ Illegible
Name: [Illegible]
Title: [Illegible]

NXP B.V.

By: /s/ J.M.L.M. Ingenhousz
Name: J.M.L.M. Ingenhousz

Title:

PHILIPS ELECTRONIC BUILDING ELEMENTS INDUSTRIES (TAIWAN) LTD.

By: /s/ J. J. Wang
Name: J. J. Wang
Title: Director

PHILIPS SEMICONDUCTORS PHILIPPINES INC.

By: /s/ Virginia Melba A. Cuyahon
VIRGINIA MELBA A. CUYAHON
General Manager - Calamba Plant

/s/ Steven Brader
STEVEN BRADER
General Manager - Cabuyao Plant

NXP FUNDING LLC

By: /s/ Illegible
Name: [Illegible]
Title: Secretary

PHILIPS SEMICONDUCTORS FRANCE SAS

By: /s/ Alain Millet
Name: Alain Millet
Title: [Illegible]

PHILIPS SEMICONDUCTORS B.V.

By: /s/ J. A. W. Schreurs
Name: J. A. W. Schreurs
Title: attorney

SIGNATURE PAGE TO COLLATERAL AGENCY AGREEMENT

PHILIPS SEMICONDUCTORS USA, INC.

By: /s/ Illegible
Name:
Title:

SIGNATURE PAGE TO COLLATERAL AGENCY AGREEMENT

PHILIPS SEMICONDUCTORS GERMANY GMBH

By: /s/ Illegible
Name: Kuckhermann
Title: CEO

By:
Name:
Title:

SIGNATURE PAGE TO COLLATERAL AGENCY AGREEMENT

PHILIPS SEMICONDUCTORS GERMANY GMBH

By:
Name:
Title:

By: /s/ Illegible
Name: Dr. Michael Hommel
Title: Geschäftsführer

SIGNATURE PAGE TO COLLATERAL AGENCY AGREEMENT

PHILIPS SEMICONDUCTORS SINGAPORE PTE. LTD.

By: /s/ Illegible
Name:
Title:

PHILIPS SEMICONDUCTORS HONG KONG LIMITED

By: /s/ Illegible
Name:
Title:

SIGNATURE PAGE TO COLLATERAL AGENCY AGREEMENT

Schedule 1

FORM OF ENFORCEMENT NOTICE

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention: [ ]

Mizuho Corporate Bank, Ltd.
[Address]

Ladies and Gentlemen:

Reference is made to the Collateral Agency Agreement (the "**Collateral Agency Agreement**") dated as of September 29, 2006, among KASLION ACQUISITION B.V. ("**Holdings**"), NXP B.V. (the "**Company**"), the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, and MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent.

This is an Enforcement Notice for the purposes of the Collateral Agency Agreement.

Pursuant to Section 3.03 of the Collateral Agency Agreement, we hereby instruct you to take enforcement action under the Security Documents and [describe relevant Secured Obligations] have become due and payable prior to the stated maturity thereof pursuant to the terms of the relevant Secured Agreement and remain unpaid as of the date hereof.

Very truly yours,

[Secured Party]

By:
Name:
Title:

Schedule 2

FORM OF RESCISSION NOTICE

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention: [ ]

Mizuho Corporate Bank, Ltd.
[Address]

Ladies and Gentlemen:

Reference is made to the Collateral Agency Agreement (the **"Collateral Agency Agreement")** dated as of September 29, 2006, among KASLION ACQUISITION B.V. **("Holdings"),** NXP B.V. (the **"Company"),** the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, and MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent

This is a Rescission Notice for the purposes of the Collateral Agency Agreement.

Pursuant to Section 3.04 of the Collateral Agency Agreement, the instruction given on [date] pursuant to [Section 3.01] [Section 3.02] [Section 3.03] of the Collateral Agency Agreement and attached hereto as Exhibit A is hereby revoked.

Very truly yours,

[Secured Party](1)

By:
Name:
Title:

(1) Must be the same Secured Party that provided the instruction being revoked.

EXHIBIT A

See Attached

Schedule 3

FORM OF NOTE SECURED OBLIGATIONS CERTIFICATION

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention: [ ]

Mizuho Corporate Bank, Ltd.
[Address]

Ladies and Gentlemen:

Reference is made to the Collateral Agency Agreement (the **"Collateral Agency Agreement")** dated as of September 29, 2006, among KASLION ACQUISITION B.V. **("Holdings"),** NXP B.V. (the **"Company"),** the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, and MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent. Capitalized terms used and not otherwise defined herein are used as defined in the Collateral Agency Agreement.

This is a Note Certification for the purposes of the Collateral Agency Agreement.

I, , hereby certify that I am the duly elected, qualified and acting *[Financial Officer]* of the Company and am authorized to execute this Note Certification on behalf of the Company.

Solely in my capacity as *[Financial Officer]* of the Company, I hereby certify that:

1. The following documents have been entered into for the purpose of repaying the Bridge Secured Obligations and shall be Note Secured Documents for the purposes of the Collateral Agency Agreement:

   (a) [ ]

   (b) [ ]

   (c) [ ]

2. The Note Secured Party is [ ] as trustee for and in behalf of [ ].

3. The maturity date of the Note Secured Obligation is [ ].

4. The Lien Grantors obligations under the Note Secured Documents specified above are designated as Secured Obligations for purposes of the Collateral Agency Agreement.

Very truly yours,

NXP B.V.

By: _____

Name:
Title:

Schedule 4

FORM OF NOTE SUPPLEMENT

NOTE SUPPLEMENT dated as of , , between [NAME OF NOTE SECURED PARTY] (the **"Note Secured Party"**), MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent (the **"Global Collateral Agent"**), MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent (the **"Taiwan Collateral Agent"**) and NXP B.V. (the **"Company"**).

WHEREAS, KASLION Acquisition B.V., the Company, the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto the Global Collateral Agent and the Taiwan Collateral Agent are parties to a Collateral Agency Agreement dated as of September 29, 2006 (as amended and/or supplemented, the **"Collateral Agency Agreement"**);

WHEREAS, Section 10.01 of the Collateral Agency Agreement provides that Persons may become party to the Collateral Agency Agreement as Note Secured Parties by execution and delivery of a supplement in the form of this Note Supplement; and

WHEREAS, terms defined in the Collateral Agency Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Party to Collateral Agency Agreement.* In accordance with Section 10.01 of the Collateral Agency Agreement, on and from the date of this Note Supplement (the "**Effective Date**"), the Note Secured Party will become a party to the Collateral Agency Agreement and will have all the rights, obligations and liabilities of a Note Secured Party thereunder and be bound by all the provisions thereof as fully as if the Note Secured Party were one of the original parties thereto.

2. *Notices.* The contact information of the Note Secured Party for purposes of notices under the Collateral Agency Agreement is as follows:

[Address]
Attention:
Facsimile:
E-mail:

3. *Governing Law.* This Note Supplement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Note Supplement to be duly executed by their respective authorized officers as of the day and year first above written.

[NAME OF NOTE SECURED PARTY]

By:
Name:
Title:

MORGAN STANLEY SENIOR FUNDING,
INC., as Global Collateral Agent

By:
Name:
Title:

MIZUHO CORPORATE BANK, LTD.,
as Taiwan Collateral Agent

By:
Name:
Title:

NXP B.V.

By: _____
Name:
Title:

Schedule 5

AGREED SECURITY PRINCIPLES

1. Agreed Security Principles

1.1 The guarantees and security interests to be provided by the Lien Grantors will be given in accordance with certain agreed security principles (the **"Agreed Security Principles"**). This Schedule 6 identifies the Agreed Security Principles and addresses the manner in which the Agreed Security Principles will impact on or be determinant of the guarantees and security interests to be taken in relation to this Secured Agreements.

1.2 The Agreed Security Principles embody a recognition by all parties that there may be certain legal, commercial and practical difficulties in obtaining effective security from the Company and each of its Restricted Subsidiaries in every jurisdiction in which the Company and its Restricted Subsidiaries are located. In particular:

(a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters may limit the ability of the Company or any of its Restricted Subsidiaries to provide a guarantee or security interest or may require that it be limited as to amount or otherwise, and if so the same shall be limited accordingly, *provided* that the Company or the relevant Restricted Subsidiary shall use reasonable endeavors to overcome such obstacle. The Company will use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each of the Restricted Subsidiary;

(b) the Company and its Restricted Subsidiaries will not be required to give Guarantees or enter into Security Documents if (or to the extent) it is not within the legal capacity of the Company or its relevant Restricted Subsidiary or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or regulatory condition or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any officer or director of the Company or any of the Restricted Subsidiaries, *provided* that the Company and each of its Restricted Subsidiaries shall use reasonable endeavors to overcome any such obstacle;

(c) a key factor in determining whether or not security shall be taken is the applicable cost (including adverse effects on interest deductibility, registration taxes and notarial costs) which shall not be

disproportionate to the benefit to the Secured Parties of obtaining such security;

(d) where there is material incremental cost involved in creating security over all assets owned by any of the Lien Grantors in a particular category (e.g. real estate), regard shall be had to the principle stated at paragraph 1.2(c) of this Schedule 1.1(a) which shall apply to the immaterial assets and, subject to the Agreed Security Principles, only the material assets in that category (e.g. real estate of material economic value) shall be subject to security;

(e) it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

(f) any assets subject to contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Agreement and which (subject to override by the UCC and other relevant provisions of applicable law), effectively prevent those assets from being charged will be excluded from any relevant Security Document; *provided* that reasonable endeavors to obtain consent to creating Security Interests in any such assets shall be used by the Company and each of its Restricted Subsidiaries to avoid or overcome such restrictions if a Secured Party reasonably determines that the relevant asset is material (which endeavors shall not include the payment of any consent fees), but unless effectively prohibited by contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by the Secured Agreements, this shall not prevent security being given over any receipt or recovery under such contract, lease or license;

(g) the giving of a guarantee, the granting of security or the perfection of the security granted will not be required if it would have a material adverse effect (as reasonably determined in good faith by management of the relevant obligor) on the ability of the relevant obligor to conduct its operations and business in the ordinary course as otherwise permitted by the Secured Agreements;

(h) in the case of accounts receivable, a material adverse effect on Holdings' or a Lien Grantor's relationship with or sales to the customer generating such receivables or material legal or commercial difficulties (as reasonably determined by management of the relevant obligor in good faith) *provided* that none of Holdings nor any Lien Grantor may utilize this exception unless, after giving effect thereto no

less than a majority of the book value of the accounts receivable of the Company and its Subsidiaries on a consolidated basis (as measured at the end of each fiscal quarter) is subject to perfected liens, and *provided* further that any accounts receivable of the Lien Grantors excluded from

collateral by virtue of this clause (except where prohibited by law and subject to the remainder of these Agreed Security Principles) shall be subject to perfected liens promptly if and when the corporate credit of the Company is downgraded to "B" or lower from S&P and "B2" or lower from Moody's;

(i) security will be limited so that the aggregate of notarial costs and all registration and like taxes relating to the provision of security shall not exceed an amount to be agreed. Any additional costs may be paid by the Secured Parties at their option; and

(k) all security shall be given in favor of a single security trustee or collateral agent and not the secured parties individually. "Parallel debt" provisions and other similar structural options will be used where necessary and such provisions will be contained in the intercreditor agreement and not the individual security documents unless required under local law. No action will be required to be taken in relation to the guarantees or security when any lender assigns or transfers any of its participation in any Secured Agreement to a new lender.

2. Terms of Security Documents

The following principles will be reflected in the terms of any Security Document to be executed and delivered as part of the Transaction:

(a) subject to permitted liens and these Agreed Security Principles the security will be first ranking and the perfection of security (when required) and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Secured Agreements or, if earlier or to the extent no such time period is specified in the Secured Agreements, within the time periods specified by applicable law in order to ensure due perfection;

(b) the security will not be enforceable until an Enforcement Event has occurred;

(c) prior to the maturity date of loans and credit extended under the Secured Agreements, notification of any security interest over bank accounts will be given (subject to legal advice) to the banks with whom the accounts are maintained only if an Enforcement Event has occurred;

(d) notification of receivables security to debtors who are not members of the Company or its Subsidiaries will only be given if an Enforcement Event has occurred;

(e) notification of any security interest over insurance policies will be served on any insurer of the Company's or any Restricted Subsidiaries' assets (other than in respect of any insurance policy maintained by the Company or any of its Restricted Subsidiaries which is due to expire on or before December 31, 2006);

(f) the Security Documents should only operate to create security rather than to impose new commercial obligations. Accordingly, they should not contain material additional representations, undertakings or indemnities (such as in respect of insurance, information or the payment of costs) unless these are the same as or consistent with those contained in the Secured Agreements or are necessary for the creation or perfection of the security;

(g) in respect of the share pledges and pledges of intra-group receivables, until an Enforcement Event has occurred, the pledgors will be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not materially adversely affect the value of the security (taken as a whole) or the validity or enforceability of the security or cause an event of default under any Secured Agreement to occur, and the pledgors will be permitted to receive dividends on pledged shares and payment of intra-group receivables and retain the proceeds and/or make the proceeds available to Holdings and its Subsidiaries to the extent not prohibited under the Secured Agreements;

(h) Secured Parties will only be able to exercise a power of attorney in any Security Document following the occurrence of an Enforcement Event or with respect to perfection or further assurance obligations that following request, the relevant obligor has failed to satisfy;

(i) no obligor shall be required to provide surveys on real property (unless such surveys already exist in which case there shall be no requirement that such surveys be certified to the Secured Parties) or to remove any encumbrances on title (not created in contemplation of the Transactions) that are reflected in any title insurance or any other existing encumbrances on real property (not created in contemplation of the Transactions) (not including Liens securing Indebtedness of the Company or any of its Restricted Subsidiaries);

(j) no obligor shall be required to protect any security interests in the United States prior to the occurrence of an Enforcement Event by

means other than customary filings (including UCC-1s, mortgage or deed of trust filings and patent and trademark, filings) and delivery of share certificates (accompanied by powers of attorney executed in blank) and any intercompany promissory notes; and

(k) information, such as lists of assets, will be provided if, and only to the extent, required by local law to be provided to protect or create, perfect or register the security and, to the extent so required will be provided annually (unless required to be provided by local law more frequently, but not more frequently than quarterly) and following the occurrence and during the continuance of an event of default under any Secured Agreement, on the applicable Collateral Agent's reasonable request.

FORM OF LIEN GRANTOR SUPPLEMENT

LIEN GRANTOR SUPPLEMENT dated as of , , between [NAME OF LIEN GRANTOR] (the **"New Lien Grantor"**), MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent (the **"Global Collateral Agent"**), MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent (the **"Taiwan Collateral Agent"**) and NXP B.V. (the **"Company"**).

WHEREAS, KASLION Acquisition B.V., the Company, the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, the Global Collateral Agent and the Taiwan Collateral Agent are parties to a Collateral Agency Agreement dated as of September 29, 2006 (as heretofore amended and/or supplemented, the **"Collateral Agency Agreement"**);

WHEREAS, Section 10.04 of the Collateral Agency Agreement provides that additional Subsidiaries may become Lien Grantors under the Collateral Agency Agreement by execution and delivery of a supplement in the form of this Lien Grantor Supplement; and

WHEREAS, terms defined in the Collateral Agency Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Party to Collateral Agency Agreement.* In accordance with Section 11.01 of the Collateral Agency Agreement, on and from the date of this Lien Grantor Supplement (the **"Effective Date"**), the New Lien Grantor will become a party to the Collateral Agency Agreement and will have all the rights, obligations and liabilities of a Guarantor and a Lien Grantor thereunder and be bound by all the provisions thereof as fully as if the New Lien Grantor were one of the original parties thereto. On and from the Effective Date, each reference to a Guarantor or Lien Grantor in the Collateral Agency Agreement shall be deemed to include the New Lien Grantor.

2. *Representations and Warranties.* The New Lien Grantor represents and warrants that the representations and warranties made by or under the Secured Agreements to which it is a party are true and correct in all material respects on and as of the date hereof.

3. *Governing Law.* This Lien Grantor Supplement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Lien Grantor Supplement to be duly executed by their respective authorized officers as of the day and year first above written.

[NAME OF LIEN GRANTOR]

By: _____
Name:
Title:

MORGAN STANLEY SENIOR FUNDING,
INC., as Global Collateral Agent

By: _____
Name:
Title:

MIZUHO CORPORATE BANK, LTD.
as Taiwan Collateral Agent

By: _____
Name:
Title:

NXP B.V.

By: _____
Name:
Title:

Schedule 7

FORM OF ADDITIONAL SECURED OBLIGATIONS SUPPLEMENT

ADDITIONAL SECURED OBLIGATIONS SUPPLEMENT dated as of , , between [NAME OF ADDITIONAL SECURED PARTY] (the **"Additional Secured Party"**), MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent (the **"Global Collateral Agent"**), MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent (the **"Taiwan Collateral Agent"**) and NXP B.V. (the "**Company**").

WHEREAS, KASLION Acquisition B.V., the Company, the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, the Global Collateral Agent and the Taiwan Collateral Agent are parties to a Collateral Agency Agreement dated as of September 29, 2006 (as amended and/or supplemented, the **"Collateral Agency Agreement"**);

WHEREAS, Section 10.02 of the Collateral Agency Agreement provides that Persons may become party to the Collateral Agency Agreement as Additional Secured Parties by execution and delivery of a supplement in the form of this Additional Secured Obligations Supplement; and

WHEREAS, terms defined in the Collateral Agency Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Party to Collateral Agency Agreement.* In accordance with Section 10.02 of the Collateral Agency Agreement, on and from the date of this Additional Secured Obligations Supplement (the **"Effective Date"**), the Additional Secured Party will become a party to the Collateral Agency Agreement and will have all the rights, obligations and liabilities of an Additional Secured Party thereunder and be bound by all the provisions thereof as fully as if the Additional Secured Party were one of the original parties thereto.

2. *Notices.* The contact information of the Additional Secured Party for purposes of notices under the Collateral Agency Agreement is as follows:

[Address]
Attention:
Facsimile:
E-mail:

---

4. *Governing Law.* This Additional Secured Obligations Supplement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Note Supplement to be duly executed by their respective authorized officers as of the day and year first above written.

[NAME OF ADDITIONAL SECURED PARTY]

By: _____
Name:
Title:

MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent

By: _____
Name:
Title:

MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent

By: _____
Name:
Title:

NXP B.V.

By: _____
Name:
Title:

Schedule 8

FORM OF ADDITIONAL SECURED OBLIGATIONS CERTIFICATION

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention: [ ]

Mizuho Corporate Bank, Ltd.,
[Address]

Ladies and Gentlemen:

Reference is made to the Collateral Agency Agreement (the **"Collateral Agency Agreement"**) dated as of September 29, 2006, among KASLION ACQUISITION B.V. (**"Holdings"**), NXP B.V. (the **"Company"**), the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, and MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent. Capitalized terms used and not otherwise defined herein are used as defined in the Collateral Agency Agreement.

This is an Additional Secured Obligations Certification for the purposes of the Collateral Agency Agreement.

I, , hereby certify that I am the duly elected, qualified and acting [*Financial Officer*] of the Company and am authorized to execute this Additional Secured Obligations Certification on behalf of the Company.

Solely in my capacity as [*Financial Officer*] of the Company, I hereby certify that:

1. The following documents have been entered into in compliance with the requirements of the Secured Agreements:

   (a) [ ]

   (b) [ ]

   (c) [ ]

2. The Indebtedness incurred under the documents specified in clause 1 above and the Liens granted in respect thereof are permitted under the Secured Agreements.

3. The Additional Secured Obligations shall have [specify priority] under Section 4.04 of the Collateral Agency Agreement and such priority is permitted under the Secured Agreements;

4. The Lien Grantors obligations under the documents specified above are designated as Secured Obligations for purposes of the Collateral Agency Agreement.

Very truly yours,

NXP B.V.

By: _____
Name:
Title:

Schedule 9

Security Documents

PART A – DUTCH SECURITY DOCUMENTS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors B.V.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Software B.V.

(c) Pledge of Shares between KASLION Acquisition B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in NXP B.V.

(d) Disclosed Pledge of Insurance Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(e) Disclosed Pledge of Intercompany Receivables between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(f) Undisclosed Pledge of Third Party Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(g) Non-Possessory Pledge of Moveable Assets between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(h) Pledge of IP Rights between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

(i) Deed of Mortgage between Philips Semiconductors B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

PART B – ENGLISH SECURITY DOCUMENTS

(a) Debenture between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, in relation to security over shares, receivables, intellectual property rights and certain bank accounts.

(b) Debenture between Philips Semiconductors UK Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Charge over intercompany receivables between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

PART C – FRENCH SECURITY DOCUMENTS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors France SAS.

(b) Intercompany Debt Pledge Agreement between NXP B .V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in France.

(d) Pledge of Shares between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Crolles.

(e) Pledge of Trade Receivables between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

(f) Pledge of Business as an Ongoing Concern between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

PART D – GERMAN SECURITY DOCUMENTS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Germany GmbH.

(b) Pledge of Shares between Philips Semiconductors Germany GmbH, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Dresden AG.

(c) Land Charge Deeds between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Security Transfer of Moveable Assets between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) Global Assignment of Receivables between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(f) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in Germany.

PART E – HONG KONG SECURITY DOCUMENTS

(a) Share and Receivables Charge over the shares and receivables in Philips Semiconductors Hong Kong Limited between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Debenture between Philips Semiconductors Hong Kong Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

PART F – PHILIPPINES SECURITY DOCUMENTS

(a) Deed of Conditional Assignment to be entered into among Philips Semiconductors Philippines, Inc. and NXP B.V., as Assignors, and Hong Kong Shanghai Banking Corporation, Philippine Branch, as Assignee and Escrow Agent.

PART G – SINGAPORE SECURITY DOCUMENTS

(a) Charge over the shares in Philips Semiconductors Singapore Pte. Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Charge over the shares in Systems On Silicon Manufacturing Company Pte. Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Debenture between Philips Semiconductors Singapore Pte. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

PART H – TAIWAN SECURITY DOCUMENTS

(a) Mortgage over the shares in Philips Electronics Building Elements Industries (Taiwan) Ltd. to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and NXP B.V.

(b) Mortgage of land and buildings to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(c) Mortgage of equipment to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(d) Assignment of accounts receivable to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Electronics Building Elements Industries (Taiwan) Ltd.

PART I – THAI SECURITY DOCUMENTS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors (Thailand) Co. Ltd.

(b) Assignment of Receivables from material contracts and insurances between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Mortgage of Real Property between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Mortgage of Machinery between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

PART J – U.S. SECURITY DOCUMENTS

(a) Security Agreement among Philips Semiconductors USA Inc., NXP Funding LLC, and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in Philips Semiconductors USA Inc.

(c) Deed of Trust between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Leasehold Mortgage between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in the United States and any short form version thereof to be filed with any relevant governmental authorities.

(f) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in non-Guarantor subsidiaries.

FORM OF SECURED HEDGING SUPPLEMENT

SECURED HEDGING SUPPLEMENT dated as of , , between [NAME OF SECURED HEDGE COUNTERPARTY] (the "**Secured Hedge Counterparty**"), MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent (the "**Global Collateral Agent**"), MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent (the "**Taiwan Collateral Agent**") and NXP B.V. (the "**Company**").

WHEREAS, KASLION Acquisition B.V., the Company, the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, the Global Collateral Agent and the Taiwan Collateral Agent are parties to a Collateral Agency Agreement dated as of September 29, 2006 (as amended and/or supplemented, the "**Collateral Agency Agreement**");

WHEREAS, Section 10.03 of the Collateral Agency Agreement provides that Persons may become party to the Collateral Agency Agreement as Secured Hedge Counterparties by execution and delivery of a supplement in the form of this Secured Hedging Supplement; and

WHEREAS, terms defined in the Collateral Agency Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Party to Collateral Agency Agreement.* In accordance with Section 10.03 of the Collateral Agency Agreement, on and from the date of this Secured Hedging Supplement (the "**Effective Date**"), the Secured Hedge Counterparty will become a party to the Collateral Agency Agreement and will have all the rights, obligations and liabilities of a Secured Hedge Counterparty thereunder and be bound by all the provisions thereof as fully as if the Secured Hedge Counterparty were one of the original parties thereto.

2, *Notices.* The contact information of the Secured Hedge Counterparty for purposes of notices under the Collateral Agency Agreement is as follows:

[Address]
Attention:

Facsimile:
E-mail:

5. *Governing Law*. This Secured Hedging Supplement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Note Supplement to be duly executed by their respective authorized officers as of the day and year first above written.

[NAME OF ADDITIONAL SECURED PARTY]

By: _____
Name:
Title:

MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent

By: _____
Name:
Title:

MIZUHO CORPORATE BANK, LTD.
as Taiwan Collateral Agent

By: _____
Name:
Title:

NXP B.V.

By: _____
Name:
Title:

Schedule 11

FORM OF SECURED HEDGING CERTIFICATION

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Attention: [ ]

Mizuho Corporate Bank, Ltd..
[Address]

Ladies and Gentlemen:

Reference is made to the Collateral Agency Agreement (the "**Collateral Agency Agreement**") dated as of September 29, 2006, among KASLION ACQUISITION B.V. ("**Holdings**"), NXP B.V. (the "**Company**"), the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, and MORGAN STANLEY SENIOR FUNDING, INC. in its capacity as Global Collateral Agent and MIZUHO CORPORATE BANK, LTD. in its capacity as Taiwan Collateral Agent. Capitalized terms used and not otherwise defined herein are used as defined in the Collateral Agency Agreement.

This is a Secured Hedging Certification for the purposes of the Collateral Agency Agreement.

I, , hereby certify that I am the duly elected, qualified and acting [*Financial Officer*] of the Company and am authorized to execute this Secured Hedging Certification on behalf of the Company.

Solely in my capacity as [*Financial Officer*] of the Company, I hereby certify that:

1. The following documents have been entered into in compliance with the requirements of the Secured Agreements:

   (a) [ ]

   (b) [ ]

   (c) [ ]

2. The Lien Grantors obligations under the documents specified above are designated as Secured Obligations for purposes of the Collateral Agency Agreement.

Very truly yours,

NXP B.V.

By: _____
Name:
Title:

NOTE SUPPLEMENT dated as of October 12, 2006, between DEUTSCHE BANK TRUST COMPANY AMERICAS as trustee for and on behalf of the holders of notes issued pursuant to the Senior Secured Indenture referred to below (the **"Note Secured Party"**), MORGAN STANLEY SENIOR FUNDING, INC., as Global Collateral Agent (the **"Global Collateral Agent"**), MIZUHO CORPORATE BANK, LTD., as Taiwan Collateral Agent (the **"Taiwan Collateral Agent"**) and NXP B.V. (the **"Company"**).

WHEREAS, KASLION Acquisition B.V., the Company, the Subsidiaries of the Company from time to time party thereto, the Secured Parties from time to time party thereto, the Global Collateral Agent and the Taiwan Collateral Agent are parties to a Collateral Agency Agreement dated as of September 29, 2006 (as amended and/or supplemented, the **"Collateral Agency Agreement"**);

WHEREAS, Section 10.01 of the Collateral Agency Agreement provides that Persons may become party to the Collateral Agency Agreement as Note Secured Parties by execution and delivery of a supplement in the form of this Note Supplement;

WHEREAS, terms defined in the Collateral Agency Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein; and

WHEREAS, the Note Secured Party is the trustee for the holders of notes from time to time under the Senior Secured Indenture dated as of October 12, 2006 among NXP B.V. and NXP Funding LLC, as Issuers, the guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee, registrar, U.S. dollar paying agent, calculation agent and transfer agent, Deutsche Bank AG, London Branch, as Euro paying agent, Deutsche Bank Luxembourg S.A., as

Irish listing agent, Deutsche International Corporate Services (Ireland) Limited as Irish paying agent and Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Party to Collateral Agency Agreement.* In accordance with Section 10.01 of the Collateral Agency Agreement, on and from the date of this Note Supplement (the **"Effective Date"**), the Note Secured Party will become a party to the Collateral Agency Agreement and will have all the rights, obligations and liabilities of a Note Secured Party thereunder and be bound by all the provisions thereof as fully as if the Note Secured Party were one of the original parties thereto.

2. *Notices.* The contact information of the Note Secured Party for purposes of notices under the Collateral Agency Agreement is as follows:

Deutsche Bank Trust Company Americas
60 Wall Street - 27th floor
New York, New York 10005
Attn: Trust and Securities Services
Tel: 908 608 3153
Fax: 732 578 4635

with copy to:

Deutsche Bank National Trust Company
for Deutche Bank Trust Company Americas
25 DeForest Avenue - 2nd floor
Summit, New Jersey 07901
Attn: Trust and Securities Services
Tel: 908 608 3153
Fax: 732 578 4635

3. *Governing Law.* This Note Supplement shall be construed in accordance with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Note Supplement to be duly executed by their respective authorized officers as of the day and year first above written.

DEUTSCHE BANK TRUST COMPANY
AMERICAS

By: /s/ Wanda Camacho
Name: Wanda Camacho
Title: Vice President

By: /s/ Richard Buckwalter
Name: Richard Buckwalter
Title: Vice President

MORGAN STANLEY SENIOR FUNDING,
INC., as Global Collateral Agent

By: /s/ Mathias Blumschein
Name:
Title:

Signature Page to the Supplement to the Collateral Agency Agreement

MIZUHO CORPORATE BANK, LTD.,
as Taiwan Collateral Agent

By: /s/ Illegible
Name:
Title:

NXP B.V.

By: /s/ Illegible
Name:
Title:

NOTE SUPPLEMENT

Exhibit 4.4

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

Dated October 12, 2006

among

NXP B.V.,
MORGAN STANLEY & CO. INCORPORATED
DEUTSCHE BANK SECURITIES INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
THE SUBSIDIARIES PARTY HERETO

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of October 12, 2006, among NXP B.V., a corporation incorporated under the laws of The Netherlands with its corporate seat at Eindhoven, NXP FUNDING LLC (together with NXP B.V., the "Company"), the Subsidiaries of the Company party hereto (the "Guarantors") and Morgan Stanley & Co. Incorporated, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Placement Agents") as representatives of the Initial Purchasers.

This Agreement is made pursuant to the Purchase Agreement dated as of October 5, 2006, between the Company and the Placements Agents (the "Purchase Agreement"), which provides for the issuance by the Company to the Placement Agents of U.S. $1,026,000,000 7 7/8% Senior Secured Notes due 2014, U.S. $1,535,000,000 Floating Rate Senior Secured Notes due 2013, €1,000,000,000 Floating Rate Senior Secured Notes due 2013, U.S. $1,250,000,000 9 1/2% Senior Unsecured Notes due 2015 and €525,000,000 8 5/8% Senior Unsecured Notes due 2015 (the "Securities"). In order to induce the Placement Agents to enter into the Purchase Agreement, the Company has agreed to provide to the Placement Agents and their direct and indirect transferees the registration rights set forth in this Agreement. Certain future subsidiaries of NXP B.V. (the "Subsidiaries") that become guarantors of the Exchange Notes shall become party to this Agreement by execution of a joinder agreement in the Form of Annex A hereto. References to the Subsidiaries herein shall be construed as referring to such subsidiaries from and after their execution of the Joinder Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Exchange Date" is as defined in Section 2(a).

"Exchange Offer" shall mean the exchange offer by the Company of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the 1933 Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form F-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Exchange Securities" shall mean securities issued by the Company under the Indenture (and guaranteed by the Guarantors) containing terms identical in all material respects to the Securities (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Securities or, if no such interest has been paid, from October 12, 2006 and (ii) the Exchange Securities will not contain restrictions on transfer) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Holder" shall mean the Placement Agents, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Indenture" shall mean the Indentures relating to the Securities dated as of October 12, 2006 between the Company, the Guarantors and Deutsche Bank Trust Company Americas, as trustee, and as the same may be amended from time to time in accordance with the terms thereof.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or any affiliates (as such term is defined in Rule 405 under the 1933 Act) that it controls (other than the Placement Agents or subsequent Holders of Registrable Securities if such subsequent holders are deemed to be such affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the

Holders of such required percentage or amount.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Placement Agents" shall have the meaning set forth in the preamble.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including all material incorporated by reference therein.

"Registrable Securities" shall mean the Securities; provided, however, that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities shall have been declared effective under the 1933 Act and such Securities shall have been disposed of or exchanged pursuant to such Registration Statement, (ii) when such Securities have been sold or may be resold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iii) when such Securities shall have ceased to be outstanding.

"Registration Expenses" shall mean any and all reasonable out-of-pocket expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel for any underwriters in connection with blue sky qualification of any of the Exchange Securities or Registrable Securities), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all rating agency fees, (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees and disbursements of the Trustee and its counsel, (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the fees and disbursements of one counsel for the Holders (which counsel shall be

selected by the Majority Holders and which counsel may also be counsel for the Placement Agents) and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding fees and expenses of counsel to the underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Company that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2(b) of this Agreement which covers all of the Registrable Securities (but no other securities unless approved by the Holders whose Registrable Securities are covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"Underwriter" shall have the meaning set forth in Section 3 hereof.

"Underwritten Registration" or "Underwritten Offering" shall mean a registration in which Registrable Securities are sold to an Underwriter for reoffering to the public.

2. Registration Under the 1933 Act.

(a) After the first date on which the Securities are issued, the Company and the Guarantors shall use their commercially reasonable efforts to cause to be filed an Exchange Offer Registration Statement covering the offer by the Company to the Holders to exchange all of the Registrable Securities for Exchange Securities and to have such Registration Statement

remain effective until the closing of the Exchange Offer. The Company shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement has been declared effective by the SEC and use its commercially reasonable efforts to have the Exchange Offer consummated not later than 450 days after the original issue date of the Registrable Securities. The Company shall commence the Exchange Offer by mailing the related exchange offer Prospectus and accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law:

(i) that the Exchange Offer is being made pursuant to this Registration Rights Agreement and that all Registrable Securities validly tendered will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 New York business days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Registration Rights Agreement;

(iv) that Holders electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the enclosed letters of transmittal, to the appropriate institution and at the appropriate address (located in the Borough of Manhattan, The City of New York or at a European office) specified in the notice prior to the close of business on the last Exchange Date; and

(v) that Holders will be entitled to withdraw their election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York or at a European office) specified in the notice a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing his or her election to have such Securities exchanged.

As soon as practicable after the last Exchange Date, the Company shall:

(i) accept for exchange Registrable Securities or portions thereof tendered and not validly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and mail to each Holder, an Exchange Security equal in principal amount to the principal amount of the Registrable Securities

surrendered by such Holder; provided that in the case of any Notes held in global form by a depositary, authentication and delivery to such depositary of one or more replacement Securities in global form in an equivalent principal amount thereto for the account of such Holders shall satisfy such requirement.

The Company and the Guarantors shall use its commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the 1933 Act, the 1934 Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than (i) that the Exchange Offer does not violate applicable law or any applicable interpretation of the Staff of the SEC; (ii) no action or proceeding shall have been instituted or threatened in any court or by any governmental agency which might materially impair the ability of the Company to proceed with the Exchange Offer, and no material adverse development shall have occurred in any existing action or proceeding with respect to the Company; and (iii) all governmental approvals shall have been obtained, which approvals the Company deems necessary for the consummation of the Exchange Offer. The Company shall inform the Placement Agents of the names and addresses of the Holders to whom the Exchange Offer is made (if known by the Company), and the Placement Agents shall have the right, in consultation with the Company and subject to applicable law, to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

(b) In the event that (i) the Company determines that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be consummated as soon as practicable after the last Exchange Date because it would violate applicable law or the applicable interpretations of the Staff of the SEC, (ii) the Exchange Offer is not for any other reason consummated within 450 days of the original issue date of the Registrable Securities or (iii) in the case of any Holder that participates in the Exchange Offer, such Holder does not receive Exchange Securities on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such Holder as an affiliate of the Company within the meaning of the Securities Act) and so notifies the Company within 30 days after such Holder first becomes aware of such restrictions, the Company and the Guarantors shall use their commercially reasonable efforts to cause to be filed as soon as practicable after such determination, date or notice of such opinion of counsel is given to the Company, as the case may be, a Shelf Registration Statement providing for the sale by the Holders of all of the Registrable Securities and to have such Shelf Registration Statement declared effective by the SEC. In the event the Company is required to file a Shelf Registration Statement solely as a result of the matters referred to in clause (iii) of the preceding sentence, the Company and the Guarantors shall use their commercially reasonable efforts to file and have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement)

with respect to offers and sales of Registrable Securities held by the Initial Purchasers after completion of the Exchange Offer. The Company and the Guarantors agree to use its commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the earliest of two years after the date of original issuance of the Securities, the expiration of the period referred to in Rule 144(k) with respect to the Registrable Securities or such shorter period that will terminate when all of the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, subject to Section 2(f) hereof. The Company and the Guarantors further agree within this period to supplement or amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the 1933 Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by the Majority Holders (or their counsel) with respect to information relating to one or more of such Holders, and to use its commercially reasonable efforts to cause any such amendment to become effective and such Shelf Registration Statement to become usable as soon as thereafter practicable. The Company agrees to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that, if, after it has been declared effective, the offering of Registrable Securities pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference until the offering of Registrable Securities pursuant to such Registration Statement may legally resume. If (i) the Company has not exchanged the Registrable Securities in accordance with the terms of the Exchange Offer on or prior to the 450th day after the original issue date of the Registrable Securities or (ii) if applicable, a Shelf Registration Statement covering resales of the Registrable Securities has been declared effective and such Shelf Registration Statement ceases to be effective (except for reasons specific to a particular Holder) at any time during the period of the Shelf Registration except as provided in Section 2(f), then additional interest ("Additional Interest") shall accrue on the principal amount of the Registrable Securities which remain restricted or that have not been disposed of or exchanged pursuant to a Registration Statement at a rate of 0.25% per annum (which rate will be increased by an additional 0.25% per annum for each subsequent 90-day period that such Additional Interest continues to accrue, *provided* that the rate at which such additional interest accrues may in no event exceed 0.50% per annum) commencing on (x) the 451st day after the original issue date of the Registrable Securities, in the case of (i) above, or (y) the day such shelf registration statement ceases to be effective, in the case of (ii) above; *provided however,* that upon the exchange of Registrable Securities tendered (in the case of clause (i) above), or upon the effectiveness of a Shelf Registration Statement that

had ceased to remain effective (in the case of clause (ii) above), Additional Interest on the Registrable Securities as a result of such clause, as the case may be, shall cease to accrue.

(d) The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) and Section 2(b), Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(e) Each Holder that participates in the Exchange Offer, as a condition to participation in the Exchange Offer, will be required to represent to the Company in writing (which may be contained in the applicable letter of transmittal) that: (i) any Exchange Securities acquired in exchange for Registrable Securities tendered are being acquired in the ordinary course of business of the Person receiving such Exchange Securities, whether or not such recipient is such Holder itself; (ii) at the time of the commencement or consummation of the Exchange Offer neither such Holder nor, to the actual knowledge of such Holder, any other Person receiving Exchange Securities from such Holder has an arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the Securities Act; (iii) neither the Holder nor, to the actual knowledge of such Holder, any other Person receiving Exchange Securities from such Holder is an "affiliate" (as defined in Rule 405) of the Company or, if it is an affiliate of the Company, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable and will provide information to be included in the Shelf Registration Statement in accordance with Section 6 hereof in order to have their Securities included in the Shelf Registration Statement and benefit from the provisions regarding Additional Interest in Section 5 hereof; (iv) if such Holder is not a broker-dealer, neither such Holder nor, to the actual knowledge of such Holder, any other Person receiving Exchange Securities from such Holder is engaging in or intends to engage in a distribution of the Exchange Securities; and (v) if such Holder is a Participating Broker-Dealer, such Holder has acquired the Registrable Securities for its own account in exchange for Securities that were acquired as a result of market-making activities or other trading activities and that it will comply with the applicable provisions of the Securities Act (including, but not limited to, the prospectus delivery requirements thereunder).

(f) Notwithstanding anything to the contrary in this Agreement, at any time, the Company may delay the filing of any Shelf Registration Statement or delay or suspend the effectiveness thereof, for a reasonable period of time, but not in excess of 60 consecutive days or more than three (3) times during any calendar year (each, a "Shelf Suspension Period"), if the Board of Directors of the Company determines reasonably and in good faith that the filing of any such Initial Shelf Registration Statement or the continuing effectiveness thereof would require the disclosure of non-public material information that, in the reasonable judgment of the Board of Directors of the Company, would be detrimental to the Company if so disclosed or would

otherwise materially adversely affect a financing, acquisition, disposition, merger or other material transaction or such action is required by applicable law.

3. Registration Procedures.

In connection with the obligations of the Company with respect to the Registration Statements pursuant to Section 2(a) and Section 2(b) hereof, the Company shall as expeditiously as possible:

(a) prepare and file with the SEC a Registration Statement on the appropriate form under the 1933 Act, which form (x) shall be selected by the Company and (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to

be filed therewith (taking into account any relief granted to the Company by the SEC in advance of such filing with respect to such form and financial statement requirements), and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the 1933 Act, to keep each Prospectus current during the period described under Section 4(3) and Rule 174 under the 1933 Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Placement Agents, to counsel for the Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or Underwriter may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Securities; and the Company consents to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the selling Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law;

(d) use its commercially reasonable efforts to register or qualify the Registrable

Securities under all applicable state securities or “blue sky” laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement is declared effective by the SEC, to cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc. and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (ii) file any general consent to service of process or (iii) subject itself to taxation in any such jurisdiction if it is not so subject or be subject to other unreasonable expense;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities, counsel for the Holders and counsel for the Placement Agents promptly and, if requested by any such Holder or counsel, confirm such advice in writing (i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iii) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects or if the Company receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (iv) of the happening of any event during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading and (v) of any determination by the Company that a post-effective amendment to a Registration Statement would be appropriate;

(f) make every commercially reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested) (it being understood and agreed that the

posting of such documents on the SEC’s website shall constitute compliance with this Section 3(g));

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders may reasonably request at least two business days prior to the closing of any sale of Registrable Securities;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e)(v) hereof, use its commercially reasonable efforts to prepare and file with the SEC a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company agrees to notify the Holders to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and the Holders hereby agree to suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission. Notwithstanding the foregoing, the Company shall not be required to amend or supplement a Registration Statement, any related Prospectus or any document incorporated therein by reference, for a reasonable period of time, but not in excess of 60 consecutive days or more than three times during any calendar year, if the Board of Directors of the Company determines reasonably and in good faith that the filing of any such Registration Statement or the continuing effectiveness thereof would require the disclosure of non-public material information that, in the reasonable judgment of the Board of Directors of the Company, would be detrimental to the Company if so disclosed or would otherwise materially adversely affect a financing; acquisition, disposition, merger or other material transaction or such other action as is required by applicable law.

(j) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Placement Agents and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) and make such of the representatives of the Company as shall be reasonably requested by the Placement

Agents or their counsel (and, in the case of a Shelf Registration Statement, the Holders or their counsel) available for discussion of such document, and shall not at any time file or make any amendment to the Registration Statement, any Prospectus or any amendment of or supplement to a Registration Statement or a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus, of which the Placement Agents and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) shall not have previously been advised and furnished a copy or to which the Placement Agents or their counsel (and, in the case of a Shelf Registration Statement, the Holders or their counsel) shall object, except for any amendment or supplement or document (a copy of which has been previously furnished to the Placement Agents and its counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel)) which counsel to the Company shall advise the Company in writing is required in order to comply with applicable law;

(k) obtain a CUSIP, ISIN or Common Code number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement;

(l) cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use its commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, make available for inspection by a representative of the Majority Holders (which representative shall be reasonably acceptable to the Company), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Majority Holders, at reasonable times and in a reasonable manner, all financial and other records, pertinent documents and properties of the Company, and cause the respective officers, directors and employees of the Company to supply all relevant information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with a Shelf Registration Statement;

(n) in the case of a Shelf Registration, use its commercially reasonable efforts to cause all Registrable Securities to be listed on any securities exchange or any automated quotation system on which similar securities issued by the Company are then listed if requested by the Majority Holders, to the extent such Registrable Securities satisfy

applicable listing requirements;

(o) in the case of a Shelf Registration, use its commercially reasonable efforts to cause the Exchange Securities or Registrable Securities, as the case may be, to be rated by two nationally recognized statistical rating organizations (as such term is defined in Rule 436(g)(2) under the 1933 Act);

(p) if requested by the Majority Holders (or their counsel), (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information with respect to any Holder as reasonably requested to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company has received notification of the matters to be incorporated in such filing; and

(q) in the case of a Shelf Registration, enter into such customary agreements and take all such other actions in connection therewith (including those requested by the Holders of a majority of the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities including, but not limited to, an Underwritten Offering and in such connection, (i) to the extent possible, make such representations and warranties to any Underwriters of such Registrable Securities with respect to the business of the Company and its subsidiaries, the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by the Company to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to the Company (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to such Underwriters and their respective counsel) addressed to each Underwriter of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (iii) obtain "cold comfort" letters from the independent certified public accountants of the Company (and, if necessary, any other certified public accountant of any subsidiary of the Company, or of any business acquired by the Company for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to the Underwriters of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by the representative of Holders of a majority in principal amount of the Registrable Securities being sold (which representative shall be reasonably acceptable to the Company) or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of the Company made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration, the Company may require each Holder of Registrable Securities to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company may from time to time reasonably request in writing.

In the case of a Shelf Registration, each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, and, if so directed by the Company, such Holder will deliver to the Company, or confirm to the Company the destruction of (in each case at its expense) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, the Company shall extend the period during which the Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. The Company may give any such notice only in accordance with the provisions of Section 3(i).

The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers (the "Underwriters") that will administer the offering will be selected by the Majority Holders with the consent of the Company (such consent not to be unreasonably withheld) of the Registrable Securities included in such offering.

The Company shall not be required to assist in an underwritten offering unless requested by the Holders of a majority in aggregate principal amount of the Registrable Securities.

No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

4. Participation of Broker-Dealers in Exchange Offer.

(a) The Staff of the SEC has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer", which term shall be used herein to refer exclusively to the Placement Agents), may be deemed to be an "underwriter" within the meaning of the 1933 Act and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

The Company understands that it is the Staffs position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the 1933 Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the 1933 Act.

(b) In light of the above, notwithstanding the other provisions of this Agreement, the Company agrees that the provisions of this Agreement as they relate to a Shelf Registration shall also apply to an Exchange Offer Registration to the extent, and with such reasonable modifications thereto as may be, reasonably requested by the Placement Agents or by one or more Participating Broker-Dealers, in each case as provided in clause (ii) below, in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above; provided that:

(i) the Company shall not be required to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(i), for a period exceeding 180 days after the last Exchange Date (as such period may be extended pursuant to the penultimate paragraph of Section 3 of this Agreement) and Participating Broker-Dealers shall not be authorized by the Company to deliver and shall not deliver such Prospectus after such period in connection with the resales contemplated by this Section 4; and

(ii) the application of the Shelf Registration procedures set forth in Section 3 of this Agreement to an Exchange Offer Registration, to the extent not required by the positions of the Staff of the SEC or the 1933 Act and the rules and regulations thereunder, will be in conformity with the reasonable request to the Company by the Placement Agents or with the reasonable request in writing to the Company by one or more broker-dealers who certify to the Placement Agents and the Company in writing that they anticipate that they will be Participating Broker-Dealers; and provided further that, in connection with such application of the Shelf Registration procedures set forth in Section 3 to an

Exchange Offer Registration, the Company shall be obligated (x) to deal only with one entity representing the Participating Broker-Dealers, which shall be Morgan Stanley & Co. Incorporated unless it elects not to act as such representative, (y) to pay the fees and expenses of only one counsel representing the Participating Broker-Dealers, which shall be counsel to the Placement Agents unless such counsel elects not to so act and (z) to cause to be delivered only one, if any, "cold comfort" letter with respect to the Prospectus in the form existing on the last Exchange Date and with respect to each subsequent amendment or supplement, if any, effected during the period specified in clause (i) above.

(c) The Placement Agents shall have no liability to the Company or any Holder with respect to any request that it may make pursuant to Section 4(b) above.

5. Indemnification and Contribution.

(a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless the Placement Agents, each Holder of Registrable Securities and each Person, if any, who controls any Placement Agent or any Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, or is under common control with, or is controlled by, any Placement Agent or any Holder, from and against all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Agent, any Holder of any such controlling or affiliated Person in connection with defending or investigating any such action or claim), to which they or any of them may become subject under the 1933 Act, the 1934 Act or other U.S. federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all documents incorporated therein by reference and any free writing prospectus used in connection therewith, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any free writing prospectus, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Placement Agents or any Holder furnished to the Company in writing through Morgan Stanley & Co. Incorporated or by any selling Holder expressly for use therein. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, if any, selling brokers, dealers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the 1933 Act and the 1934 Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Placement Agents and the other selling Holders, and each of their respective directors, officers who sign the Registration Statement and each Person, if any, who controls the Company, any Placement Agent and any other selling Holder within the meaning of

either Section 15 of the 1933 Act or Section 20 of the 1934 Act to the same extent as the foregoing indemnity from the Company to the Placement Agents and the Holders, but only with reference to information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to either paragraph (a) or paragraph (b) above, such Person (the "indemnified party") shall promptly notify the Person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (a) the fees and expenses of more than one separate firm (in addition to one local counsel) for the Placement Agents and all Persons, if any, who control any Placement Agent within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, (b) the fees and expenses of more than one separate firm (in addition to one local counsel) for the Company, its directors, its officers who sign the Registration Statement and each Person, if any, who controls the Company within the meaning of either such Section and (c) the fees and expenses of more than one separate firm (in addition to one local counsel) for all Holders and all Persons, if any, who control any Holders within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In such case involving the Placement Agents and Persons who control the Placement Agents, such firm shall be designated in writing by Morgan Stanley & Co. Incorporated. In such case involving the Holders and such Persons who control Holders, such firm shall be designated in writing by the Majority Holders. In all other cases, such firm shall be designated by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but, if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which such indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified

party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraph (a) or paragraph (b) of this Section 5 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Holders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Holders' respective obligations to contribute pursuant to this Section 5(d) are several in proportion to the respective principal amount of Registrable Securities of such Holder that were registered pursuant to a Registration Statement.

(e) The Company and each Holder agree that it would not be just or equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating

or defending any such action or claim. Notwithstanding the provisions of this Section 5, no Holder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which Registrable Securities were sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 1l(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Placement Agents, any Holder or any Person controlling any Placement Agent or any Holder, or by or on behalf of the Company, its officers

or directors or any Person controlling the Company and (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. Miscellaneous.

(a) No Inconsistent Agreements. The Company has not entered into, and on or after the date of this Agreement will not enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; provided, however, that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Placement Agents, the address set forth in the Purchase Agreement; and (ii) if to the Company, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c).

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Placement Agents (in their capacity as Placement Agents) shall have no liability or obligation to the Company with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) Purchases and Sales of Securities. The Company shall not, and shall use its best efforts to cause its Subsidiaries not to, purchase and then resell or otherwise transfer any Securities.

(f) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Placement Agents, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder, provided that nothing herein shall prevent this Agreement from being amended in accordance with the provisions of Section 6(b) hereof.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. This Agreement shall be governed by the laws of the State of New York.

(j) Jurisdiction. The Company and each Guarantor irrevocably submit to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in The City of New York over any suit, action or proceeding arising out of or relating to this Agreement or the Exchange Offer. The Company and each Guarantor irrevocably waive, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue

of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company and the Guarantors have or hereafter may acquire any immunity (on the grounds of sovereignty or otherwise) from the jurisdiction of any court or from any legal process with respect to itself or its property, the Company and each Guarantor irrevocably waive, to the fullest extent permitted by law, such immunity in respect of any such suit, action or proceeding.

(k) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

6. Joinder of Future Subsidiaries. Until the time at which there is no obligation to file or keep effective any Registration Statement, any subsidiary of NXP B.V. that is required to be a guarantor under the Indenture shall become a party to this Agreement by executing and delivering a joinder agreement in the form attached hereto as Annex A.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NXP B.V.

By: /s/ [Illegible]
Name:
Title:

J.M.L.M. INGEN HOUSZ

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

NXP FUNDING LLC

By: /s/ [Illegible]
Name: [Illegible]
Title: Secretary

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS B.V.

By: /s/ Y.A.W. Schreurs
Name: Y.A.W. Schreurs
Title: Attorney

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
GERMANY GMBH

By: /s/ [Illegible]
Name: [Illegible]
Title: CEO

By: _____
Name:
Title:

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
GERMANY GMBH

By: _____
Name:
Title:

By: /s/ [Illegible]
Name: [Illegible]
Title: [Illegible]

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS ELECTRONIC
BUILDING ELEMENTS
INDUSTRIES (TAIWAN) LTD.

By: /s/ J. J. Wang
Name: J. J. Wang
Title: Director

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
PHILIPPINES INC.

By: /s/ Virginia Melba A. Cuyahon
VIRGINIA MELBA A. CUYAHON
General Manager - Calamba Plant

/s/ Steven Brader
STEVEN BRADER
General Manager - Cabuyao Plant

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
USA, INC.

By: /s/ [Illegible]
Name:
Title:

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
HONG KONG LIMITED

By: /s/ Anthony Lear
Name: Anthony Lear
Title: Director

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
(THAILAND) CO. LTD.

By: /s/ [Illegible]
Name:
Title:

[STAMP]

By: /s/ [Illegible]
Name:
Title:

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

PHILIPS SEMICONDUCTORS
SINGAPORE PTE. LTD.

By: /s/ Frederik Rausch
Name: Frederik Rausch
Title: Chairman & Chief Executive Officer

By: /s/ Michel Gerard Luc Besseau
Name: Michel Gerard Luc Besseau
Title: Chief Financial Officer

SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT

Confirmed and accepted as of
the date first above written:

MORGAN STANLEY & CO. INCORPORATED,

By /s/ Bryan W. Andrzejewski
Name: Bryan W. Andrzejewski
Title: Executive Director

DEUTSCHE BANK SECURITIES INC.

By
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By
Name:
Title:

As Representatives of the Initial Purchasers

SIGNATURE PAGE FOR THE REGISTRATION RIGHTS AGREEMENT

Confirmed and accepted as of
the date first above written:

MORGAN STANLEY & CO. INCORPORATED,

By
Name:
Title:

DEUTSCHE BANK SECURITIES INC.

By /s/ Stephen R. Lapidus
Name: Stephen R. Lapidus
Title: Director

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By
Name:
Title:

As Representatives of the Initial Purchasers

SIGNATURE PAGE FOR THE REGISTRATION RIGHTS AGREEMENT

Confirmed and accepted as of
the date first above written:

MORGAN STANLEY & CO. INCORPORATED,

By _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC.

By /s/ Stephanie L. Perry
Name: Stephanie L. Perry
Title: Director

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By _____
Name:
Title:

As Representatives of the Initial Purchasers

Confirmed and accepted as of
the date first above written:

MORGAN STANLEY & CO. INCORPORATED,

By _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC.

By _____
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By /s/ [Illegible]
Name: [Illegible]
Title: Director

As Representatives of the Initial Purchasers

Exhibit 5.1

[Letterhead of Sullivan & Cromwell]

April 19, 2007

NXP B.V.,
High Tech Campus 60,
5656 AG,
Eindhoven, The Netherlands.

NXP Funding LLC,
2711 Centerville Road,
Suite 400,
Wilmington, Delaware 19809.

Ladies and Gentlemen:

In connection with the registration under the Securities Act of 1933 (the "Act") of (i) €1,000,000,000 aggregate principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 aggregate principal amount Floating Rate Senior Secured Notes due 2013 and $1,026,000,000 aggregate principal amount 7 7/8% Senior Secured Notes due 2014 (together, the "Secured Exchange Notes") of NXP B.V., a company organized under the laws of The Netherlands (the "Company"), and NXP Funding LLC, a limited liability company organized under the laws of the State of Delaware (the "Co-Issuer"), issued pursuant to the Senior Secured Indenture, dated as of October 12, 2006 (the "Secured Indenture"), among the Company, the Co-Issuer, the Guarantors (as herein defined), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding Inc., as Global Collateral Agent and Mizuho Corporate Bank Ltd., as Taiwan Collateral Agent, and (ii) €525,000,000 aggregate principal amount 8 5/8% Senior Notes due 2015 and $1,250,000,000 aggregate principal amount 9 1/2% Senior Notes due 2015 (collectively, and together with the Secured Exchange Notes, the "Exchange Notes") of the Company and the Co-Issuer, issued pursuant to the Senior Unsecured Indenture, dated as of October 12, 2006 (the "Unsecured Indenture", and together with the Secured Indenture, the "Indentures"), among the Company, the Co-Issuer, the Guarantors and the Trustee, in each case unconditionally and irrevocably guaranteed as to the payment of principal, premium, if any, and interest (the "Guarantees") by NXP Semiconductors USA Inc., a Delaware corporation (the "U.S. Guarantor"), and the guarantors listed on Annex A hereto (collectively, the "Foreign Guarantors" and, together with the U.S. Guarantor, the

---

"Guarantors") pursuant to the Indentures, which Exchange Notes are to be issued in exchange for any and all outstanding euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated 7 7/8% Senior Secured Notes due 2014, euro-denominated 8 5/8% Senior Notes due 2015 and dollar-denominated 9 1/2% Senior Notes due 2015 (collectively, the "Outstanding Notes") of the Company and the Co-Issuer, we, as your United States counsel, have examined such corporate records, certificates and other documents, and such questions of United States Federal and New York State law, as we have considered necessary or appropriate for the purposes of this opinion.

Upon the basis of such examination, we advise you that, in our opinion, when the registration statement relating to the Exchange Notes and the Guarantees (the "Registration Statement") has become effective under the Act, the terms of the Exchange Notes and the Guarantees and of their issuance and exchange for Outstanding Notes have been duly established in conformity with the Indentures so as not to violate any applicable law or result in a default under or breach of any agreement or instrument binding upon any of the Company, the Co-Issuer or any of the Guarantors and so as to comply with any requirement or restriction imposed by any court or governmental body having jurisdiction over any of the Company, the Co-Issuer or any of the Guarantors, and the Exchange Notes have been duly executed and authenticated in accordance with the Indentures and issued and exchanged for Outstanding Notes as contemplated in the Registration Statement, (i) the Exchange Notes will constitute valid and legally binding obligations of the Company and the Co-Issuer and (ii) the Guarantees will constitute valid and legally binding obligations of the respective Guarantors, subject in the case of clauses (i) and (ii) above, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

We note that, as of the date of this opinion, a judgment for money in an action based on the Exchange Notes or Guarantees of Exchange Notes denominated in euros in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of euros into United States dollars will depend upon various factors, including which court renders the judgment. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on such Exchange Notes or Guarantees would be required to render such judgment in euros, and such judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment.

The foregoing opinion is limited to the Federal laws of the United States and the laws of the State of New York and we are expressing no opinion as to the effect of the laws of any other jurisdiction. For purposes of our opinion, we have, with your approval, assumed that (i) the Company has been duly formed and is validly existing

under the laws of The Netherlands, (ii) each Foreign Guarantor has been duly formed and is validly existing under the laws of their respective jurisdictions of incorporation or formation, (iii) the Indentures have been duly authorized, executed and delivered by the Company insofar as the laws of The Netherlands are concerned, (iv) the Indentures have been duly authorized, executed and delivered by the Foreign Guarantors insofar as the laws of their respective jurisdictions of incorporation or formation are concerned, (v) the Exchange Notes have been duly authorized, executed, issued and delivered by the Company insofar as the laws of The Netherlands are concerned and (vi) the provisions of the Exchange Notes and the Indentures designating the law of the State of New York as the governing law for the Exchange Notes and the Indentures are valid and binding on the Company and each of the Foreign Guarantors insofar as the laws of their respective jurisdictions of incorporation or formation are concerned. We note that with respect to all matters of the local laws of the jurisdictions listed on Annex B hereto you are relying upon the opinions of the respective counsel named in Annex B hereto, all of which are also filed as exhibits to the Registration Statement.

Also, we have relied as to certain factual matters on information obtained from public officials, officers of the Company, the Co-Issuer and the Guarantors and other sources believed by us to be responsible, and we have assumed that the Indentures have been duly authorized, executed and delivered by the Trustee thereunder, that the Exchange Notes will conform to the specimens thereof examined by us and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading “Legal Matters” in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

Sullivan & Cromwell LLP

(Attachments)

Annex A

Foreign Guarantors

NXP Semiconductors Netherlands B.V.
NXP Semiconductors Germany GmbH
NXP Semiconductors Taiwan Ltd.
NXP Semiconductors Philippines Inc.
NXP Semiconductors Hong Kong Limited
NXP Manufacturing (Thailand) Co., Ltd.
NXP Semiconductors UK Limited
NXP Semiconductors Singapore Pte. Ltd.

Annex B

Local Counsel Opinions

Jurisdiction	Counsel	Date of Opinion
The Netherlands	De Brauw Blackstone Westbroek N.V., Amsterdam, The Netherlands	April 19, 2007
Germany	Sullivan & Cromwell LLP, Frankfurt, Germany	March 21, 2007
Taiwan	Lee and Li, Taipei, Taiwan	March 19, 2007

The Philippines	Poblador Bautista & Reyer Law Offices, Manila, The Philippines	March 19, 2007
Hong Kong	Allen & Overy, Hong Kong, Hong Kong	March 21, 2007
Thailand	Allen & Overy (Thailand) Co., Ltd., Bangkok, Thailand	March 21, 2007
United Kingdom	Sullivan & Cromwell LLP, London, United Kingdom	March 21, 2007
Singapore	Allen & Overy Shook Lin & Bok, Singapore, Singapore	March 19, 2007

Exhibit 5.2

Advocaten
Notarissen
Belastingadviseurs

To:
NXP B.V.
High Tech Campus 60
5656 AG EINDHOVEN

Tripolis
Burgerweeshuispad 301
P.O. Box 75084
1070 AB Amsterdam

T +31 20 577 1771
F +31 20 577 1775

Date 18 April 2007

Karin Schadee
Advocaat

Our ref. 429\20327781\l006-745\

Dear Sirs,

NXP B.V.
NXP Semiconductors Netherlands B.V.
USD 1,026,000,000 7⅞% senior secured notes due 2014
USD 1,535,000,000 floating rate senior secured notes due 2013
EUR 1,000,000,000 floating rate senior secured notes due 2013
USD 1,250,000,000 9½% senior notes due 2015
EUR 525,000,000 8⅝% senior notes due 2015

1 Introduction

I have acted on behalf of De Brauw Blackstone Westbroek N.V. as Dutch legal adviser (*advocaat*) to NXP B.V. (the "**Issuer**") and NXP Semiconductors Netherlands B.V. (the "**Guarantor**"), each with corporate seat in Eindhoven, in connection with the registration (the "**Registration**") by the Issuer and NXP Funding LLC (the "**US Issuer**") with the United States Securities and Exchange Commission (the "**SEC**") of the Issuer's and US Issuer's USD 1,026,000,000 7⅞% senior secured notes due 2014, USD 1,535,000,000 floating rate senior secured notes due 2013 and EUR 1,000,000,000 floating rate senior secured notes due 2013 (together the "**Secured Notes**") and USD 1,250,000,000 9½% senior notes due 2015 and EUR 525,000,000 8⅝% senior notes due 2015 (the "**Unsecured Notes**, and together with the Secured Notes, the "**Notes**"), stated to be unconditionally and irrevocably guaranteed as to payment of principal and interest by the Guarantor. I have taken instructions solely from Sullivan & Cromwell LLP in its capacity as United States legal counsel to the Issuer, the

---

US Issuer and the Guarantor.

2 Dutch Law

This opinion is limited to Dutch law as applied by the Dutch courts and published and in effect on the date of this opinion. It is given on the basis that all matters relating to it will be governed by, and that it (including all terms used in it) will be construed in accordance with, Dutch law.

3 Scope of Inquiry; definitions

For the purpose of this opinion, I have examined the following documents:

3.1 An original or a photocopy, faxed copy or e-mailed copy (as set out in **annex 2**) of each Document.

3.2 An e-mailed copy received by me on 18 April 2007 of the form of Notes (as set out in **annex 3**).

3.3 An original or a photocopy or faxed copy of a notarial copy of the deed of incorporation of each Company and its articles of association as contained in its deed of incorporation or as most recently amended according to the trade register extract concerned (as set out in **annex 1**), as filed with the chamber of commerce and industry concerned.

3.4 An original or faxed copy of a trade register extract regarding each Company, provided by the chamber of commerce and industry concerned and dated as set out in **annex 1**.

3.5 A photocopy, faxed copy or e-mailed copy of the written resolutions, minutes of meetings or extracts from minutes and confirmations of the managing board, supervisory board, stated shareholder(s) or general meeting of shareholders (as set out in **annex 1**) of each Company and dated, or held on the date, as set out in **annex 1**.

3.6 (a) A print of an e-mailed copy received by me on 25 September 2006 of a letter from the central works council (*centrale ondernemingsraad*) of Philips Electronics Nederland B.V. ("**PEN**") (the "**Works Council**") dated 11 September 2006 and containing the Works Council's advice on the proposed decision of the Issuer and the Guarantor referred to in it to execute and deliver its Documents (the "**Works Council's Advice**").

(b) A photocopy of an e-mailed copy received by me on 25 September 2006 of a letter from Mr. H.J.G. Hendriks in his stated capacity of chairman of the managing board of PEN to Mr. J. Pasmans in his stated capacity of chairman of the Works Council dated 11 September 2006.

(c) A print of an e-mailed copy received by me on 25 September 2006 of a letter from Mr. M. Snoeren in his stated capacity of secretary of the Works Council, to Mr. H.J.G. Hendriks in his stated capacity of chairman of the managing board of PEN dated 11 September 2006.

In addition, I have obtained the following confirmations given by telephone on the date of this opinion:

3.7 Confirmation from each chamber of commerce and industry concerned that the trade register extracts referred to in **annex 1** are up to date.

3.8 Confirmation from the office of the bankruptcy division (*faillissementsgriffie*) of the district court of the place where each Company has its corporate seat that the Company concerned is not registered as having been declared bankrupt or granted suspension of payments.

I have not examined any document, and do not express an opinion on any document or any reference to it, other than the documents listed in this paragraph 3. My examination has been limited to the text of the documents and I have not investigated the meaning and effect of any document governed by a law other than Dutch law under that other law.

3.9 Certain terms used in this opinion are defined in the annexes. In addition, in this opinion:

"**Companies**" means the Issuer and the Guarantor.

"**Documents**" means each document listed in **annex 2**.

"**Indentures**" means the Unsecured Indenture and the Secured Indenture.

"**Notes**" do not include the Additional Notes (as defined in the Indentures).

"**Powers of Attorney**" means the NXP Power of Attorney and the NXP Semiconductor Power of Attorney.

"**its Documents**", in relation to a Company, means the Documents expressed to be executed and delivered by it.

4 Assumptions

For the purpose of this opinion, I have made the following assumptions:

4.1 All copy documents conform to the originals and all originals are genuine and complete.

4.2 Each signature is the genuine signature of the individual concerned.

4.3 Any minutes and extracts from minutes referred to in paragraph 3 or **annex 1** are a true record of the proceedings described in them in duly convened, constituted and quorate meetings and the resolutions set out in those minutes and any written resolutions referred to in paragraph 3 or **annex 1** were validly passed and remain in full force and effect without modification. Any confirmation referred to in paragraph 3 or **annex 1** is true.

4.4 The Works Council's Advice was validly adopted in a duly convened, constituted and quorate meeting, there are no facts or circumstances which, if known to the Works Council at the time, might have caused it not to adopt the Works Council's Advice as adopted and the decision of each of the Issuer and the Guarantor to execute and deliver its Documents conforms with the Works Council's Advice.

4.5 The Notes have been or will have been issued in the form referred to in paragraph 3 or **annex 3**.

4.6 The Documents are within the capacity and powers of, and have been validly authorised and executed and delivered into by each party other than the Companies expressed to execute and deliver them, and each Note has been or will have been validly authenticated in accordance with the Indentures.

4.7 Each Power of Attorney remains in full force and effect without modification and no rule of law which under the The Hague Convention on the Law applicable to Agency 1978 applies or may be applied to the existence and extent of the authority of any person authorised to execute and deliver a Document or a Note on behalf of a Company under a Power of Attorney, adversely affects the existence and extent of that authority as expressed in that Power of Attorney.

4.8 The Notes have been or will have been executed and delivered on behalf of the Issuer, manually or, with the approval of the managing directors concerned, in facsimile, in accordance with its articles of association or by a person authorised to do so under a Power of Attorney.

4.9 When validly executed and delivered by all the parties, the Notes are valid, binding and enforceable on each party under the laws of the State of New York ("**New York Law**") by which they are expressed to be governed.

4.10 The Notes have been, are and will be offered in the Netherlands only in accordance with the Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**FMSA**").

4.11 The Issuer does not qualify as a bank (*bank*) within the meaning of the FMSA.

5 Opinion

Based on the documents and confirmations referred to and the assumptions in paragraphs 3 and 4 and subject to the qualifications in paragraph 6 and to any matters not disclosed to me, I am of the following opinion:

5.1 Each Company has been incorporated and is existing as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law.

5.2 Each Company has the corporate power to execute and deliver and perform its Documents and the Issuer has the corporate power to issue and perform the Notes.

5.3 Each Company has taken all necessary corporate action to authorise its execution and delivery and performance of its Documents and the Issuer has taken all necessary corporate action to authorise its issue and performance of the Notes.

5.4 Each Company has validly executed and delivered its Documents and the Issuer has validly executed and delivered the Notes.

5.5 The execution and delivery and performance of its Documents by each Company and the issue and performance of the Notes by the Issuer do not violate Dutch law or its articles of association.

5.6 Under Dutch law the choice of New York Law as the governing law of the Notes is recognised and accordingly New York Law governs the validity, binding effect and enforceability against each Company of the Notes.

6 Qualifications

This opinion is subject to the following qualifications:

6.1 This opinion is subject to any limitations arising from bankruptcy, insolvency, liquidation, moratorium, reorganisation and other laws of general application relating to or affecting the rights of creditors.

6.2 Under Dutch law, notwithstanding the recognition of New York Law as the governing law of the Notes:

- effect may be given to the law of another jurisdiction with which the situation has a close connection, insofar as, under the law of that jurisdiction, that law is mandatory irrespective of the governing law of the Notes;
- Dutch law will be applied insofar as it is mandatory irrespective of the governing law of the Notes;
- the application of New York Law may be refused if it is manifestly incompatible with Dutch public policy;
- regard will be had to the law of the jurisdiction in which performance takes place in relation to the manner of performance and the steps to be taken in the event of defective performance.

6.3 The enforcement in a Dutch court of the Notes is subject to Dutch rules of civil procedure.

6.4 To the extent that Dutch law applies, any provision that the registered holder of any Note will be treated as its absolute owner may not be enforceable under all circumstances.

6.5 To the extent that Dutch law applies, title to a Note may not pass if (i) the Note is not delivered (*geleverd*) in accordance with Dutch law, (ii) the transferor does not have the power to pass on title (*beschikkingsbevoegdheid*) to the Note or (iii) the transfer of title is not made pursuant to a valid title of transfer (*geldige titel*).

6.6 To the extent that the Terms and Conditions are general conditions within the meaning of Section 6:231 Civil Code (Burgerlijk Wetboek, "**CC**"), a holder of a Note may nullify (*vernietigen*) a provision therein if (i) the Issuer has not offered the holder a reasonable opportunity to examine the Terms and Conditions or (ii) the provision, having regard to all relevant circumstances, is unreasonably onerous to the holder. A provision in general conditions as referred to in Section 6:236 CC is deemed to be unreasonably onerous, irrespective of the circumstances, if the holder of a Note is a natural person not acting in the conduct of a profession or trade.

6.7 If a Note has been executed and delivered on behalf of the Issuer (manually or in facsimile) by a person who at the signing date is, but before the date of the Note and its authentication and issue ceases to be, a duly authorised

representative of the Issuer, enforcement of the Note in a Dutch court may require that the holder of the Note submits a copy of the Indenture concerned.

6.8 To the extent that pursuant to any Document a Company is required or forbidden to take, or restricted in taking, any action that falls within the powers of its general meeting of shareholders, it may not be binding and enforceable against it.

6.9 To the extent that Dutch law applies, a power of attorney can be made irrevocable only (i) insofar as it has been granted for the purpose of performing a legal act in the interest of the authorised person or a third party and (ii) subject to any amendments made or limitations imposed by the courts on serious grounds (*gewichtige redenen*).

6.10 In proceedings in a Dutch court for the enforcement of the Documents or the Notes, the court may mitigate amounts due in respect of litigation and collection costs.

6.11 Under Dutch law, any trust to which the Convention on the Law applicable to Trusts and their Recognition 1985 (the "**Trust Convention**") applies, will be recognised subject to the Trust Convention. Any trust to which the Trust Convention does not apply may not be recognised.

6.12 To the extent that Dutch law applies, a legal act (*rechtshandeling*) performed by a person (including (without limitation) an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations and any other legal act having a similar effect) may be nullified by any of its creditors, if (i) it performed the act without an obligation to do so (*onverplicht*), (ii) the creditor concerned was prejudiced as a consequence of the act and (iii) at the time the act was performed both it and (unless the act was for no consideration (*om niet*)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced.

6.13 If a legal act (*rechtshandeling*) performed by a Dutch legal entity (including (without limitation) an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations and any other legal act having a similar effect) is not in the entity's corporate interest, the act may (i) exceed the entity's corporate power, (ii) violate its articles of association and (iii) be nullified by it if the other party or parties to the act knew or should have known that the act is not in the entity's corporate interest.

6.14 Under Dutch law, a Dutch private company with limited liability and its subsidiaries (*dochtermaatschappijen*) (including, possibly, any foreign subsidiaries) may not create security, grant a guarantee or accept liability with a view to (*met het oog op*) the acquisition by a third party of shares in its share capital, and any transaction in violation of this prohibition (i) violates Dutch law, and (ii) will most likely be void (the "**Financial Assistance Prohibition**").

6.14.1 I understand that:

(a) Koninklijke Philips Electronics N.V. ("**KPENV**") contributed an amount of cash on its shares in the Issuer (the "**Equity Contribution**");

(b) subsequently, against payment of a cash amount funded from the Equity Contribution (the "**Purchase Price**"), KPENV transferred to the Issuer:

(i) all shares in the Guarantor and Philips Software B.V.; and

(ii) all intercompany loans provided by it to the Guarantor and Philips Software B.V. (the "**Sub IC's**");

(c) upon completion of such transfers, and receipt by KPENV of the Purchase Price, KPENV provided a loan to the Issuer (the "**Intercompany Loan**");

(d) subsequently, against payment of a cash amount funded from the Intercompany Loan, KPENV transferred to the Issuer the shares in certain semiconductor business entities (other than the Guarantor and Philips Software B.V.) and other assets (including intercompany loans provided by it to such semiconductors business entities);

(e) the Issuer has used and will use the proceeds of the loans (the "**Loans**") made to it under the senior secured bridge loan agreement between the Issuer and NXP Funding LLC; KASLION Acquisition B.V. ("**Holdings**"); Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley Senior Funding, Inc.; Merril Lynch Capital Corporation; and the original lenders named in it dated 29 September 2006 (the "**Secured Bridge Agreement**") and the senior unsecured bridge loan agreement between the Issuer, NXP Funding LLC, Holdings, Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley Senior Funding, Inc.; Merril Lynch

Capital Corporation; and the original lenders named in it dated 29 September 2006 (the "**Unsecured Bridge Agreement**") solely:

(i) to repay the Intercompany Loan;

(ii) to finance, in part, the Reorganization (as defined in the Unsecured Bridge Agreement and the Secured Bridge Agreement) (but excluding its acquisition of (i) the shares in the Guarantor and in Philips Software B.V. and (ii) the Sub IC's);

(iii) to pay fees and expenses in connection with the Transactions (as defined in the Unsecured Bridge Agreement and the Secured Bridge Agreement (but excluding any fees and expenses relating to its acquisition of (i) the shares in the Guarantor and in Philips Software B.V. and (ii) the Sub IC's));

(iv) to retain as cash for future use for general corporate purposes; and

(f) the Issuer has used and will use the proceeds of the Notes solely to repay the Loans.

6.14.3 The interpretation of the wording "with a view to" in the Financial Assistance Prohibition is subject to legal debate and there is hardly any case law to provide guidance. Accordingly, the scope of the Financial Assistance Prohibition is unclear. On the basis of paragraph 6.14.2, I believe that the better view is that the Dutch Security Rights and the guarantees provided by the Guarantor pursuant to the Indentures to secure the Notes and any other liability accepted by the Guarantor under the Documents do not violate the Financial Assistance Prohibition.

6.15 Each Company's corporate seat must be clearly stated on all written or printed documents and announcements to which such Company is a party or which it issues (excluding telegrams and advertisements).

6.16 The trade register extracts referred to in paragraph 3 do not provide conclusive evidence that the facts set out in it are correct. However, under the 1996 Trade Register Act (*Handelsregisterwet 1996*), subject to limited exceptions, a company cannot invoke the incorrectness or incompleteness of its trade register registration against third parties who were unaware of it.

6.17 A confirmation of the office of a bankruptcy division as referred to in paragraph 3 does not provide conclusive evidence that the Companies have not been declared bankrupt or granted suspension of payments.

6.18 I do not express any opinion on the Works Councils Act (*Wet op de ondernemingsraden*) other than in relation to the Works Council.

6.19 I do not express any opinion as to any taxation matters.

6.20 I do not express any opinion on the validity of any assignment or transfer pursuant to section 10.03 of each Indenture or any other *in rem* matters.

7 Reliance

This opinion is solely for the purpose of the Registration. It is not to be transmitted to anyone nor is it to be relied upon for any other purpose or quoted or referred to in any public document or filed with anyone without my written consent except that it may be filed with the SEC as an exhibit to the Registration Statement (but I do not admit that I am a person whose consent for that filing and reference is required under Section 7 of the United States Securities Act of 1933, as amended).

Yours faithfully,

/s/ K. Schadee

K. Schadee
for De Brauw Blackstone Westbroek N.V.

Annex 1 – Companies

1 Companies
1.1 General

Company name: NXP B.V.
Corporate seat: Eindhoven
x private company with limited liability

Articles of association
Articles of association:
o contained in deed of incorporation
x most recently amended on: 29 September 2006

Trade register extract
Chamber of commerce and industry for: Oost-Brabant
Date: 13 April 2007

Corporate action
- Managing board resolution:

o photocopy o faxed copy x print of e-mailed copy received on 28 September 2006

x dated: 27 September 2006
o meeting held on: **

- Shareholders resolution:

o not applicable
o photocopy o faxed copy x print of e-mailed copy received on 28 September 2006

x dated: 28 September 2006
o meeting held on: **
o confirmation dated: **

Power of attorney (the "NXP Power of Attorney")
o photocopy o faxed copy x included in managing board resolution
o not applicable
o dated: **

1.2 General

Company name: NXP Semiconductors Netherlands B.V.
Corporate seat: Eindhoven
x private company with limited liability

Articles of association

Articles of association:
o contained in deed of incorporation
x most recently amended on: 28 December 2006

Trade register extract
Chamber of commerce and industry for: Oost-Brabant
Date: 13 April 2007

Corporate action
- Managing board resolution:

o photocopy o faxed copy x print of e-mailed copy received on 28 September 2006
x dated: 27 September 2006
o meeting held on: **

- Shareholders resolution:

o not applicable
o photocopy o faxed copy x print of e-mailed copy received on 28 September 2006
x dated: 27 September 2006
o meeting held on: **
o confirmation dated: **

Power of attorney (the "NXP Semiconductors Power of Attorney")
o photocopy o faxed copy x included in managing board resolution
o not applicable
o dated: **

Annex 2 – Documents

1 General

Name of agreement: indenture in relation to the Secured Notes (the "**Secured Indenture**")
Parties: the Issuer; the Guarantor; Deutsche Bank Trust Company Americas as trustee (the "**Trustee**"); Morgan Stanley Senior Funding, Inc. and Mihuzo Corporate Bank Ltd., and each note guarantor named in it.
Date: 12 October 2006

Form:
x executed copy
o original
o photocopy o faxed copy x print of e-mailed copy received on 12 October 2006

2 General

Name of agreement: indenture in relation to the Unsecured Notes (the "**Unsecured Indenture**")
Parties: the Issuer; the Guarantor; the Trustee; and each note guarantor named in it.
Date: 12 October 2006

Form:
x executed copy
o original
o photocopy o faxed copy x print of e-mailed copy received on 12 October 2006

Annex 3 – Form of Notes

- the form of 8⅝% Senior Notes due 2015;
- the form of 9½% Senior Notes due 2015;
- the form of 7⅞% Senior Secured Notes due 2014;
- the form of euro Floating Rate Senior Secured Notes due 2013;
- the form of dollar Floating Rate Senior Secured Notes due 2013.

Exhibit 5.3

[LETTERHEAD OF SULLIVAN & CROMWELL]

March 21, 2007

NXP B.V.
High Tech Campus 60,
5656 AG
Eindhoven,
The Netherlands

RE: NXP B.V. — Offers to Exchange Senior Secured Notes

Ladies and Gentlemen:

We have acted as special German counsel to NXP Semiconductors Germany GmbH (formerly Philips Semiconductors Germany GmbH), a German company with limited liability (*Gesellschaft mit beschränkter Haftung*) registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Hamburg, Germany, under registration number HRB 84865 (the "German Guarantor"), in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7⅞% Senior Secured Notes due 2014, €525,000,000 principal amount 8⅝% Senior Notes due 2015 and $1,250,000,000 principal amount 9½% Senior Notes due 2015 (together, the "Exchange Notes"), for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7⅞% Senior Secured Notes due 2014, euro-denominated 8⅝% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015 (together, the "Outstanding Notes") pursuant to the Senior Secured

---

Indenture, dated as of October 12, 2006 among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of October 12, 2006, among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the "Indentures").

In our capacity as such counsel, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for purposes of this opinion, including the Indentures.

Based on the foregoing, we are of the opinion that:

(i) the German Guarantor has been duly organized and is validly existing as a company with limited liability (*Gesellschaft mit beschränkter Haftung*) under German law; and

(ii) the German Guarantor has duly authorized, executed and delivered the Indentures.

This opinion is intended solely for the use of the addressee and the holders of the Exchange Notes. It may not be relied upon by any other person for any other purpose.

We hereby consent to the filing of this opinion with the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors.

We are admitted to practice in Germany.

Very truly yours,

/s/SULLIVAN & CROMWELL LLP

Exhibit 5.4

19 March 2007
Client/Matter No.: P00288/M104-1

NXP B.V.
High Tech Campus 60,
5656 AG
Eindhoven,
The Netherlands

RE: NXP B.V. – Offers to Exchange Senior Secured Notes

Ladies and Gentlemen:

We have acted as the special Taiwan counsel to NXP Semiconductors Taiwan Ltd. (previously known as Philips Electronic Building Elements Industries (Taiwan) Ltd.), a company incorporated in Taiwan, Republic of China (the "ROC") (the "Taiwan Guarantor"), in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount $7^{7}/_{8}$% Senior Secured Notes due 2014, €525,000,000 principal amount $8^{5}/_{8}$% Senior Notes due 2015 and $1,250,000,000 principal amount $9^{1}/_{2}$% Senior Notes due 2015 (together, the "Exchange Notes"), in exchange for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, $7^{7}/_{8}$% Senior Secured Notes due 2014, euro-denominated $8^{5}/_{8}$% Senior Notes due 2015 and dollar-denominated $9^{1}/_{2}$% Senior Notes due 2015 (together, the "Outstanding Notes") pursuant to the Senior Secured Indenture, dated as of October 12, 2006 among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of October 12, 2006, among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the "Indentures").

In rendering this opinion set forth herein, we have examined the originals or copies, photocopies, certified or otherwise identified to our satisfaction of the following documents:

1. A copy of the corporate registration card of the Taiwan Guarantor dated January 9, 2007;

2. A copy of the business license of the Taiwan Guarantor dated December 20, 2006;

3. A copy of the Articles of Incorporation of the Taiwan Guarantor as last amended on November 27, 2006;

4. A copy of the Taiwan Guarantor's board meeting minutes dated September 27, 2006; and

5. The Indentures.

We have assumed, without independent investigation or verification of any kind, the genuineness of all signatures, stamps and seals, the conformity to the originals of all documents provided to us as certified or photostatic or faxed copies and the authenticity of all original documents which (or copies of which) have been submitted to us.

This opinion is given under and with respect to the present laws and regulations of the ROC only. No opinion is expressed as to the laws of any other jurisdiction.

Based on the foregoing, and subject to the qualifications set forth below, we are of the opinion that:

(i) the Taiwan Guarantor has been duly organized and is validly existing as a company limited by shares under the ROC law; and

(ii) the Taiwan Guarantor has duly authorized, executed and delivered the Indentures.

This opinion is given with respect to the laws and regulations of the ROC and the prevailing interpretations thereof as of the date hereof and does not purport to speculate as to future laws or regulations or as to future interpretations of current laws and regulations, and we undertake no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof or for any other reason.

This opinion is intended solely for the use of the addressee and the holders of the Exchange Notes. It may not be relied upon by any other person for any other purpose.

We hereby consent to the filing of this opinion with the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors.

We are admitted to practice in Taiwan, ROC.

Best regards,

Sophia H. H. Yeh (Coordinator) James Chen

Lee and Li, Attorneys-at-Law
7F, 201 Tun Hua N. Road
Taipei, Taiwan 10508, R. O. C.
Tel: 886-2-27153300 ext. 2245
Fax: 886-2-27133966
E-mail: sophiayeh@leeandli.com

Exhibit 5.5

19 March 2007

By facsimile and e-mail

NXP B.V.
High Tech Campus 60,
5656 AG
Eindhoven,
The Netherlands

RE: NXP B.V. – Offers to Exchange Senior Secured Notes

Gentlemen:

We have acted as special Philippine counsel to NXP Semiconductors Philippines, Inc. (formerly Philips Semiconductors Philippines, Inc.), a corporation organized under Philippine law (the "Philippine Guarantor"), in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount $7^{7}/_{8}$% Senior Secured Notes due 2014, €525,000,000 principal amount $8^{5}/_{8}$% Senior Notes due 2015 and $1,250,000,000

---

principal amount 9½% Senior Notes due 2015 (together, the "Exchange Notes"), for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, $7^{7}/_{8}$% Senior Secured Notes due 2014, euro-denominated $8^{5}/_{8}$% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015 (together, the "Outstanding Notes") pursuant to the Senior Secured Indenture, dated as of October 12, 2006 among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of October 12, 2006, among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the "Indentures") ..

In our capacity as such counsel, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents:

1. Certified True Copy of the Amended Articles of Incorporation of the Philippine Guarantor;

2. Original Certificate of Good Standing of the Philippine Guarantor issued by the Philippine Securities and Exchange Commission on 18 January 2007;

3. Original Secretary's Certificate dated 26 September 2006 of the Resolutions of the Board of Directors and Shareholders approved and adopted on 22 September 2006, which, among others, authorized the Philippine Guarantor to execute the Indentures; and

4. Certification from the Corporate Secretary of the Philippine Guarantor confirming that the Resolutions of the Board of Directors and the Shareholders approved and adopted on 22 September 2006, remain valid and subsisting.

Based on the foregoing, we are of the opinion that:

(i) the Philippine Guarantor has been duly organized and is validly existing as a corporation under Philippine law; and

(ii) the Philippine Guarantor has duly authorized, executed and delivered the Indentures.

This opinion is intended solely for the use of the addressee and the holders of the Exchange Notes. It may not be relied upon by any other person for any other purpose.

We hereby consent to the filing of this opinion with the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors.

We are admitted to practice in the Philippines.

Very truly yours,

POBLADOR BAUTISTA & REYES

By:

ALEXANDER J. POBLADOR

RAYMUND MARTIN C. RODRIGUEZ

Exhibit 5.6

[Letterhead of A & O]

Allen & Overy
安理國際律師事務所
9th Floor Three Exchange Square
Central Hong Kong

Tel +852 2974 7000
Fax +852 2974 6999

NXP B.V.
High Tech Campus 60
5656 AG
Eindhoven
The Netherlands

Our ref BWH/YH/GTN/84278-00001 HK:3595056.3

21 March 2007

Dear Sirs

NXP Semiconductors Hong Kong Limited (formerly known as Philips Semiconductors Hong Kong Limited) (the **Company) -**

1. **Senior Secured Indenture dated as of 12 October 2006 between, among others, NXP B.V., NXP Funding LLC, the Guarantors (as defined therein and include the Company), Deutsche Bank Trust Company Americas as trustee, Morgan Stanley Senior Funding, Inc. as global collateral agent and Mizuho Corporate Bank, Ltd. as Taiwan collateral agent (**the **Secured Indenture); and**

2. **Senior Unsecured Indenture dated as of 12 October 2006 between, among others, NXP B.V., NXP Funding LLC, the Guarantors (as defined therein and include the Company) and Deutsche Bank Trust Company Americas as trustee (**the **Unsecured Indenture),**

relating to the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7⅞% Senior Secured Notes due 2014, €525,000,000 principal amount 8⅝% Senior Notes due 2015 and $1,250,000,000 principal amount 9½% Senior Notes due 2015, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7⅞% Senior Secured Notes due 2014, euro-denominated 8⅝% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015.

We act for the Company in Hong Kong in connection with the Secured Indenture and the Unsecured Indenture. We have been asked to provide you with our Hong Kong legal opinion in relation to the Secured Indenture and the Unsecured Indenture.

Each of the Secured Indenture and the Unsecured Indenture is called an **Indenture**.

For the purposes of this opinion we have examined the following documents:

(a) a signed copy of each Indenture;

(b) a certified copy of the certificate of incorporation of the Company, certified to be true, correct and complete as at 12 October 2006;

(c) a certified copy of the memorandum and articles of association of the Company, certified to be true, correct and complete as at 12 October 2006;

(d) a certified copy of the written resolutions signed by all the directors of the Company and dated 29 September 2006 (the **Board Approval**), certified to be true, correct and complete as at 12 October 2006;

(e) a certified copy of the written resolutions signed by the sole shareholder of the Company and dated 29 September 2006 (the **Shareholder Approval**), certified to be true, correct and complete as at 12 October 2006; and

(f) a certified copy of the power of attorney dated 29 September 2006 and made by the Company, certified to be true, correct and complete as at 12 October 2006.

We carried out searches of the Company at the Hong Kong Companies Registry on 21 March 2007 and at the Hong Kong Official Receiver's Office on 21 March 2007. It is possible that matters which should be revealed by such searches are not yet revealed. For example, it is possible that a winding up order or appointment of a receiver may have been made, or a winding-up petition may have been issued, without notice thereof having yet been filed.

The above are the only documents or records we have examined and the only searches and enquiries we have carried out for the purpose of this opinion.

We assume that:

(a) no step has been taken to wind up the Company or appoint a receiver in respect of it or any of its assets, although the searches of the Hong Kong Companies Registry and the Hong Kong Official Receiver's Office referred to above give no indication that a winding-up order or appointment of a receiver has been made or a winding-up petition has been issued;

(b) each of the Notes (as defined in each Indenture) have been duly executed by all parties to it;

(c) each Indenture has been duly executed on behalf of the Company by the person(s) authorised by the Board Approval;

(d) all signatures and documents are genuine;

(e) all documents are up-to-date;

(f) the correct procedure was carried out for the Board Approval and the Shareholder Approval; for example, all relevant interests of directors were declared and the resolutions were duly passed, and that none of the Board Approval and the Shareholder Approval have been revoked, amended or rescinded and that each of the Board Approval and the Shareholder Approval remain in full force and effect;

(g) the Guaranteed Obligations (as defined in each Indenture) will not breach any restriction to which the Company is subject (provided that this assumption does not extend to any restrictions contained in any document that we have examined for the purpose of this opinion or any restrictions under any laws applicable to companies generally); and

(h) the guarantee and other undertakings given by the Company in each Indenture were given for the legitimate purposes of the Company and may reasonably be regarded as having been in the interests of the Company.

Subject to the qualifications set out below and to any matters not disclosed to us, it is our opinion that, so far as the present laws of Hong Kong are concerned:

(1) **Status**: The Company is a company incorporated with limited liability under the laws of Hong Kong and is not in liquidation.

(2) **Powers and authority**: The Company has the corporate power to enter into and perform each Indenture and has taken all necessary corporate action to authorise the execution, delivery and performance of each Indenture.

(3) **Execution and delivery**: Each Indenture has been duly executed and, where applicable, delivered by the Company.

Notwithstanding the foregoing this opinion is subject to the following qualifications:

(1) This opinion is subject to all insolvency and other laws affecting the rights of creditors generally.

(2) No opinion is expressed on matters of fact.

(3) We assume that no foreign law affects the conclusions stated above.

This opinion is given for your sole benefit in connection with the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors (as defined in each Indenture) and may not be relied upon by or disclosed to any other person.

We hereby consent to the filing of this opinion with the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors (as defined in each Indenture).

We are admitted to practice in Hong Kong.

Yours faithfully

Allen & Overy

Exhibit 5.7

[ALLEN & OVERY LETTERHEAD]

BY COURIER AND BY FAX

To: **NXP B.V.**
High Tech Campus 60,
5656 AG, Eindhoven,
The Netherlands

Allen & Overy (Thailand) Co., Ltd.
22nd Floor Sindhorn Tower III
130-132 Wireless Road Lumpini
Pathumwan Bangkok 10330

Tel +66 (0)2 263 7600

Fax +66 (0)2 263 7699

Our ref 84278-00001 BN:536514.2

21 March 2007

Dear Sirs,

RE: NXP B.V. — Offers to Exchange Senior Secured Notes

BACKGROUND

We have acted as special Thai counsel to NXP Manufacturing (Thailand) Co., Ltd. (formerly known as Philips Semiconductors (Thailand) Co., Ltd., a Thai legal entity (the **Thai Guarantor**), in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7⅞% Senior Secured Notes due 2014, €525,000,000 principal amount 8⅝% Senior Notes due 2015 and $1,250,000,000 principal amount 9½% Senior Notes due 2015 (together, the **Exchange Notes**), for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7⅛% Senior Secured Notes due 2014, euro-denominated 8⅝% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015 (together, the **Outstanding Notes**) pursuant to the Senior Secured Indenture, dated as of 12 October 2006 among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the **Trustee**), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of 12 October 2006, among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the **Indentures**).

In this opinion:

CRD means the Partnerships and Companies Registration Office of the Department of Business Development, Ministry of Commerce; and

Indentures has the meaning given to it above.

DOCUMENTS

For the purposes of this opinion we have examined only:

(a) a copy of the signed Indentures;

(b) a certified copy of the affidavit, memorandum and articles of association of the Thai Guarantor issued by the CRD on 21 March 2007; and

(c) a certified copy of the minutes of a meeting of the board of directors of the Thai Guarantor No. 2/2006 held on 24 August 2006.

On 21 March 2007, we carried out a search of the file of the Thai Guarantor at the CRD.

We have not carried out any other searches or enquiries and the above are the only documents or records that we have examined for the purposes of this opinion. Our opinion is confined solely to the laws of Thailand and does not extend to the laws of any other jurisdiction.

ASSUMPTIONS

We assume that:

(a) all signatures and documents are genuine;

(b) all documents submitted to us as originals are authentic and complete;

(c) all documents submitted to us as copies conform to authentic and complete original documents;

(d) all documents are and remain up to date;

(e) all certificates and other documents which we have examined remain accurate as to all factual matters contained in them;

(f) the correct procedure was carried out for and at the board meeting referred to above (for example, the meeting was duly convened and held and the resolution was duly passed at such meeting);

(g) the Thai Guarantor was fully solvent at the time it entered into the Indentures and will not be insolvent as a result of the entry into or performance of the Indentures; and

(h) the information disclosed by the search of the Thai Guarantor's files at the CRD is true and complete and the situation has not changed since the date of that search and that search did not fail to disclose any information which had been delivered for registration but did not appear on the public files searched.

OPINIONS

Based on the foregoing and subject to the qualifications set out below and to any matters not disclosed to us, we are of the opinion that, so far as the present laws of Thailand are concerned:

(i) the Thai Guarantor is a limited company incorporated under the laws of Thailand.

(ii) the Thai Guarantor has the corporate power to enter into and perform the Indentures and has taken all necessary corporate action to authorise the entry into, delivery and performance of the Indentures.

QUALIFICATIONS

This opinion is subject to the following qualifications:

(a) This opinion is subject to all insolvency and other laws relating to or affecting the rights of creditors or secured creditors generally.

(b) No opinion is expressed as to matters of fact.

(c) This opinion relates only to Thai domestic law and not Thai conflicts of law rules.

(d) While companies established in Thailand are required to be registered with the CRD, it is not possible to rely on obtaining from there certified up-to-date corporate information such as the Memorandum or Articles of Association or names of shareholders or directors and the information available does not include information relating to encumbrances, charges, pledges or assignments over corporate assets, nor is it possible to conduct conclusive searches to ascertain whether winding-up or rehabilitation proceedings have been initiated in Thailand or whether encumbrances, charges, pledges or assignments over such assets exist.

(e) Insofar as this opinion refers to the law or laws of Thailand, such references include Royal Decrees, Ministerial Decrees, Ministerial Regulations and Notifications, and Supreme Court judgments, and are limited to those which are published and available to the public as of the date of this opinion.

This opinion is given for your benefit and in connection with the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors (as defined in each Indenture) and may not be relied upon by or disclosed to any other person without our express prior written consent (except that a copy may be released to the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors). If we consent to the disclosure of this opinion to any other person, then (unless we expressly state otherwise to that person in writing) that disclosure will (and shall be deemed to be) made only on the basis that it is for information only and that we shall have no liability or responsibility whatsoever towards that person as a result of that disclosure or in connection with this opinion.

Yours faithfully,

[ILLEGIBLE]

Allen & Overy (Thailand) Co., Ltd.

Exhibit 5.8

[Letterhead of Sullivan & Cromwell]

March 21, 2007

NXP B.V.,
High Tech Campus 60,
5656 AG,
Eindhoven,
The Netherlands.

Ladies and Gentlemen:

1. Introduction

We have acted as special counsel to NXP Semiconductors UK Limited (formerly, Philips Semiconductors UK Limited; hereinafter, the "English Guarantor") as to matters of English law, in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, U.S.$1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, U.S.$1,026,000,000 principal amount 7⅞% Senior Secured Notes due 2014, €525,000,000 principal amount 8⅝% Senior Notes due 2015 and U.S.$1,250,000,000 principal amount 9½% Senior Notes due

---

2015 (together, the "Exchange Notes"), for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7⅞% Senior Secured Notes due 2014, euro-denominated 8⅝% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015 (together, the "Outstanding Notes") pursuant to the Senior Secured Indenture, dated as of October 12, 2006 (the "Senior Secured Indenture") among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of October 12, 2006 (the "Senior Unsecured Indenture", and together with the Senior Secured Indenture, the "Indentures"), among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the "Indentures").

2. Examination of Documents

In our capacity as such counsel, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and

---

other instruments as we have deemed necessary or appropriate for purposes of this opinion, including:

(i) the Secured Note Guarantee Supplement, dated as of November 17, 2006, among the English Guarantor, NXP B.V. and the Trustee, pursuant to which the English Guarantor agrees to become a Guarantor under the Senior Secured Indenture;

(ii) the Unsecured Note Guarantee Supplement, dated as of November 17, 2006, among the English Guarantor, NXP B.V. and the Trustee, pursuant to which the English Guarantor agrees to become a Guarantor under the Senior Unsecured Indenture (together with the document described in (i) above, the "Note Guarantee Supplements");

(iii) a copy of the Certificate of Incorporation and a Certificate of Incorporation on Change of Name in respect of the English Guarantor;

(iv) the minutes of a meeting of the directors of the English Guarantor held on November 17, 2006 (the "Minutes");

(v) a board memorandum, dated November 17, 2006 (the "Board Memorandum"), signed by Michael Gallagher and Gary Munro, as directors of the English Guarantor (the "Directors")

(vi) the memorandum and articles of association of the English Guarantor;

(vii) an officer's certificate from Michael Gallagher, as secretary and director of the English Guarantor, dated November 17 , 2006 (the "Officer Certificate");

(viii) the written resolution of the English Guarantor, dated November 17, 2006, approving, among other things, the execution by the English Guarantor of the Note Guarantee Supplements;

(ix) a statutory declaration on Form 155(6)a (and annexures thereto), dated November 17, 2006, made by Michael Gallagher;

(x) a statutory declaration on Form 155(6)a (and annexures thereto), dated November 17, 2006, made by Gary Munro (together with the document described in (ix) above, the "Statutory Declarations"); and

(xi) an auditors' report by KPMG, dated November 17, 2006, addressed to the Directors, being the report annexed to each Statutory Declaration (the "Auditors Report").

3. Searches and Enquiries

For the purposes of this opinion, we have made the following searches and enquiries:

(i) a search against the entries and filings shown in respect of the English Guarantor on the Companies House online service "Companies House Direct" on March 21, 2007 which revealed no order or resolution for the winding up of the Company and no notice of the appointment of a receiver or administrator in relation to the Company; and

(ii) a telephone enquiry of the Central Registry of Winding-up Petitions made at 10:16 a.m. on March 21, 2007 which revealed that no petition for the winding up of the English Guarantor had been presented.

4. Opinion

Based on the foregoing and on the assumptions set out in Section 6 below, subject to the limitations set out in Section 5 below and the reservations set out in Section 7 below, we are of the opinion that:

(i) the English Guarantor is a company duly incorporated in England under the Companies Act 1985; and

(ii) the English Guarantor has duly authorized, executed and delivered the Note Guarantee Supplements.

5. Limitations

This opinion:

(i) relates solely to English law as applied by the English courts at the date hereof, and we express no opinion as to the effect of the law of any other jurisdiction;

(ii) speaks as of the date hereof as based on the documents identified above;

(iii) is strictly limited to the matters stated herein and no opinion may be inferred or implied except as expressly stated herein; and

(iv) is governed by, and shall be construed in accordance with, English law.

6. Assumptions

For the purposes of this opinion, we have assumed:

(i) the genuineness of all signatures, stamps and seals on all documents submitted to us, the completeness and authenticity of all documents submitted to us as originals and the conformity to original documents of all copies submitted to us;

(ii) that the meeting of the directors of the UK Guarantor held on November 17, 2006 was duly convened and

held; that the requisite quorum was present; and that the resolutions appearing in the Minutes are a true record of such proceedings at such meeting and are in full force and effect and have not been amended, revoked or suspended;

(iii) the accuracy as of the date thereof of the statements in the Officer's Certificate and the determinations, opinions and conclusions of the Directors set forth in the Minutes and the Board Memorandum;

(iv) that the Directors had, as of the date thereof, reasonable grounds for the opinions expressed in the Statutory Declarations;

(v) the accuracy as of the date thereof of the statements in the Auditors Report;

(vi) that the English Guarantor had, as at the date of the Note Guarantee Supplements, net assets which were not reduced by the financial assistance provided by virtue of the execution and delivery of the Note Guarantee Supplements, or to the extent that they were reduced, the financial assistance was provided out of distributable profits of the English Guarantor;

(vii) that the execution and delivery of the Note Guarantee Supplements and the performance of its

obligations thereunder will sufficiently benefit and is in the interests of the English Guarantor;

(viii) the Directors acted in good faith and in the interests of the English Guarantor in approving the Note Guarantee Supplements; and

(ix) that no law of any jurisdiction outside England would render the execution, delivery, or performance of the terms of the Note Guarantee Supplements illegal or ineffective and that, insofar as any obligation under the Note Guarantee Supplements falls to be performed in any jurisdiction other than England, its performance will not be illegal or ineffective by virtue of the laws of that jurisdiction.

7. Reservations

This opinion is subject to the following reservations:

(i) we express no opinion as to:

(a) the validity and legally binding nature or the enforceability of the obligations of the English Guarantor under the Note Guarantee Supplements; or

(b) the due authorization, execution and delivery by the English Guarantor of, or the validity and legally binding nature of the obligations of

the English Guarantor under, any agreement entered into by the English Guarantor, whether in connection with the Indentures or otherwise, other than the Note Guarantee Supplements;

(ii) we express no opinion as to any liability to tax which may arise or be suffered as a result of or in connection with the execution, delivery and performance of the Note Guarantee Supplements;

(iii) we express no opinion as to whether the execution, delivery and performance by the English Guarantor would conflict with or result in a breach of or constitute a default under any agreement, deed, instrument or other document to which it is a party; and

(iv) the search on Companies House Direct referred to above is not conclusively capable of revealing whether or not:

(a) a winding up order has been made in respect of a company; or

(b) a resolution for the winding up of a company has been passed; or

(c) an administration order has been made in respect of a company; or

(d) a receiver, administrative receiver, liquidator or administrator has been appointed in respect of a company, since notice of these matters might not be filed with the Registrar of Companies immediately and, when filed, might not be entered on the electronic records of the relevant company immediately; and

(v) the enquiry with the Central Registry of Winding-up Petitions referred to above relates only to a compulsory winding up and is not capable of revealing conclusively whether or not a winding up petition in respect of a compulsory winding up has been presented since details of the petition may not have been entered on the records of the Central Registry of Winding-up Petitions immediately or, in the case of a petition presented to a County Court, may not have been notified to the Central Registry and entered on such records at all, and the response to an enquiry only relates to the period of six months prior to the date when the enquiry was made. We have not made enquiries of any County Court as to whether any petition of the appointment of an administrator has been presented to, or any administration order has been made by, such County Court against the relevant companies.

This opinion is being furnished to you in connection with the filing with the U.S. Securities and Exchange Commission of the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors (the “Registration Statement”) and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the United States federal securities laws. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are the category of persons whose consent is required under section 7 of the United States Securities Act of 1933.

We are admitted to practice in England and Wales.

Very truly yours,

_____

/s/ SULLIVAN & CROMWELL LLP

Exhibit 5.9

[Letterhead of A & O]

BY COURIER

NXP B.V.
High Tech Campus 60
5656 AG
Eindhoven
The Netherlands

1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Tel +65 6535 1944
Fax +65 6535 8577

Our ref LKZ/TTL/ 84278-00001

19 March 2007

Dear Sirs

LEGAL OPINION
NXP B.V. — OFFERS TO EXCHANGE SENIOR SECURED NOTES

We have acted as special Singapore counsel to NXP Semiconductor Singapore Pte. Ltd., a Singapore limited liability company (the "Singapore Guarantor"), in connection with the proposed issuance by NXP B.V. and NXP Funding LLC of €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7⅞% Senior Secured Notes due 2014, €525,000,000 principal amount 8⅝% Senior Notes due 2015 and $1,250,000,000 principal amount 9½% Senior Notes due 2015 (together, the "Exchange Notes"), for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7⅞% Senior Secured Notes due 2014, euro-denominated 8⅝% Senior Notes due 2015 and dollar-denominated 9½% Senior Notes due 2015 (together, the "Outstanding Notes") pursuant to the Senior Secured Indenture, dated as of October 12, 2006 among NXP B.V., NXP Funding LLC, the Guarantors (as defined therein), Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), Morgan Stanley Senior Funding, Inc., as global collateral agent, and Mizuho Corporate Bank, Ltd., as Taiwan collateral agent, and the Senior Unsecured Indenture, dated as of October 12, 2006, among NXP B.V., NXP Funding LLC, the Guarantors and the Trustee (together, the "Indentures") .

In our capacity as such counsel, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for purposes of this opinion, including the Indentures.

Based on the foregoing, we are of the opinion that:

(i) the Singapore Guarantor has been duly organized and is validly existing as a limited liability company under Singapore law; and

(ii) the Singapore Guarantor has duly authorized, executed and delivered the Indentures.

This opinion is intended solely for the use of the addressee and the holders of the Exchange Notes. It may not be relied upon by any other person for any other purpose.

We hereby consent to the filing of this opinion with the U.S. Securities and Exchange Commission as an exhibit to the Registration Statement on Form F-4 by NXP B.V., NXP Funding LLC and the Guarantors.

We are admitted to practice in Singapore.

Yours faithfully

Exhibit 10.1

CONFIDENTIAL TREATMENT REQUESTED BY NXP B.V.

EXECUTION VERSION

€500,000,000

SECURED REVOLVING CREDIT AGREEMENT

Dated as of September 29, 2006

among

KASLION ACQUISITION B.V.,

NXP B.V.,

NXP FUNDING LLC,
as the Borrowers

The Several Lenders
from Time to Time Parties Hereto

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent and Global Collateral Agent

MORGAN STANLEY BANK INTERNATIONAL LIMITED,
DEUTSCHE BANK AG, LONDON BRANCH
and
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Lead Arrangers and Joint Bookrunners

DEUTSCHE BANK AG, LONDON BRANCH,
as Syndication Agent

and

MERRILL LYNCH CAPITAL CORPORATION,
as Documentation Agent

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

CREDIT AGREEMENT dated as of September 29, 2006, among KASLION ACQUISITION B.V. with its corporate seat in Amsterdam, the Netherlands ("Holdings"), NXP B.V. with its corporate seat in Eindhoven, the Netherlands (the "Company"), NXP FUNDING LLC (the "Co-Borrower"), the lending institutions from time to time parties hereto (each a "Lender" and, collectively, the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent (in such capacity, the "Administrative Agent") and Global Collateral Agent (in such capacity, the "Global Collateral Agent"), MORGAN STANLEY BANK INTERNATIONAL LIMITED, DEUTSCHE BANK SECURITIES INC. and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Joint Lead Arrangers (each, in such capacity, a "Joint Lead Arranger") and Joint Bookrunners (each, in such capacity, a "Joint Bookrunner"), DEUTSCHE BANK SECURITIES INC., as Syndication Agent (in such capacity, the "Syndication Agent"), and MERRILL LYNCH CAPITAL CORPORATION, as Documentation Agent (in such capacity, the "Documentation Agent").

WHEREAS, pursuant to the Stock Purchase Agreement (as amended from time to time in accordance therewith, the "Acquisition Agreement"), dated as of September 29, 2006, between Koninklijke Philips Electronics N.V. (the "Seller") and Holdings, Holdings will acquire (the "Acquisition") all of the Capital Stock of the Company. In connection with the Acquisition, the Seller will acquire 19.9% of the equity interests in Holdings;

WHEREAS, to fund the Acquisition, the Sponsors, Approved Equity Investors and the Seller will contribute an amount in cash to Holdings in exchange for common and/or preferred Stock (such contribution, the "Equity Investments") in an amount no less than €4,305 million, which cash will be paid by Holdings to the Seller in exchange for 100% of the Capital Stock of the Company. Upon consummation of the Acquisition the Sponsors and Approved Equity Investors will, collectively, own 80.1% of the equity of Holdings and 19.9% of the equity will be owned by the Seller;

WHEREAS, immediately prior to and in connection with the Acquisition, certain intercompany indebtedness of the Company and its Subsidiaries owed to the Seller will be repaid (the "Refinancing");

WHEREAS, to consummate the transactions contemplated by the Refinancing, the Company will borrow up to €1,500,000,000 and US$1,921,290,000 of senior secured increasing rate bridge loans under the Secured Bridge Facility and up to €1,500,000,000 of senior unsecured increasing rate bridge loans under the Unsecured Bridge Facility. The borrowings under the Bridge Facilities are expected to be refinanced (in whole or in part) through the issuance by the Company and the Co-Borrower of approximately €3.0 billion of Senior Secured Notes (denominated in Euro and Dollars) and approximately €1.5 billion of Senior Unsecured Notes (denominated in Euro and Dollars) in a Rule 144A or other private placement (the "Senior Notes Offering");

WHEREAS, the Borrowers have requested that the Lenders extend credit in the form of Loans and Letters of Credit on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the proceeds of Loans will be used by the Borrowers on or after the Closing Date for general corporate purposes (including permitted acquisitions) and Letters of Credit will be used by the Borrowers for general corporate purposes; and

WHEREAS, the Lenders and Letter of Credit Issuers are willing to make available to the Borrowers Loans and Letter of Credit facilities upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Definitions

1.1. Defined Terms. (a) As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires:

"ABR" shall mean, for any day, a rate *per annum* (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greater of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loan" shall mean each loan bearing interest at the rate provided in Section 2.8(a).

"Acquired Indebtedness" means Indebtedness (a) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (b) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary of the Company or such acquisition or (c) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (a) on the date such Person becomes a Restricted Subsidiary and, with respect to clause (b) on the date of consummation of such acquisition of assets and, with respect to clause (c), on the date of the relevant merger, consolidation or other combination.

"Acquisition" shall have the meaning provided in the preamble to this Agreement.

"Acquisition Agreement" shall have the meaning provided in the preamble to this Agreement (including all exhibits and schedules thereto).

"Acquisition Side Letter" means the letter dated as of September 29, 2006 between the Seller and Holdings in relation to the completion of the Reorganization in Russia and Germany.

"Additional Alternative Currency" means any currency which is approved in accordance with Section 2.14.

"Additional Assets" means:

(a) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(b) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary of the Company; or

(c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary of the Company.

"Adjusted Total Commitment" shall mean at any time the Total Commitment less the aggregate Commitments of all Defaulting Lenders.

"Administrative Agent's Office" shall mean in respect of all Credit Events, the office of the Administrative Agent located at 20 Cabot Square, Canary Wharf, London E14 4QW, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Administrative Questionnaire" shall have the meaning provided in Section 13.7(b).

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For the avoidance of doubt, neither the Seller nor any of its subsidiaries, joint ventures or operations shall be deemed to be an "Affiliate" of the Company or any Restricted Subsidiary due solely to its ownership of Voting Stock of the Company or the presence of its or their nominee on the Board of Directors of the Company, in each case at the percentage level disclosed in the offering memorandum relating to the Senior Notes Offering.

"Affiliate Transactions" has the meaning given in Section 10.6(a).

"Agency Fee Letter" means the letter entitled "Project Lion Administrative Agency Fee Letter" dated as of August 15, 2006 between the Administrative Agent and the Company.

"Agent Parties" shall have the meaning provided in Section 13.20(c).

"Agents" shall mean each Joint Lead Arranger, each Joint Bookrunner, the Administrative Agent, each Collateral Agent, the Syndication Agent and the Documentation Agent.

"Aggregate Outstandings" shall have the meaning provided in Section 5.2(b).

"Agreed Security Principles" means the principles set forth on Schedule 1.1(a) as applied reasonably and in good faith by the Company.

"Alternative Currency" means US Dollars, Sterling, Yen, Swiss Francs, Singapore Dollars (subject to the Singapore Dollars Sublimit), HK Dollars (subject to the HK Dollars Sublimit) or any Additional Alternative Currency.

"Applicable ABR Margin" shall mean with respect to any ABR Loan (a) from the Closing Date until the date which is six months after the Closing Date, 1.75% *per annum*, and (b) thereafter, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable ABR Margin for ABR Loans
Level I Status	1.75%
Level II Status	1.50%
Level III Status	1.25%
Level IV Status	1.00%

"Applicable EURIBOR Margin" shall mean with respect to a EURIBOR Loan (a) from the Closing Date until the date which is six months after the Closing Date, 2.75% *per annum*, (b) thereafter, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable EURIBOR Margin for EURIBOR Loans
Level I Status	2.75%
Level II Status	2.50%
Level III Status	2.25%
Level IV Status	2.00%

"Applicable LIBOR Margin" shall mean with respect to a LIBOR Loan (a) from the Closing Date until the date which is six months after the Closing Date, 2.75% *per annum*,

(b) thereafter, the applicable percentage *per annum* set forth below based upon the Status in effect on such date:

Status	Applicable LIBOR Margin for LIBOR Loans
Level I Status	2.75%
Level II Status	2.50%
Level III Status	2.25%
Level IV Status	2.00%

"Approved Equity Investor" means any Person notified in writing by the Sponsors to the Joint Lead Arrangers prior to the Closing Date and any vehicle established for the benefit of management of the Company.

"Approved Fund" shall have the meaning provided in Section 13.7.

"ASMC" means Advanced Semiconductor Manufacturing Corporation of Shanghai and any successor business thereto and their respective subsidiaries, assets and businesses.

"Asset Disposition" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(a) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(b) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(c) a disposition of inventory or other assets in the ordinary course of business;

(d) a disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(e) transactions permitted under Section 10.9 or 10.10 or a transaction that constitutes a Change of Control;

(f) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;

(g) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than €30,000,000;

(h) any Restricted Payment that is permitted to be made, and is made, under Section 10.2 and the making of any Permitted Payment or Permitted Investment or, solely for purposes of Section 10.5(a)(iii), asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(i) dispositions in connection with Permitted Liens;

(j) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(k) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(l) foreclosure, condemnation or any similar action with respect to any property or other assets;

(m) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(n) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary (with the exception of Investments in Unrestricted Subsidiaries acquired pursuant to clause (o) of the definition of Permitted Investments);

(o) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(p) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(q) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; provided, however, that the Board of Directors shall certify that in the opinion of the Board of Directors, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); provided, further, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (r), does not exceed €50,000,000; and

(r) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by this Agreement.

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit A.

"Associate" means (a) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock, (b) any joint venture entered into by the Company or any Restricted Subsidiary of the Company and (c) until and unless designated otherwise by the Company in a notice to the Administrative Agent, Crolles.

"Authorized Officer" shall mean, with respect to any Person, the President, the Chief Executive Officer, the Chief Financial Officer, any Managing Director (if authorized to act individually), the Treasurer or any other senior officer (or two such officers if the Company so elects) of such Person authorized to represent such Person and designated as such in writing to the Administrative Agent by such Person.

"Available Commitment" shall mean an amount equal to the excess, if any, of (a) the amount of the Total Commitment over (b) the sum of (i) the aggregate principal amount of all Loans then outstanding and (ii) the aggregate Letters of Credit Outstanding at such time.

"Bank Indebtedness" means any and all amounts, whether outstanding on the Closing Date or Incurred after the Closing Date, payable under or in respect of any Credit Facility and any related notes, security documents, letters of credit and Guarantees and any net obligations under Hedging Obligations entered into in connection with any Credit Facility, including principal, premium, if any, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization at the rate specified therein whether or not a claim for post filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, Guarantees and all other amounts payable thereunder or in respect thereof.

"Base Currency" means Euros.

"Base Currency Equivalent" shall mean, on any date of determination, (a) with respect to any amount denominated in the Base Currency, such amount, and (b) with respect to any amount denominated in any Foreign Currency, the equivalent in the Base Currency of such amount, determined by the

Administrative Agent using the applicable Exchange Rate,

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors" means (a) with respect to a Dutch Borrower or any Credit Party organized or established under the laws of the Netherlands, its managing board; (b) with respect to any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (c) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (d) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"Borrower" means a Dutch Borrower or the Co-Borrower.

"Borrowing" shall mean the incurrence of one Type of Loan on a given date (or resulting from conversions on a given date) having, in the case of LIBOR Loans or EURIBOR Loans, the same Interest Period; provided that ABR Loans incurred pursuant to Section 2.10(b) shall be considered part of any related Borrowing of LIBOR Loans or EURIBOR Loans (as the case may be).

"Bridge Facility" means the Secured Bridge Facility and/or the Unsecured Bridge Facility, as the context requires.

"Bridge Lender" means, at any time, a lender under a Bridge Facility at that time (and includes such Lender as the holder of any exchange notes issued thereunder).

"Bridge Loan" means a loan made under a Bridge Facility, including any Bridge Rollover Loan and exchange notes issued in exchange for such loans pursuant to a Bridge Facility.

"Bridge Period" means any period during which a Bridge Loan (other than a Bridge Rollover Loan or exchange note issued in respect thereof) is outstanding under a Bridge Facility.

"Bridge Rollover Loan" means a Bridge Loan which is outstanding after the first anniversary of the closing under the Bridge Facilities.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, United Kingdom and Amsterdam, The Netherlands and:

(a) in relation to any date for payment or purchase of a currency other than Euro, the principal financial centre of the country of that currency; or

(b) in relation to any date for payment or purchase of Euro, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer ("TARGET") payment system is open for the settlement of payments.

"Capital Stock" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Cash Collateralize" has the meaning given in Section 5.2(c).

"Cash Equivalents" means:

(a) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Switzerland or Norway or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(b) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any Lender or by any bank or trust company (i) whose commercial paper is rated at least "A-l" or the equivalent thereof by S&P or at least "P-l" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (ii) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €500,000,000;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) entered into with any bank meeting the qualifications specified in clause (b) above;

(d) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease

publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(e) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(f) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(g) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(h) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (a) through (g) above; and

(i) for purposes of clause (b) of the definition of "Asset Disposition", the marketable securities portfolio owned by the Company and its Subsidiaries on the Closing Date.

"Change in Law" shall mean (a) the adoption of any law, treaty, order, policy, rule or regulation after the date of this Agreement, (b) any change in any law, treaty, order, policy, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law).

"Change of Control" means:

(a) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Closing Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, (x) no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock;

(b) following the Initial Public Offering of the Company or any Parent, during any period of two consecutive years, individuals who at the beginning of such period constituted the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent (together with any new directors whose election by the majority of such directors on such Board of Directors of the Company or any Parent or whose nomination for election by shareholders of the Company or any Parent, as applicable, was approved by a vote of the majority of such directors on the Board of Directors of the Company or any Parent then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) ceased for any reason to constitute the majority of the directors (excluding any employee representatives, if any) on the Board of Directors of the Company or any Parent, then in office; or

(c) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

"Clean-up Period" has the meaning given in Section 11.2.

"Closing Date" shall mean the date on which the Administrative Agent confirms in writing that the conditions precedent required to be delivered pursuant to Section 6 have been satisfied or waived.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral" shall have the meaning provided in any Security Document.

"Collateral Agency Agreement" means the Collateral Agency Agreement dated as of the date of this Agreement among the Collateral Agents, the Borrower, the Secured Parties and the Guarantors.

"Collateral Agent" means the Global Collateral Agent or the Taiwan Collateral Agent.

"Commitment" shall mean, (a) with respect to each Lender that is a Lender on the date hereof, the amount set forth opposite such Lender's name on Schedule 1.1(b) as such Lender's "Commitment" and (b) in the case of any Lender that becomes a Lender after the date hereof, the amount specified as such Lender's "Commitment" in the Assignment and Acceptance pursuant to which such Lender assumed a portion of the Total Commitment, in each case of the same may be changed from time to time pursuant to terms hereof. The aggregate amount of the Commitments as of the Closing Date is €500,000,000.

"Commitment Fee Rate" shall mean, with respect to the Available Commitment on any day (a) from the Closing Date until the date which is six months after the Closing Date, 0.50% *per annum*, and (b) thereafter, the rate *per annum* set forth below opposite the Status in effect on such day:

Status	Commitment Fee Rate
Level A Status	0.50%
Level B Status	0.375%

"Commitment Letter" means the Commitment Letter dated as of August 3, 2006, between Morgan Stanley Senior Funding, Inc., Morgan Stanley Bank International Limited, Deutsche Bank Securities Inc., Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank AG London Branch, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Capital Corporation.

"Commitment Percentage" shall mean at any time, for each Lender, the percentage obtained by dividing (a) such Lender's Commitment by (b) the aggregate amount of the Commitments, provided that at any time when the Total Commitment shall have been terminated, each Lender's Commitment Percentage shall be its Commitment Percentage as in effect immediately prior to such termination.

"Commodity Hedging Agreements" means in respect of a Person any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Communications" shall have the meaning provided in 13.20(a).

"Compliance Certificate" means a certificate in substantially the form set forth in Schedule 1.1(c).

"Confidential Information" shall have the meaning provided in Section 13.19.

"Consolidated EBITDA" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(a) Fixed Charges and items (D), (E) and (F) in clause (a) of the definition of Consolidated Interest Expense;

(b) Consolidated Income Taxes;

(c) consolidated depreciation expense;

(d) consolidated amortization expense;

(e) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by this Agreement (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by an Officer of the Company;

(f) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period;

(g) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by Section 10.6; and

(h) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

Notwithstanding the foregoing, the provision for taxes and the depreciation, amortization, non-cash items, charges and write-downs of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion, including by reason of minority interests) that the net income (loss) of such Restricted Subsidiary was included in calculating Consolidated Net Income for the purposes of this definition.

"Consolidated Income Taxes" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding taxes) and franchise taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(a) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances,

(iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (iv) the interest component of Capitalized Lease Obligations, and (v) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (A) accretion or accrual of discounted liabilities other than Indebtedness, (B) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (C) any additional interest pursuant to a registration rights agreement with respect to the Bridge Loans or any securities, (D) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (E) any expensing of bridge, commitment and other financing fees, and (F) interest with respect to Indebtedness of any direct or indirect parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP; plus

(b) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(c) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Leverage" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations except to the extent provided in Section 10.1(g)(iii)).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Leverage at such date to (b) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available;

provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(i) since the beginning of such period the Company or any Restricted Subsidiary has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; provided that if any such Sale constitutes "discontinued operations" in accordance with the then applicable GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(ii) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(iii) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or chief accounting officer of the Company (including in respect of cost savings and synergies) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"Consolidated Net Income" means, for any period, the net income (loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of GAAP; provided, however, that there will not be included in such Consolidated Net Income:

(a) subject to the limitations contained in clause (c) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (b) below);

(b) solely for the purpose of determining the amount available for Restricted Payments under Section 10.2(a)(iv)(C)(1), any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to this Agreement, any Bridge Facility, any exchange notes issued in exchange for any Bridge Loans, the Senior Notes or any Note Indenture, and (iii) restrictions specified in Section 10.4(b)(xi)), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been

distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Company);

(d) any extraordinary, exceptional, unusual or nonrecurring gain, loss or charge or any charges or reserves in respect of any restructuring, redundancy or severance or any expenses, charges, reserves or other costs related to the Transactions (including (i) in relation to expenses relating to consulting or operational improvement initiatives, (iii) expenses associated with the closing out of existing management equity programs and (iii) start-up and transaction costs);

(e) the cumulative effect of a change in accounting principles;

(f) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(g) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(h) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(i) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(j) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(k) the purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of the Transactions or the disentanglement, any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(1) any goodwill or other intangible asset impairment charge or write-off;

(m) solely for the purpose of determining the amount available for Restricted Investments (but not other Restricted Payments) under Section 10.2(a)(iv)(C)(1): (i) only to the extent not otherwise added back to Consolidated Net Income, depreciation and amortization expense to the extent in excess of capital expenditures on property, plant and equipment and (ii) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(n) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

"Consolidated Secured Leverage Ratio" means the Consolidated Leverage Ratio, but (a) calculated by excluding all Indebtedness other than Secured Indebtedness (except Secured Indebtedness Incurred pursuant to Section 10.1(b)(xiii) and secured only by assets in the applicable jurisdiction but, for the avoidance of doubt, including Indebtedness secured by Liens permitted under clause (u) of the definition of "Permitted Liens") and (b) calculating Consolidated EBITDA for the purposes of such definition as though (i) consolidated depreciation expense included such expense of the Company and its consolidated Subsidiaries attributable to

SSMC and Jilin and (ii) consolidated amortization expense included such expense of the Company and its consolidated Subsidiaries attributable to SSMC and Jilin.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(a) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(b) to advance or supply funds:

(i) for the purchase or payment of any such primary obligation; or

(ii) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Documents" shall mean this Agreement, the Security Documents, the Guaranty (including any supplement thereto), each Letter of Credit and any promissory notes issued by any Borrower hereunder.

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan or the issuance of a Letter of Credit.

"Credit Exposure" shall mean, with respect to any Lender at any time, the sum of (a) the aggregate principal amount of the Loans of such Lender then outstanding and (b) such Lender's Letter of Credit Exposure at such time.

"Credit Facility" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including this Agreement or commercial paper facilities and overdraft facilities) with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under this Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and

delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and security documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (a) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (c) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"Credit Party" shall mean each Borrower, each Guarantor or any other Subsidiary of the Company that is a party to a Credit Document.

"Crolles" means the alliance operated by or to be operated by the Company and its Restricted Subsidiaries (and assets owned by the Company and its Restricted Subsidiaries that are deployed in such alliance, and activities undertaken by any of them as part of such alliance, shall be deemed to be a part of Crolles) and any successor thereto.

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (including, in the case of Credit Parties incorporated or organized in England or Wales, administration, administrative receivership, voluntary arrangement and schemes of arrangement).

"Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"Defaulting Lender" shall mean any Lender with respect to which a Lender Default is in effect.

"Designated Non-Cash Consideration" means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 10.5.

"Designated Preference Shares" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in Section 10.2(a)(iv)(C)(2).

"Disinterested Director" means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Company or any Parent or any options, warrants or other rights in respect of such Capital Stock.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(a) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(c) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (i) the Stated Maturity of the Notes or (ii) the date on which there are no Notes outstanding; provided, however, that (x) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (y) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with Section 10.2.

"Dutch Banking Act" means the Credit System Supervision Act 1992 *(Wet toezicht kredietwezen 1992).*

"Dutch Borrower" means the Company or Holdings.

"Enforcement Event" has the meaning given in the Collateral Agency Agreement.

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demands, demand letters, claims, liens, notices of noncompliance, violation or potential responsibility or investigation (other than internal reports prepared by the Borrower or any of the Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "Claims"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief relating to the presence, release or threatened release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands.

"Environmental Law" shall mean any applicable Federal, state, foreign or local statute, Law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect and in each case as amended, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of environment, including, without limitation, ambient air, surface water, groundwater, land surface and subsurface strata and natural resources such as wetlands, or human health or safety (to the extent relating to human exposure to Hazardous Materials), or Hazardous Materials.

"Equity Investments" shall have the meaning provided in the preamble to this Agreement.

"Equity Offering" means (a) a sale of Capital Stock of the Company (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (b) the sale of Capital Stock or other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or any of its Restricted Subsidiaries.

"Escrowed Proceeds" means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"EURIBOR Loan" means a loan bearing interest at the rate provided in Section 2.8(c).

"EURIBOR Rate" shall mean, in the case of EURIBOR Loan, with respect to each day during each Interest Period pertaining to such EURIBOR Loan, the rate appearing on Telerate Page 248 at approximately 11:00 a.m. (Brussels time) two Business Days prior to the commencement of such Interest Period as the rate for deposits in the Base Currency with a maturity comparable to such Interest Period. In the event that any such rate does not appear on the applicable Page of the Telerate Service (or otherwise on such service), the "EURIBOR Rate" for the purposes of this paragraph shall be determined by reference to such other publicly available service for displaying EURIBOR rates as may be agreed upon by the Administrative Agent and the Company or, in the absence of such agreement, the "EURIBOR Rate" for the purposes of this paragraph shall instead be the arithmetic mean of the rates *per annum* (rounded upwards to four decimal places) notified to the Administrative Agent by the Reference Banks as the rate at which each such Reference Bank quotes to leading banks in the Relevant Interbank Market for Euro deposits at or about 11:00 a.m. (Brussels time) two Business Days prior to the beginning of such Interest Period for a period comparable to such Interest Period and an amount comparable to the amount of such EURIBOR Loan.

"Euro" and "€" means the lawful currency of Participating Member States.

"European Government Obligations" means any security that is (a) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or any country that is a member of the European Monetary Union on the date of this Agreement, for the payment of which the full faith and credit of such country is pledged or (b) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (a) or (b), is not callable or redeemable at the option of the Company thereof.

"Event of Default" shall have the meaning provided in Section 11.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Exchange Rate" means (a) for the purposes of Section 10, the spot rate for the purchase of the Base Currency with the applicable currency other than Euro as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Company) on the date of such determination, or (b) for the purposes of determining the Base Currency Equivalent of the amount of any Loan or the Stated Amount of any Letter of Credit as of any Revaluation Date or US Dollar equivalent of any Loan on any date for the purposes of any redenomination pursuant to Section 2.10(b), the rate at which such currency may be exchanged into the Base Currency or US Dollars (as the case may be), as set forth at approximately 11:00 a.m. on such day on the Reuters World Currency Page for such currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Company, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average

of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11:00 a.m. on such date for the purchase of the Base Currency or US Dollars (as the case may be) for delivery two Business Days later.

"Excluded Contribution" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Closing Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company and to the extent not required to be used to prepay Loans or Cash Collateralize Letters of Credit.

"Excluded Taxes" shall mean, with respect to any Agent, any Lender or any Participant (a) (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) and capital taxes imposed on such Agent, such Lender or such Participant and (ii) any taxes imposed on such Agent, such Lender or such Participant as a result of such Agent, such Lender or such Participant doing business in the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Agent, such Lender or such Participant having executed, delivered or performed its obligations or received a payment under, or having been a party to (or participating in) or having enforced this Agreement or any other Credit Document) and (b) in the case of a Lender not parry to this Agreement at the Closing Date, (i) any withholding tax that is imposed on amounts payable to such Lender by a Relevant Taxing Jurisdiction under the law in effect at the time such Lender becomes a party to this Agreement (or, in the case of a Participant not party to this Agreement at the Closing Date, on the date such Participant became a Participant hereunder); provided that this clause (b)(i) shall not apply to the extent that (x) the indemnity payments or additional amounts any Lender (or Participant) would be entitled to receive (without regard to this clause (b)(i)) do not exceed the indemnity payment or additional amounts that the person making the assignment, participation or transfer to such Lender (or Participant) would have been entitled to receive in the absence of such assignment, participation or transfer or (y) any Tax is imposed on a Lender in connection with an interest or participation in any Loan or other obligation that such Lender was required to acquire pursuant to Section 13.11 (a) or that such Lender acquired pursuant to Section 13.8 (it being understood and agreed, for the avoidance of doubt, that any withholding tax imposed on a Lender as a result of a Change in Law occurring after the time such Lender became a party to this Agreement (or designates a new lending office) shall not be an Excluded Tax), (ii) any Tax to the extent attributable to such Lender's failure to comply with Section 5.4(d) or (iii) any taxes imposed as a result of the gross negligence or willful misconduct of any Agent or Lender.

"Exemption Regulation to the Dutch Banking Act" means the Exemption Regulation to the Dutch Banking Act (*Vrijstellingsregeling Wet toezicht Kredietwezen 1992*)

dated 26 June 2002 of the Minister of Finance of the Netherlands as promulgated in connection with the Dutch Banking Act.

"fair market value" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the *per annum* rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Fee Letter" means the JLA Fee Letter or the Agency Fee Letter.

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

"Fixed Charge Coverage Ratio" means, with respect to any Person on any determination date, the ratio of (x) Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such determination date for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four consecutive fiscal quarters. In the event that the Company or any Restricted Subsidiary Incurs, assumes, guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, assumption, guarantee, redemption, defeasance, retirement or extinguishment of

Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, any Investment, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Company or any of its Restricted Subsidiaries, including the Transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the

Company or any of its Restricted subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (including cost savings and synergies). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of:

(a) Consolidated Interest Expense of such Person for such Period;

(b) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(c) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

"Foreign Currency" shall mean any currency other than the Base Currency.

"Fronting Fee" shall have the meaning provided in Section 4.1(c).

"GAAP" means generally accepted accounting principles in the United States of America as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in this Agreement, all ratios and calculations based on GAAP contained in this Agreement shall be computed in accordance with GAAP. At any time after the Closing Date, the Company may elect to establish that GAAP shall mean the GAAP as in effect on or prior to the date of such election, provided that any such election, once made, shall be

irrevocable. The Company shall give notice of either such election to the Administrative Agent and the Lenders.

"Governmental Authority" shall mean any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means each Restricted Subsidiary that Guarantees the obligations of the Borrowers under this Agreement pursuant to the Guaranty.

"Guaranty" means the Guaranty dated as of the date of this Agreement between the Administrative Agent, the Taiwan Collateral Agent, Holdings, the Company and each Guarantor (as supplemented from time to time).

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, which is prohibited, limited or regulated by any Environmental Law.

"Hedge Agreement" shall mean an Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Hedge Agreement.

"HK Dollars" or "HK$" means the lawful currency of Hong Kong, the special administrative region of the Republic of China.

"HK Dollars Sublimit" means €250,000,000 (or its equivalent in HK Dollars).

"Holdings Borrowing Limit" means an aggregate amount of €20,000,000 or its equivalent in any Alternative Currency.

"Immaterial Subsidiary" means any Restricted Subsidiary that (a) has not guaranteed any other Indebtedness of a Borrower and (b) has Total Assets (as determined in accordance with GAAP) and Consolidated EBITDA of less than 2.5% of the Company's Total Assets and Consolidated EBITDA measured, in the case of Total Assets, at the end of the most recent fiscal period for which internal financial statements are available and, in the case of Consolidated EBITDA, for the four quarters ended most recently for which internal financial statements are available, in each case measured on a pro forma basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such subsidiary.

"Incur" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(a) the principal of indebtedness of such Person for borrowed money;

(b) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

(d) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(e) Capitalized Lease Obligations of such Person;

(f) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(g) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (ii) the amount of such Indebtedness of such other Persons;

(h) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(i) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP as in effect on the Closing Date, any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Closing Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding and, in the case of letters of credit, bankers' acceptances and similar instruments, reimbursement obligations outstanding (to the extent such obligations constitute Indebtedness under clause (c) above). The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in this Agreement, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (g) or (h) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"Indemnified Taxes" shall mean all Taxes (other than Excluded Taxes) and Other Taxes.

"Independent Financial Advisor" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of the Company.

"Initial Investors" means (a) the Sponsors and funds or partnerships related, managed or advised by any of them or any Affiliate of them, and (b) Koninklijke Philips Electronics N.V. and its Subsidiaries.

"Initial Public Offering" means an Equity Offering of common stock or other common equity interests of the Company or any Parent or any successor of the Company or any Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Interest Period" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

"Interest Rate Agreement" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any

obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of Section 10.2:

(a) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (i) the Company's "Investment" in such Subsidiary at the time of such redesignation less (ii) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of the Company in good faith) of such Subsidiary at the time that such Subsidiary is so redesignated a Restricted Subsidiary; and

(b) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest, payment, return of capital, repayment or other amount or value received in respect of such Investment.

"Investment Grade Securities" means:

(a) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(b) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);

(c) debt securities or debt instruments with a rating of "A-" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating

organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(d) investments in any fund that invests exclusively in investments of the type described in clauses (a), (b) and (c) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"IPO Market Capitalization" means an amount equal to (a) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (b) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"Jilin" means Philips Jilin Semiconductors Co. Ltd.

"JLA Fee Letter" means the letter entitled "Project Lion Fee Letter" dated as of August 3, 2006 between the Joint Lead Arrangers and the Company, as amended and restated as of September 11, 2006.

"Law" includes common or customary law, principles of equity and any constitution, code of practice, decree, judgment, decision, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, guideline, request, rule or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, guideline, request, rule or requirement is intended to apply) of any Governmental Authority.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Commitment Percentage pursuant to Section 3.3(d). All L/C Advances shall be denominated in the currency in which the relevant Letter of Credit is (or was) denominated.

"L/C Borrowing" means any extension of credit resulting from a drawing under a Letter of Credit which has not been reimbursed on the date when due or refinanced as a Loan.

"L/C Maturity Date" shall mean the date that is five Business Days prior to the Maturity Date.

"L/C Participant" shall have the meaning provided in Section 3.3(a).

"L/C Participation" shall have the meaning provided in Section 3.3(a).

"L/C Sublimit" means €250,000,000.

"Legal Reservations" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganization and other laws of any applicable jurisdiction generally affecting the rights of creditors;

(b) the time barring of claims under the applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty (or similar taxes) may be void and defences of set-off or counterclaim; and

(c) any other matters which are set out as qualifications or reservations as to matters of law in the legal opinions referred to in Section 6 and delivered to the Administrative Agent at the Closing Date or later delivered in connection with the provision of any Guarantee or Lien under any Security Document.

"Lender" shall have the meaning provided in the preamble to this Agreement.

"Lender Default" shall mean (a) the failure (which has not been cured) of a Lender to make available its portion of any Borrowing or to fund its portion of any unreimbursed payment under Section 3.3, (b) a Lender having notified the Administrative Agent and/or the Borrower that it does not intend to comply with the obligations under Section 2. l(a) or 3.3 or (c) a Lender being deemed insolvent or becoming the subject of a bankruptcy or insolvency proceeding.

"Letter of Credit" has the meaning given in Section 3.1.

"Letter of Credit Exposure" shall mean, with respect to any Lender, at any time, the sum of (a) the amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have made) an L/C Advance to the Letter of Credit Issuer pursuant to Section 3.3(c) at such time and (b) such Lender's Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4).

"Letter of Credit Fee" shall have the meaning provided in Section 4.1(b).

"Letter of Credit Issuer" shall mean (a) Morgan Stanley Senior Funding, Inc., (b) Deutsche Bank AG, London Branch, (c) Bank of America, N.A., (d) HSBC Bank plc, (e) BNP Paribas, (f) Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., (g) ABN AMRO Bank N.V., (h) any of their respective Affiliates, or (i) any replacement, successor or new Letter of Credit Issuer appointed pursuant to Section 3.6. Any Letter of Credit Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Letter of Credit Issuer, and in each such case the term "Letter of Credit Issuer" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. In the event that there is more than one "Letter of Credit Issuer" at any time, references herein and in the other Credit

Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires.

"Letters of Credit Outstanding" shall mean, at any time, the sum of, without duplication, (a) the aggregate Stated Amount of all outstanding Letters of Credit and (b) the aggregate amount of all Unpaid Drawings in respect of all Letters of Credit.

"Letter of Credit Request" shall have the meaning provided in Section 3.2.

"Level A Status" shall exist on any date if the Net Leverage Ratio as of such date, or the most recent determination date occurring prior to such date, is equal to or greater than 3.00 to 1.00.

"Level B Status" shall exist on any date if the Net Leverage Ratio as of such date, or the most recent determination date occurring prior to such date, is less than 3.00 to 1.00.

"Level I Status" shall exist on any date if the Net Leverage Ratio as of such date, or the most recent determination date occurring prior to such date, is greater than 3.25 to 1.00.

"Level II Status" shall exist on any date if Level I Status does not exist on such date and the Net Leverage Ratio as of such date, or the most recent determination date occurring prior to such date, is greater than or equal to 2.75 to 1.00 but less than or equal 3.25 to 1.00.

"Level III Status" shall exist on any date if the Net Leverage Ratio is greater than or equal to 2.25 to 1.00 but less than 2.75 to 1.00 as of such date.

"Level IV Status" shall exist on any date if the Net Leverage Ratio as of such date, or the most recent determination date occurring prior to such date, is less than 2.25 to 1.00.

"LIBOR Loan" shall mean any Loan bearing interest at the rate provided in Section 2.8(b).

"LIBOR Rate" shall mean, in the case of any LIBOR Loan, with respect to each day during each Interest Period pertaining to such LIBOR Loan, (a) the rate of interest determined on the basis of the British Bankers' Association Interest Settlement Rate for the relevant currency for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 a.m. two Business Days prior to the beginning of such Interest Period multiplied by (b) the Statutory Reserve Rate. In the event that any such rate does not appear on the applicable Page of the Telerate Service (or otherwise on such service), the "LIBOR Rate" for the purposes of this paragraph shall be determined by reference to such other publicly available service for displaying LIBOR rates as may be agreed upon by the Administrative Agent and the Company or, in the absence of such agreement, the "LIBOR Rate" for the purposes of this paragraph shall instead be the arithmetic mean of the rates *per annum* (rounded upwards to four decimal places) notified to the Administrative Agent by the Reference Banks as the rate at which each such Reference Bank quotes to leading banks in the Relevant Interbank Market for deposits in the relevant currency at or about 11:00 a.m. two Business Days prior to the beginning of such Interest Period for a period

comparable to such Interest Period and an amount comparable to the amount of such LIBOR Loan.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Loan" shall mean any ABR Loan, EURIBOR Loan or LIBOR Loan made by any Lender hereunder.

"Major Default" means (a) any Credit Document is or becomes unenforceable or ineffective as against a Borrower, or any Borrower repudiates any of its obligations under any Credit Document, or it becomes illegal for any Borrower to perform any of its obligations under any Credit Document, in any such case to an extent which is or could reasonably be expected to be materially prejudicial to the interests of the Lenders under the Credit Documents; or (b) any of the following Events of Default with respect to the Borrowers only: (i) Section 11.1(a), (ii) Section 11.l(b), (iii) Section 11.1 (h) insofar as it relates to a breach of any Major Representation, or (iv) Section 11.1(g).

"Major Representation" means a representation or warranty under any of Section 8.1 to 8.4 (inclusive).

"Management Advances" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Company or any Restricted Subsidiary:

(a) (i) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (ii) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Company, its Subsidiaries or any Parent with (in the case of this sub-clause (ii)) the approval of the Board of Directors;

(b) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(c) not exceeding €5,000,000 in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"Mandatory Cost" means the percentage rate per annum calculated by the Administrative Agent in accordance with Schedule 1.1(d).

"Market Capitalization" means an amount equal to (a) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (b) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"Material Adverse Effect" means a material adverse effect on:

(a) the consolidated business, assets or financial condition of the Company and its Subsidiaries taken as a whole such that the Company and its Subsidiaries taken as a whole would be reasonably likely to be unable to perform their payment obligations under any of the Credit Documents; and/or

(b) subject to the Legal Reservations and the Agreed Security Principles, the validity of any security granted pursuant to the Credit Documents to which any Credit Party is a party in any way which is materially adverse to the interests of the Lenders under the Credit Documents taken as a whole and, without duplication of any other cure period, if capable of remedy, not remedied within 20 Business Days of Holdings becoming aware of the issue or being given notice of the issue by the Administrative Agent.

"Maturity Date" shall mean September 29, 2012, or, if such date is not a Business Day, the next preceding Business Day.

"Minimum Borrowing Amount" shall mean (a) with respect to a Borrowing of LIBOR Loans or EURIBOR Loans, €1,000,000 and (b) with respect to a Borrowing of ABR Loans, $500,000 or, in either case, its equivalent in any Alternative Currency.

"Moody's" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Nationally Recognized Statistical Rating Organization" means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

"Net Available Cash" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(a) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under GAAP (after taking into account any available tax

credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(b) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;

(c) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(d) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds" with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Leverage at such date minus the aggregate amount of cash and Cash Equivalents, in each case which are free and clear of any Liens, included on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries delivered pursuant to Section 9.1, to (b) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available as adjusted in accordance with the proviso in the definition of "Consolidated Leverage Ratio".

"Non-Consenting Lender" shall have the meaning provided in Section 13.20(b).

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Note Indenture" means the Secured Note Indenture or the Unsecured Note Indenture.

"Notice of Borrowing" shall have the meaning provided in Section 2.3(a).

"Notice of Conversion or Continuation" shall have the meaning provided in Section 2.6.

"Offer Letter" means the irrevocable letter of offer dated as of August 3, 2006 between the Sponsors and the Seller in relation to the Acquisition.

"Officer" means, with respect to any Person, (a) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director (or any two Managing Directors if elected by such Credit Party) or the Secretary (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity; or (b) any other individual designated as an "Officer" for the purposes of this Agreement by the Board of Directors of such Person.

"Officer's Certificate" means, with respect to any Person, a certificate signed by one Officer (or two officers, if elected by such Person) of such Person.

"Opinion of Counsel" means a written opinion from legal counsel reasonably satisfactory to the Administrative Agent. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"Other Taxes" shall mean any and all present or future stamp, documentary or any other excise, property or similar taxes (including interest, fines, penalties, additions to tax and related expenses with regard thereto) arising directly from any payment made or required to be made under this Agreement or from the execution or delivery of, registration or enforcement of, consummation or administration of, or otherwise with respect to, this Agreement or any other Credit Document, other than any such taxes that arise from the assignment or participation of any rights or obligations under this Agreement in accordance with Section 13.7.

"Parent" means any Person of which the Company at any time is or becomes a Subsidiary after the Closing Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"Parent Expenses" means:

(a) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any Governmental Authority, this Agreement, the Bridge Facilities, the Senior Notes or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(b) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(c) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(d) fees and expenses payable by any Parent in connection with the Transactions;

(e) general corporate overhead expenses, including (i) professional fees and expenses and other operational expenses of any Parent related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries or (ii) costs and expenses with respect to any litigation or other dispute relating to the Transactions;

(f) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed €5,000,000 in any fiscal year; and

(g) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness:

(i) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(ii) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(iii) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Indebtedness of the Company or any Guarantor if such Indebtedness ranks equally in right of payment to the Loans or Unpaid Drawings (or the Guaranty with respect thereto, in the case of a Guarantor) and is, in each case, secured by Liens on assets of the Company or such Guarantor.

"Participant" shall have the meaning provided in Section 13.7(c).

"Participating Member State" means any member state of the European Communities that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

"Patriot Act" shall have the meaning provided in Section 13.21.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with Section 10.5.

"Permitted Collateral Liens" means (a) Liens on the Collateral (i) arising by operation of law that are described in one or more of clauses (c), (d) and (i) of the definition of "Permitted Liens" and that, in each case, would not materially interfere with the ability of a Collateral Agent to enforce the Lien on the Collateral or (ii) that are Liens over cash and bank accounts equally and ratably granted to cash management banks securing cash management obligations pursuant to Section 9.16, (b) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (i), (ii) (in the case of clause (ii), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (iv)(A) (with regard to the Bridge Facilities and any Senior Secured Notes only) and (iv)(C) (if the original Indebtedness was so secured), (vi), (xi) or (xiii) secured only by assets in the applicable jurisdiction) of Section 10.1(b) and any Refinancing Indebtedness in respect of such Indebtedness; provided, however, that such Lien ranks equal to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness incurred under Section 10.1(b)(i) and obligations under Hedging Agreements provided by Lenders or Affiliates of Lenders (at the time such Hedging Agreements were entered into) may have super priority not materially less favourable to the Lenders than that accorded to the Credit Documents on the Closing Date and (c) Liens on the Collateral securing Indebtedness incurred under Section 10.1 (a) and Section 10.1(b)(xii); provided that, in the case of this clause (c), after giving effect to such Incurrence on that date, the Consolidated Secured Leverage Ratio is less than 3.25:1.

"Permitted Holders" means, collectively, (a) the Initial Investors and any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Agreement, (b) Senior Management and (c) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity.

"Permitted Investment" means (in each case, by the Company or any of its Restricted Subsidiaries):

(a) Investments in (i) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (ii) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(b) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(c) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(d) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(e) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(f) Management Advances;

(g) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(h) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition (but excluding a Permitted Asset Swap), in each case, that was made in compliance with Section 10.5;

(i) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Closing Date and including the committed investment in PSSL (not exceeding €5,000,000);

(j) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with Section 10.1;

(k) After the expiry of the Bridge Period, Investments, taken together with all other Investments made pursuant to this clause (k) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed €300,000,000; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to Section 10.2, such Investment shall thereafter be deemed to have been made pursuant to clause (a) or (b) of the definition of "Permitted Investments" and not this clause;

(l) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under Section 10.3;

(m) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent as consideration;

(n) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of Section 10.6(b) (except those described in Section 10.6(c)(i), 10.6(c)(iii), 10.6(c)(vi), 10.6(c)(viii), 10.6(c)(ix) and 10.6(c)(xii);

(o) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with this Agreement;

(p) Guarantees not prohibited by Section 10.1 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(q) Investments (i) in SSMC to increase the Company's percentage ownership thereof; provided that, after giving effect to such Investment, the Company is able to incur €1.00 of Indebtedness under Section 10.1(a) or (ii) after the expiry of the Bridge Period, in SSMC or any other Person partially financed by a Singapore government agency (or another project finance with a local or multilateral Governmental Authority) in an aggregate amount under this sub-clause (ii) not to exceed €300,000,000;

(r) Loans to Jilin on terms consistent with past practices between Jilin and the Seller, not to exceed €25,000,000 at any one time outstanding; and

(s) Investments in Crolles (or, in the event that Crolles is not continued, a similar research and development program) to fund research and development activities and maintenance capital expenditures in an aggregate amount not to exceed €190,000,000 in the first two years after the Closing Date and €50,000,000 per annum thereafter (with a carry over of unused amounts).

"Permitted Liens" means, with respect to any Person:

(a) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(b) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(c) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not

yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(d) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof;

(e) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(f) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(g) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under this Agreement;

(h) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(i) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(j) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or

refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; provided that (i) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Agreement and (ii) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with

the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(k) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(l) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(m) Liens existing on the Closing Date, excluding Liens securing the Senior Notes and the Bridge Facilities;

(n) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(o) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(p) Liens (other than Permitted Collateral Liens) securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Agreement; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(q) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(r) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory

authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any leased property and subordination or similar arrangements relating thereto and (ii) any condemnation or eminent domain proceedings affecting any real property;

(s) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(t) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(u) Liens on cash accounts securing Indebtedness incurred under Section 10.1(b)(xi) with local financial institutions;

(v) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(w) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities or Liens over cash accounts securing cash pooling arrangements;

(x) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(y) Liens Incurred in the ordinary course of business with respect to obligations (other than Indebtedness for borrowed money) which do not exceed €50,000,000 at any one time outstanding;

(z) Permitted Collateral Liens;

(aa) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary; and

(bb) any security granted over the marketable securities portfolio described in clause (i) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"Platform" shall have the meaning provided in Section 13.20(b).

"PMP" means a professional market party *(professionele marktpartif*) within the meaning of the Exemption Regulation to the Dutch Banking Act.

"Preferred Stock." as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Prime Rate" shall mean the rate of interest *per annum* publicly announced from time to time by Deutsche Bank AG New York Branch as its reference rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Deutsche Bank AG New York Branch in connection with extensions of credit to debtors).

"PSSL" means Philips Semiconductors (Suzhou) Co. Ltd.

"Public Market" means any time after:

(a) an Equity Offering has been consummated; and

(b) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €100,000,000 on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"Public Offering" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"Purchase Money Obligations" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"Reference Banks" means, in relation to LIBOR. and Mandatory Cost the principal London offices of Morgan Stanley Bank International Limited, Deutsche Bank AG London Branch and Merrill Lynch Capital Corporation and, in relation to EURIBOR, the principal office in London of Morgan Stanley Bank International Limited, Deutsche Bank AG London Branch or Merrill Lynch Capital Corporation or such other banks as may be appointed by the Administrative Agent in consultation with the Company.

"Refinance" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any

defeasance or discharge mechanism) and the terms "refinances." "refinanced" and "refinancing" as used for any purpose in this Agreement shall have a correlative meaning.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of this Agreement or Incurred in compliance with this Agreement (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided, however, that:

(a) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, this Agreement;

(b) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith);

(c) if the Indebtedness being refinanced is expressly subordinated to this Agreement, such Refinancing Indebtedness is subordinated to this Agreement on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being refinanced;

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"Register" shall have the meaning provided in Section 13.7(b)(iv).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"Reimbursement Date" has the meaning given in Section 3.4.

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Related Person" with respect to any Permitted Holder means:

(a) any controlling equityholder or Subsidiary of such Person; or

(b) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or

(c) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(d) in the case of the Initial Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"Related Taxes" means

(a) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

(i) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

(ii) issuing or holding Subordinated Shareholder Funding;

(iii) being a holding company parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

(iv) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

(v) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to Section 10.2; or

(b) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent, any Taxes measured by income for which such Parent is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries.

"Relevant Interbank Market" means in relation to the Base Currency, the European interbank market and, in relation to any other currency, the London interbank market.

"Relevant Taxing Jurisdiction" shall mean any jurisdiction in which the Borrowers are organized or otherwise considered to be a resident for tax purposes at the time such Lender becomes a party to this Agreement, or any political subdivision or Governmental Authority thereof or therein having the

power to tax.

"Reorganization" means the restructure by the Seller to facilitate the Acquisition as contemplated by the Acquisition Agreement and the Acquisition Side Letter.

"Required Lenders" shall mean, at any date, (a) until the Total Commitments are reduced to zero, Non-Defaulting Lenders having or holding more than 50% of the sum of (i) aggregate principal amount of Loans outstanding, (ii) Letter of Credit Exposures and (iii) the Adjusted Total Commitment, in each case, as at such date, or (b) if the Total Commitments have been terminated, the holders (excluding Defaulting Lenders) of a majority of the outstanding principal amount of the Loans and Letter of Credit Exposures (excluding the Loans and Letter of Credit Exposure of Defaulting Lenders) in the aggregate at such date (with the aggregate Base Currency Equivalent of each Lender's risk participation and funded participation in L/C Borrowings being deemed "held" by such Lender for the purposes of the definition).

"Requirement of Law" shall mean, as to any Person, the Certificate of Incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

"Responsible Officer" means:

(a) when used with respect to the Administrative Agent, any officer within the Loan Operations Group (or any successor group of the Administrative Agent) or any other officer of the Administrative Agent customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject; or

(b) when used with respect to any Credit Party or any of its Subsidiaries, the chief executive officer, chief financial officer, where customary in the relevant jurisdiction, any Managing Director (or any two Managing Directors, if elected by such Credit Party), treasurer, controller or any other senior officer (or two such officers, if the relevant Credit Party so elects) authorized to represent such Credit Party and designated as such by the Company in writing to the Administrative Agent.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Payment" has the meaning given in Section 10.2(a)(iv).

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary and for the avoidance of doubt does not include the Crolles assets as in existence on the date hereof unless and until designated otherwise by the Company in a notice to the Administrative Agent.

"Revaluation Date" means (a) each date on which a Credit Event occurs, (b) each date of a continuation or conversion of a Loan pursuant to Section 2.6, (c) the last day of the Interest Period with respect to a Loan or, if earlier, the date which is three months after the date of the Borrowing of a Loan, (d) each date of an amendment, extension or renewal of any Letter of Credit having the effect of increasing the amount thereof, and (e) each date of any payment or disbursement by a Letter of Credit Issuer under any Letter of Credit.

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Secured Bridge Facility" means the €1,500,000,000 and US$1,921,290,000 Senior Secured Increasing Rate Bridge Facility dated as of the date of this Agreement between the Company and the Co-Borrower (as co-borrowers), Morgan Stanley Senior Funding, Inc. as administrative agent and the banks and financial institutions from time to time party thereto as lenders.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Secured Note Indenture" means the Indenture relating to the issuance of the Senior Secured Notes expected to be entered into between the Company and the Co-Borrower

(as co-issuers), Deutsche Bank Trust Company Americas, as trustee and certain subsidiaries of the Company named as parties thereto as guarantors.

"Secured Obligations" shall have the meaning assigned to such term in the Security Documents.

"Secured Parties" shall have the meaning assigned to such term in the applicable Security Documents.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Security Documents" shall mean, collectively, (a) the Collateral Agency Agreement, (b) each of the documents, agreements and instruments set forth or Schedule 1.1(e), and (c) each other security agreement or other instrument or document executed and delivered pursuant to Section 9.11, 9.12 or 9.13 or pursuant to any of the Security Documents to secure any of the Secured Obligations.

"Seller" has the meaning given in the preamble.

"Senior Management" means the officers, directors, and other members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent and with an equity investment in excess of €250,000.

"Senior Notes" means Senior Secured Notes or Senior Unsecured Notes.

"Senior Notes Offering" has the meaning given in the preamble to this Agreement.

"Senior Secured Notes" means senior secured notes issued by the Company pursuant to the Secured Note Indenture.

"Senior Unsecured Notes" means senior unsecured notes issued by the Company pursuant to the Unsecured Note Indenture.

"Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions:

(a) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(b) the Company's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10%

of the total assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(c) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"Similar Business" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Closing Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Singapore Dollars" or "S$" means the lawful currency of the Republic of Singapore.

"Singapore Dollars Sublimit" means €250,000,000 (or its equivalent in Singapore Dollars).

"Sponsor" means KKR European Fund II, Limited Partnership, KKR Millennium Fund (Overseas), Limited Partnership, Silver Lake Partners II, Cayman L.P., AlpInvest CS Investments 2006 C.V., Bain Capital Fund IX, L.P., Bain Capital Fund VII-E, L.P., Apax Europe Fund V-A, L.P., Apax Europe Fund VI-A, L.P., or any other Person approved in writing by the Joint Lead Arrangers prior to the date hereof.

"SSMC" means Systems On Silicon Manufacturing Company Pte Ltd.

"Stated Amount" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Status" shall mean, as to any Borrower as of any date, the existence of Level I Status, Level II Status, Level III Status, Level IV Status and/or Level A Status or Level B Status, as the case may be on such date. Changes in Status resulting from changes in the Net Leverage Ratio shall become effective (the date of such effectiveness, the "Effective Date") as of the first day following the last day of the most recent fiscal year or period for which (a) Section 9.1 Financials are delivered to the Lenders under Section 9.1 and (b) an officer's certificate is delivered by the Borrower to the Lenders setting forth, with respect to such Section 9.1

Financials, the then-applicable Status, and shall remain in effect until the next change to be effected pursuant to this definition, provided that (i) if any Borrower shall have made any payments in respect of interest or commitment fees during the period (the "Interim Period") from and including the Effective Date to but excluding the day any change in Status is determined as provided above, then the amount of the next such payment due on or after such day shall be increased or decreased by an amount equal to any underpayment or overpayment so made by any Borrower during such Interim Period and (ii) each determination of the Net Leverage Ratio pursuant to this definition shall be made with respect to the period ending at the end of the fiscal period covered by the relevant financial statements.

"Statutory Reserve Rate" shall mean for any day as applied to any LIBOR Loan, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages that are in effect on that day (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, as prescribed by the Board and to which the Administrative Agent is subject, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D

or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" and "£" means the lawful currency of the United Kingdom.

"Subordinated Indebtedness" means, with respect to any person, any Indebtedness (whether outstanding on the Closing Date or thereafter Incurred) which is expressly subordinated in right of payment to the obligations of the Borrowers under this Agreement pursuant to a written agreement.

"Subordinated Shareholder Funding" means, collectively, any funds provided to the Company by a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by Holdings, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; provided, however, that such Subordinated Shareholder Funding:

(a) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to September 29, 2013 (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition);

(b) does not require, prior to September 29, 2013, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(c) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to September 29, 2013;

(d) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(e) pursuant to its terms is fully subordinated and junior in right of payment to this Agreement, the Bridge Loans and Senior Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

"Subsidiary" means, with respect to any Person:

(a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(b) any partnership, joint venture, limited liability company or similar entity of which:

(i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Successor Parent" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner." as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Closing Date).

"Swiss Francs" and "Fr" means the lawful currency of the Federal Republic of Switzerland.

"Taiwan Collateral Agent" means Mizuho Corporate Bank, Ltd. or any successor acting in that role.

"Tax Credit" means any credit against any Taxes or any relief or remission for Taxes (or their repayment).

"Tax Distribution" shall mean any distribution permitted to be paid pursuant to Section 10.2(c)(ix)(A).

"Taxes" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"Tax Sharing Agreement" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of this Agreement.

"Temporary Cash Investments" means any of the following:

(a) any investment in:

(i) direct obligations of, or obligations Guaranteed by, (A) the United States of America or Canada, (B) any European Union member state, (C) Switzerland or Norway, (D) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds or (E) any agency or instrumentality of any such country or member state, or

(ii) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-l" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(b) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(i) any Lender;

(ii) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (a)(i) above; or

(iii) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof;

in each case, having capital and surplus aggregating in excess of €250,000,000 (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) or (b) above entered into with a Person meeting the qualifications described in clause (b) above;

(d) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P- 2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(e) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(f) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(g) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250,000,000 (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(h) investment funds investing 95% of their assets in securities of the type described in clauses (a) through (g) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(i) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"Termination Date" shall mean the date on which the Commitments shall have terminated, no Loans shall be outstanding and the Letters of Credit Outstanding shall have been reduced to zero.

"Total Assets" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with GAAP as shown on the most recent balance sheet of such Person; provided that pending the acquisitions of ASMC and Jilin, such balance sheet shall give pro forma effect to such acquisitions.

"Total Commitments" shall mean the sum of the Commitments of all the Lenders.

"Transactions" means the acquisition by Holdings of the Company and its Subsidiaries and the related transactions (including the repayment of existing indebtedness of the Company and the disentanglement) pursuant to the Acquisition Agreement (including the Equity Investments) and the Acquisition Side Letter, the drawing of the Bridge Loans and the refinancing thereof with Senior Notes, and the extensions of credit under this Agreement.

"Transaction Expenses" shall mean any fees or expenses incurred or paid by the Company or any of its Subsidiaries in connection with the Transactions, this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby.

"Transferee" shall have the meaning provided in Section 13.7(e).

"Type" shall mean, in relation to any Loan, its nature as an ABR Loan, a LIBOR Loan or a EURIBOR Loan.

"Uniform Commercial Code" means the New York Uniform Commercial Code.

"Unpaid Drawing" shall have the meaning provided in Section 3.4.

"Unrestricted Subsidiary" means SSMC and (upon acquisition of Jilin by the Company or a Restricted Subsidiary) Jilin and:

(a) any Subsidiary of the Company (other than the Co-Borrower) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(b) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(i) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(ii) such designation and the Investment of the Company in such Subsidiary complies with Section 10.2.

Any such designation by the Board of Directors of the Company shall be evidenced to the Administrative Agent by filing with the Administrative Agent a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, that immediately after giving effect to such designation (a) no Default or Event of Default would result therefrom, and (b)(i) the Fixed Charge Coverage Ratio would not be greater than 2.00 to 1.00 or (ii) the Fixed Charge Coverage Ratio would not be worse than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Administrative Agent by promptly filing with the Administrative Agent a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"Unsecured Bridge Facility" means the €1,500,000,000 Senior Unsecured Increasing Rate Bridge Facility dated as of the date of this Agreement between the Company and the Co-Borrower (as borrowers), Morgan Stanley Senior Funding, Inc. as administrative agent and the banks and financial institutions from time to time party thereto as lenders.

"Unsecured Note Indenture" means the Indenture relating to the issuance of the Senior Unsecured Notes expected to be entered into between the company and the Co-Borrower (as co-issuers), Deutsche Bank Trust Company Americas as trustee and certain subsidiaries of the Company named as parties thereto as guarantors.

"US Dollars", "Dollars" and "US$" means the lawful currency of the United States of America.

"US Government Obligations" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally

Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the Company thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such US Government Obligations or a specific payment of principal of or interest on any such US Government Obligations held by such custodian for the account of the holder of such depositary receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the US Government Obligations or the specific payment of principal of or interest on the US Government Obligations evidenced by such depositary receipt.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"Wholly-Owned Subsidiary" means a Restricted Subsidiary of the Company, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly-Owned Subsidiary) is owned by the Company or another Wholly-Owned Subsidiary.

"Yen" and "¥" means the lawful currency of Japan.

1.2. Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears.

(d) The term “including” is by way of example and not limitation.

(e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) Any reference herein to any Person shall be construed to include such Person’s successors and assigns.

(i) Any reference to a time of day is a reference to London time.

(j) Any reference to a “Managing Director” of a Dutch Borrower or a Credit Party organized or established under the laws of the Netherlands means a managing director (*bestuurder*).

1.3. Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP.

1.4. Rounding. Any financial ratios required to be maintained by the Company pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5. References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational and constitutive documents, agreements (including this Agreement and each of the other Credit Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements and other modifications are permitted by any Credit Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

1.6. Exchange Rates. For purposes of determining compliance under Sections 10.2 (other than with respect to determining the amount of any Indebtedness) and 10.5, with respect to any amount in a Foreign Currency, such amount shall be deemed to equal the Base Currency Equivalent thereof based on the average Exchange Rate for a Foreign Currency for the most recent twelve-month period immediately prior to the date of determination determined in a manner consistent with that used in calculating Consolidated EBITDA for the related period. For purposes of determining compliance with Sections 10.1, 10.2 and 10.3, with respect to any amount of Indebtedness in a Foreign Currency, compliance will be determined at the time of Incurrence or advancing thereof using the Base Currency Equivalent thereof at the Exchange Rate in effect at the time of such Incurrence or advancement.

1.7. Liability of Co-Borrower. The Co-Borrower shall be jointly and severally liable for all of the obligations and liabilities of the Company under this Agreement and the other Credit Documents; provided that the obligations of the Co-Borrower under this Agreement and the other Credit Documents shall be limited to an aggregate amount that would

not render such obligations subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of applicable law.

SECTION 2. Amount and Terms of Credit

2.1. Commitments. (a) Subject to and upon the terms and conditions herein set forth, each Lender severally agrees to make a Loan or Loans denominated in the Base Currency or any Alternative Currency to the Borrowers which Loans (i) shall be made at any time and from time to time on and after the Closing Date and prior to the Maturity Date provided that the aggregate Base Currency Equivalent of Loans made on the Closing Date or during the period of 10 Business Days thereafter shall not exceed €100,000,000, (ii) may, at the option of the relevant Borrower be incurred and maintained as, and/or converted into, ABR Loans (in the case of Loans denominated in US Dollars), LIBOR Loans or EURIBOR Loans, provided that all Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Loans of the same Type, (iii) may be repaid and reborrowed in accordance with the provisions hereof, (iv) shall not, for any such Lender at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Lender’s Credit Exposure at such time exceeding such Lender’s Commitment at such time, (v) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Lenders’ Credit Exposures at such time exceeding the Total Commitment then in effect and (vi) shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Lenders’ Credit Exposures at such time denominated in Singapore Dollars or HK Dollars exceeding the Singapore Dollars Sublimit or the HK Dollars Sublimit (as applicable).

(b) Each Lender may at its option make any EURIBOR Loan or LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that (i) any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan and (ii) in exercising such option, such Lender shall use its reasonable efforts to minimize any increased costs to the relevant Borrower resulting therefrom (which obligation of the Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it determines would be otherwise disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.10 shall apply). All Loans shall be repaid in full together with all accrued but unpaid interest thereon pursuant to Section 2.8(e) on the Maturity Date or as otherwise required by Section 2.5. In the event that any Loan is made by any domestic or foreign branch or Affiliate of a Lender on behalf of such Lender as contemplated by this clause (b) all of the provisions of this Agreement applicable to Lenders shall apply to and be enforceable by any such domestic or foreign branch or Affiliate.

2.2. Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing shall be in a multiple of, in the case of LIBOR Loans and EURIBOR Loans, €1,000,000 (or its equivalent in any Alternative Currency) or, in the case of ABR Loans, $500,000 and, in each case, shall not be less than the Minimum Borrowing Amount with respect thereto. More than one Borrowing may be incurred

on any date, provided that at no time shall there be outstanding more than 25 Borrowings of Loans under this Agreement.

2.3. Notice of Borrowing (a) Whenever a Borrower desires to incur Loans (other than borrowings to repay Unpaid Drawings), it shall give the Administrative Agent at the Administrative Agent's Office, (i) prior to 10:00 a.m. at least two Business Days' prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of LIBOR Loans or EURIBOR Loans, and (ii) prior to 12:00 Noon at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of ABR Loans. Each such notice (a "Notice of Borrowing"), except as otherwise expressly provided in Section 2.10, shall specify (i) the aggregate principal amount of the Loans to be made pursuant to such Borrowing, (ii) the date of Borrowing (which shall be a Business Day), (iii) the currency of such Borrowing (which shall be US Dollars in the case of ABR Loans, the Base Currency in the case of EURIBOR Loans or an Alternative Currency in the case of LIBOR Loans) and (iv) whether the respective Borrowing shall consist of ABR Loans, LIBOR Loans or EURIBOR Loans and, if LIBOR Loans or EURIBOR Loans, the Interest Period to be initially applicable thereto. If a Borrower specifies a Type of Loan but fails to specify the currency of such Loan in a Notice of Borrowing, then the Loan so requested shall be made in the Base Currency in the case of EURIBOR Loans or US Dollars in the case of LIBOR Loans and ABR Loans. If a Borrower specifies the currency of a Loan but fails to specify a Type of Loan in a Notice of Borrowing, then the Loan so required shall be a EURIBOR Loan (in the case of Loans denominated in the Base Currency) or a LIBOR Loan (in the case of Loans denominated in an Alternative Currency). If a Borrower fails to specify both the currency of a Loan and the Type of Loan in a Notice of Borrowing, then the Loan so requested shall be a made in the Base Currency and shall be a EURIBOR Loan. If a Borrower fails to specify an Interest Period (if applicable) of a Loan in a Notice of Borrowing then the Loan so requested shall have an initial Interest Period of one month. Upon receipt of a Notice of Borrowing, the Administrative Agent shall confirm there are sufficient Available Commitments and that neither the HK Dollars Sublimit nor the Singapore Dollars Sublimit (nor, in the case of a Borrowing by Holdings, the Holdings Sublimit) will be exceeded after giving effect to the proposed Borrowing and the Administrative Agent shall promptly give each Lender written notice (or telephonic notice promptly confirmed in writing) of each proposed Borrowing, of such Lender's proportionate share thereof and of the other matters covered by the related Notice of Borrowing.

(b) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4.

(c) Without in any way limiting the obligation of a Borrower to confirm in writing any notice it may give hereunder by telephone, the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of a Borrower. In each such case, such Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of any such telephonic notice. Any Notice of Borrowing delivered in writing to the Administrative Agent shall be in substantially the form set forth in Exhibit B.

2.4. Disbursement of Funds. (a) No later than 12:00 Noon on the date specified in each Notice of Borrowing, each Lender will make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below.

(b) Each Lender shall make available all amounts it is to fund to a Borrower under any Borrowing in immediately available funds in the relevant currency to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will (except in the case of Borrowings to repay Unpaid Drawings) make available to such Borrower, by depositing to an account designated by such Borrower to the Administrative Agent the aggregate of the amounts so made available in the relevant currency. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the relevant Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available same to the relevant Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor the Administrative Agent shall promptly notify the relevant Borrower, and such Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Lender or such Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the relevant Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if paid by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry practice on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, or (ii) if paid by the Borrower, the then-applicable rate of interest, calculated in accordance with Section 2.8, for the relevant Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that any Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that the obligations of each Lender hereunder are several and no Lender shall be responsible for the failure of any other Lender to fulfill its obligations hereunder).

2.5. Repayment of Loans; Evidence of Debt. (a) Each Borrower shall repay to the Administrative Agent, for the benefit of the Lenders, on the Maturity Date, the then-unpaid Loans made to such Borrower, provided that each Borrower shall repay to the Administrative Agent, for the benefit of the Lenders, the full amount of any and all Loans made to such Borrower on the Closing Date or during the 10 Business Day period after the Closing Date, no later than the date which is 10 Business Days after the Closing Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register pursuant to Section 13.7(b), in which Register shall be recorded (i) the amount of each Loan made hereunder, the Borrower of such Loan, the Type of each Loan made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the relevant Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the relevant Borrower and each Lender's share thereof.

(d) The entries made in the Register and accounts maintained pursuant to paragraphs (b) and (c) of this Section 2.5 shall, to the extent permitted by applicable Law, be prima facie evidence of the existence and amounts of the obligations of a Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of any Borrower to repay (with applicable interest) the Loans made to such Borrower by such Lender in accordance with the terms of this Agreement.

2.6. Conversions and Continuations. (a) A Borrower shall have the option on any Business Day to convert all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Loans made to such Borrower of one Type into a Borrowing or Borrowings of another Type and such Borrower shall have the option on any Business Day to continue the outstanding principal amount of any LIBOR Loans or EURIBOR Loans, as the case may be, for an additional Interest Period, provided that (i) no partial conversion of LIBOR Loans or EURIBOR Loans shall reduce the outstanding principal amount of LIBOR Loans or EURIBOR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into LIBOR Loans if a Default or Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) LIBOR Loans denominated in US Dollars may not be continued as LIBOR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, and (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2. Each such conversion or continuation shall be effected by the relevant Borrower by giving the Administrative Agent at the Administrative Agent's Office prior to 10:00 a.m. at least two Business Days' (or one Business Day's notice in the case of a conversion into ABR Loans) prior written notice (or telephonic notice promptly confirmed in writing) (each, a "Notice of Conversion or Continuation") specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans or are to be converted into or continued as LIBOR Loans or EURIBOR Loans, the Interest Period to be initially applicable

thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Default or Event of Default is in existence at the time of any proposed continuation of any LIBOR Loans denominated in US Dollars and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation, such LIBOR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of LIBOR Loans or EURIBOR Loans, a Borrower has failed to specify a new Interest Period to be applicable thereto as provided in paragraph (a) above, such Borrower shall be deemed to have specified an Interest Period of one month, effective as of the expiration date of such current Interest Period. If a Borrower requests the conversion to, or continuation of, a LIBOR Loan or a EURIBOR Loan, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead such Loan must be prepaid in the original currency of such Loan and a new Loan reborrowed in the other currency.

2.7. *Pro Rata Borrowings*. Each Borrowing of Loans under this Agreement shall be granted by the Lenders *pro rata* on the basis of their then-applicable Commitments, respectively. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

2.8. Interest. (a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR in effect from time to time.

(b) The unpaid principal amount of each LIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be aggregate of (i) the Applicable LIBOR Margin in effect from time to time, (ii) the relevant LIBOR Rate, and (iii) the Mandatory Cost, if any.

(c) The unpaid principal amount of each EURIBOR Loan shall bear interest for the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate *per annum* that shall at all times be the aggregate of (i) the Applicable EURIBOR Margin in effect from time to time, (ii) the relevant EURIBOR Rate, and (iii) the Mandatory Cost, if any.

(d) If all or a portion of (i) the principal amount of any Loan (ii) the principal amount of any Unpaid Drawing or (iii) any interest payable thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear

interest at a rate *per annum* that is (x) in the case of overdue principal on any Loan or Unpaid Drawing, the rate that would otherwise be applicable thereto plus 1% or (y) in the case of any overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a), (b) or (c), as applicable, plus 1%, in each case from and including the date of such non-payment to but excluding the date on which such amount is paid in full (after as well as before judgment).

(e) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof and shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last day of each March, June, September and December, (ii) in respect of each LIBOR Loan and EURIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, and (iii) in respect of each Loan (except, other than in the case of prepayments, any ABR Loan), on any prepayment (on the amount prepaid), at maturity (whether by acceleration or otherwise) and, after such maturity, on demand.

(f) All computations of interest hereunder shall be made in accordance with Section 5.5.

(g) Each Lender shall supply the Administrative Agent with any information required by the Administrative Agent in order to calculate the Mandatory Cost in accordance with Schedule 1.1(d).

(h) The Administrative Agent, upon determining the interest rate for any Borrowing of Loans, shall promptly notify the relevant Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

2.9. Interest Periods. At the time a Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of LIBOR Loans or EURIBOR Loans (in the case of the initial Interest Period applicable thereto) or prior to 10:00 a.m. at least two Business Days prior to the expiration of an Interest Period applicable to a Borrowing of LIBOR Loans or EURIBOR Loans, such Borrower shall have the right to elect by giving the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) the Interest Period applicable to a Borrowing, which Interest Period shall, at the option of the relevant Borrower be a one, two, three, or six month period, provided that the initial Interest Period may be for a period less than one month if agreed upon by the relevant Borrower and the Administrative Agent.

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of LIBOR Loans or EURIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of LIBOR Loan or EURIBOR Loan begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of a LIBOR Loan or EURIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any LIBOR Loan or EURIBOR Loan if such Interest Period would extend beyond the Maturity Date; and

(e) after giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than 25 Interest Periods in effect with respect to LIBOR Loans and EURIBOR Loans.

2.10. Increased Costs, Illegality, etc. (a) In the event that (x) in the case of clause (i) below, the Administrative Agent or (y) in the case of clauses (ii) and (iii) below, any Lender shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining the LIBOR Rate or EURIBOR Rate for any Interest Period that (x) deposits in the principal amounts of the Loans comprising such Borrowing are not generally available in the relevant currency in the Relevant Interbank Market for a period equivalent to the relevant Interest Period or (y) by reason of any changes arising on or after the Closing Date affecting the Relevant Interbank Market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR Rate or EURIBOR Rate (as the case may be); or

(ii) at any time, that such Lender shall incur any increase in the cost to such Lender or reductions in the amounts received or receivable hereunder in connection with making or agreeing to make, funding or maintaining, LIBOR Loans, EURIBOR Loans or its Commitment hereunder (other than any such increase or reduction attributable to Taxes) because of (x) any Change in Law, such as, for example, without limitation, a change in official reserve requirements, and/or (y) other circumstances affecting the Relevant Interbank Market or the position of such Lender in such market; or

(iii) at any time, that the making or continuance of any LIBOR Loan or EURIBOR Loan or its Commitment hereunder has become unlawful by compliance by such Lender in good faith with any Law, governmental rule, regulation, guideline or

order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the date hereof that materially and adversely affects the Relevant Interbank Market;

then, and in any such event, such Lender (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the relevant Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, LIBOR Loans and EURIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the relevant Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by any Borrower with respect to LIBOR Loans or EURIBOR Loans that have not yet been incurred shall be deemed rescinded by the relevant Borrower (y) in the case of clause (ii) above, the relevant Borrower shall pay to such Lender, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender, showing in reasonable detail the basis for the calculation thereof, submitted to the relevant Borrower by such Lender shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto) and (z) in the case of clause (iii) above, the Borrower shall take one of the actions specified in Section 2.10(b) as promptly as possible and, in any event, within the time period required by Law.

(b) At any time that any LIBOR Loan or EURIBOR Loan is affected by the circumstances described in Section 2.10(a)(ii) or (iii), the relevant Borrower may (and in the case of a LIBOR Loan or EURIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (i) if the affected LIBOR Loan or EURIBOR Loan has been requested pursuant to a Notice of Borrowing or a Notice of Conversion or Continuation but has not been made, cancel said Borrowing by giving the Administrative Agent telephonic notice (confirmed promptly in writing) thereof on the same date that such Borrower was notified by a Lender pursuant to 2.10(a)(ii) or (iii); or (ii) if the affected LIBOR Loan or EURIBOR Loan is then outstanding (x) upon at least three Business Days' notice to the Administrative Agent (if such Lender may lawfully continue to maintain such LIBOR Loans or EURIBOR Loans to such day or immediately, if such Lender may not lawfully continue to maintain such LIBOR Loans or EURIBOR Loans), require the affected Lender to convert each such LIBOR Loan and EURIBOR Loan into an ABR Loan if such conversion would overcome the illegality and each Loan so converted shall, unless already denominated in Dollars, be redenominated into Dollars at the applicable Exchange Rate, (y) prepay the affected EURIBOR Loans or LIBOR Loans on the last day of the Interest Period applicable thereto, if such Lender may lawfully continue to maintain such LIBOR Loan or EURIBOR Loan to such date, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Loan or EURIBOR Loan, or (z) cause any affected Lender to assign the affected EURIBOR Loans or LIBOR Loans to another Lender or to

another bank or institution willing to accept such assignment (which assignment shall be subject to and in compliance with Section 13.7) to the extent any such affected Lender may lawfully continue to maintain the relevant LIBOR Loans or EURIBOR Loans until such time as such assignment becomes effective in accordance with the terms hereof. Upon any such conversion or prepayment, the relevant Borrower shall also pay accrued interest on the amount so converted or prepaid all amounts due, if any, in connection with such prepayment or conversion under Section 2.11. The relevant Borrower shall pay all reasonable costs and expenses incurred by any Lender in connection with any assignment pursuant to sub-clause (z). If more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the date hereof, the adoption of any applicable Law, rule or regulation regarding capital adequacy, or any Change in Law, or any change in the interpretation or administration thereof by any Governmental Authority, the National Association of Insurance Commissioners, any central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Lender or its parent with any request or directive made or adopted after the date hereof regarding capital adequacy (whether or not having the force of law) of any such authority, association, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the relevant Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent or its Affiliates for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to compensation for such reduction except to the extent resulting from the adoption of any applicable Law, rule or regulation regarding capital adequacy, or any Change in Law, or any change in the interpretation or administration thereof by any Governmental Authority, the National Association of Insurance Commissioners, any central bank or comparable agency charged with the interpretation or administration thereof, after the date hereof. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the relevant Borrower which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish such Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) upon receipt of such notice.

(d) It is understood that this Section 2.10 shall not apply to Excluded Taxes or to any amounts that would be payable under Section 5.4 but for another provision of Section 5.4 or, to the extent duplicative of Section 5.4, this Section 2.10 shall not apply to Taxes.

2.11. Compensation. If (a) any payment of principal of any LIBOR Loan or EURIBOR Loan is made by a Borrower to or for the account of a Lender, or is converted or continued, other than on the last day of the Interest Period for such LIBOR Loan or EURIBOR Loan as a result of a payment or conversion pursuant to Section 2.5, 2.6, 2.10, 5.1, 5.2 or 13.8, as

a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of LIBOR Loans or EURIBOR Loans is not made as a result of a withdrawn Notice of Borrowing or as a result of the operation of any of the provisions of this Agreement, (c) any ABR Loan is not converted into a LIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation or as a result of the operation of any of the provisions of this Agreement, (d) any LIBOR Loan or EURIBOR Loan is not continued as a LIBOR Loan or EURIBOR Loan (as the case may be), as a result of a withdrawn Notice of Conversion or Continuation or as a result of the operation of any of the provisions of this Agreement, (e) any prepayment of principal of any LIBOR Loan or EURIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Section 5.1 or 5.2 or as a result of the operation of any of the

provisions of this Agreement, (f) any assignment of a LIBOR Loan or EURIBOR Loan on a day other than the last day of the Interest Period for such Loan as a result of a request by the Company pursuant to Section 13.8(a), the relevant Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such LIBOR Loan or EURIBOR Loan.

For purposes of calculating amounts payable by a Borrower to the Lenders under this Section 2.11, each Lender shall be deemed to have funded each LIBOR Loan or EURIBOR Loan (as the case may be) made by it by a matching deposit or other borrowing in the Relevant Interbank Market in the relevant currency for a comparable amount and for a comparable period, whether or not such LIBOR Loan or EURIBOR Loan (as the case may be) was in fact so funded.

2.12. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 3.5 or 5.4 with respect to such Lender, it will, if requested by the relevant Borrower use commercially reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event or to assign its rights and obligations hereunder to another of its branches or Affiliates, provided that such designation or assignment is made on such terms that would eliminate or reduce amounts payable pursuant to Section 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 3.5 or 5.4, as the case may be, and that, in such Lender's judgment, cause such Lender and its lending office suffer no economic (including becoming subject to any unreimbursed cost or expense), legal or regulatory disadvantage. Nothing in this Section 2.12 shall affect or postpone any of the obligations of any Borrower or the right of any Lender provided in Section 2.10, 3.5 or 5.4.

2.13. Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Section 2.10, 2.11, 3.5 or 5.4 is given by any Lender more than 180 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, tax or other additional amounts described in such Sections, such Lender shall not be entitled to

compensation under Section 2.10, 2.11, 3.5 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 181st day prior to the giving of such notice to the Borrower.

2.14. Additional Alternative Currencies. (a) A Borrower may from time to time request that LIBOR Loans be made and/or a Letter of Credit be issued in an Additional Alternative Currency. A currency will only constitute an Additional Alternative Currency for the purposes of a Credit Event if (i) it is a lawful currency that is readily available in the amount required and freely transferable and convertible into the Base Currency in the Relevant Interbank Market on the date the Administrative Agent receives the relevant Notice of Borrowing or Letter of Credit Request (as applicable) and the date on which the Credit Event occurs, and (ii) it has been approved by the Administrative Agent (acting on the instructions of, in the case of the making of a LIBOR Loan, all the Lenders and in the case of the issuance of a Letter of Credit, all the Lenders and the Letter of Credit Issuer) on or prior to receipt by the Administrative Agent of the relevant Notice of Borrowing or Letter of Credit Request (as applicable) for that Credit Event.

(b) Any such request for approval of an Additional Alternative Currency pursuant to clause (a) above shall be made to the Administrative Agent not later than 11:00 a.m., five Business Days prior to the date of the proposed Credit Event (or such other time or date as may be agreed by the Administrative Agent). In the case of any such request pertaining to a LIBOR Loan, the Administrative Agent shall promptly notify each Lender thereof and, in the case of any such request pertaining to the issuance of Letters of Credit, the Administrative Agent shall promptly notify each Letter of Credit Issuer thereof. Each Lender (in the case of any such request pertaining to LIBOR Loans) or the Letter of Credit Issuer (in the case of a request pertaining to the issuance of Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., two Business Days after receipt of such request whether it consents, in its sole discretion, to the making of LIBOR Loans or the issuance of Letters of Credit, as the case may be, in such requested currency and the minimum amount (and, if required, integral multiples) for any subsequent Credit Event in that currency.

(c) The failure by a Lender or any Letter of Credit Issuer, as the case may be, to respond to such notice within the time period specified in clause (b) above shall be deemed to be a refusal by such Lender or the Letter of Credit Issuer, as the case may be, to permit LIBOR Loans to be made or Letters of Credit to be issued in the requested currency.

(d) If the Administrative Agent and all the Lenders and the Letters of Credit Issuers (as the case may be) consent to making LIBOR Loans or the issuance of Letters of Credit (as the case may be) in the currency requested by a Borrower, the Administrative Agent shall promptly notify the relevant Borrower mat the requested currency is acceptable and such currency shall thereupon be deemed for all purposes to be an Additional Alternative Currency hereunder for purposes of LIBOR Loans and Letters of Credit.

(e) The Administrative Agent shall promptly notify the relevant Borrower and the Company (if different) if any Lender and (if applicable) the Letter of Credit Issuer does not approve the relevant currency requested.

SECTION 3. Letters of Credit

3.1. Letters of Credit. (a) Subject to and upon the terms and conditions herein set forth, at any time and from time to time on and from the Closing Date and prior to the L/C Maturity Date, the Letter of Credit Issuer agrees to issue upon the request of, and for the benefit of the Borrowers and the Restricted Subsidiaries standby letters of credit, letters of credit or bank guarantees in the Base Currency or any Alternative Currency (the "Letters of Credit" and each, a "Letter of Credit") in such form as may be approved by such Letter of Credit Issuer in its reasonable discretion; provided that the Company shall be a co-applicant, and jointly and severally liable with respect to, each Letter of Credit issued for the account of a Restricted Subsidiary.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time, would exceed the L/C Sublimity then in effect; (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the aggregate amount of the Lenders' Credit Exposures at such time to exceed the Total Commitments then in effect; (iii) each Letter of Credit shall have an expiration date occurring no later than one year after the date of issuance thereof, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer but may by its terms be automatically renewed for additional 12 month periods, provided that in no event shall such expiration date occur later

than the L/C Maturity Date; (iv) each Letter of Credit shall be denominated in the Base Currency or any Alternative Currency; (v) no Letter of Credit shall be issued if it would be illegal under any applicable Law or is prohibited by any order, judgment, decree of any Governmental Authority or arbitrator which, by its terms, purports to enjoin or restrain the Letter of Credit Issuer from issuing such Letter of Credit or any request or directive (whether or not having the force of Law) from any Governmental Authority with jurisdiction over the Letter of Credit Issuer shall prohibit, or request that the Letter of Credit Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular; (vi) no Letter of Credit shall be issued by Morgan Stanley Bank International Limited or any of its Affiliates if the Stated Amount of such Letter of Credit, when added to the Letters of Credit Outstanding of Morgan Stanley Bank International Limited and its Affiliates at such time, would result in Morgan Stanley Bank International Limited and its Affiliates having issued Letters of Credit with an aggregate Stated Amount in excess of, in aggregate, £150,000,000 (or its equivalent in any Alternative Currency); (vii) no Letter of Credit shall be issued which is denominated in Singapore Dollars if the Stated Amount of such Letter of Credit, when added to the aggregate amount of the Lenders' Credit Exposures at such time denominated in Singapore Dollars, would exceed the Singapore Dollars Sublimit; (viii) no Letter of Credit shall be issued which is denominated in HK Dollars if the Stated Amount of such Letter of Credit when added to the aggregate amount of the Lenders' Credit Exposures at such time denominated in HK Dollars, would exceed the HK Dollars Sublimit; and (ix) without limiting Section 7.1, no Letter of Credit shall be issued by a Letter of Credit Issuer after it has received a written notice from any Credit Party or any Lender stating that a Default or Event of Default has occurred and is continuing until such time as the Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default in accordance with the provisions of Section 13.2.

(c) Upon at least three Business Day's prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the applicable Lenders), a Borrower shall have the right, on any day, permanently to terminate or reduce the L/C Sublimit in whole or in part, provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding shall not exceed the L/C Sublimit.

3.2. Letter of Credit Requests. (a) Whenever a Borrower desires that a Letter of Credit be issued for its account, it shall give the Administrative Agent and the Letter of Credit Issuer prior to 12:00 Noon at least five (or such lesser number as may be agreed upon by the Administrative Agent and the Letter of Credit Issuer) Business Days' written notice thereof. Each notice shall be executed by such Borrower and shall be in the form of Exhibit C (each a "Letter of Credit Request"). Each Letter of Credit Request shall specify (i) the initial Stated Amount of the Letter of Credit, (ii) the date of issuance (which shall be a Business Day) and (iii) the currency in which the Letter of Credit shall be denominated (which shall be the Base Currency or an Alternative Currency). Upon receipt of a Letter of Credit Request the Administrative Agent shall confirm there are sufficient Available Commitments and that neither the HK Dollars Sublimit nor the Singapore Dollars Sublimit will be exceeded after giving effect to the issuance of the relevant Letter of Credit and the Administrative Agent shall promptly transmit copies of each Letter of Credit Request to each Lender.

(b) The making of each Letter of Credit Request shall be deemed to be a representation and warranty by the relevant Borrower that the Letter of Credit may be issued in accordance with, and will not violate the requirements of, Section 3.1(b) and Section 7.

3.3. Letter of Credit Participations. (a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each other Lender (each such other Lender, in its capacity under this Section 3.3, an "L/C Participant"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "L/C Participation"), to the extent of such L/C Participant's Commitment Percentage in such Letter of Credit, each substitute letter of credit, each drawing made thereunder and the obligations of the relevant Borrower under this Agreement with respect thereto, and any security therefor or Guarantee pertaining thereto; provided that the Letter of Credit Fees will be paid directly to the Administrative Agent for the ratable account of the L/C Participants as provided in Section 4.1(b) and the L/C Participants shall have no right to receive any portion of any Fronting Fees.

(b) Each Lender and each Borrower agrees that, in paying any drawing under a Letter of Credit, the Letter of Credit Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders

or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or any other document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude any Borrower pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 3.3(g); provided, however, that anything in such clauses to the contrary notwithstanding, the relevant Borrower may have a claim against the Letter of Credit Issuer, and the Letter of Credit Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which were caused by the Letter of Credit Issuer's willful misconduct or gross negligence or the Letter of Credit Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Letter of Credit Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the relevant Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer pursuant to Section 3.4, the Letter of Credit Issuer shall promptly notify the Administrative Agent and each L/C Participant of such failure, and each such L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Commitment Percentage of such unreimbursed payment in the currency in which such payment was made by the Letter of Credit Issuer and in immediately available funds. If the Letter of Credit Issuer so notifies, prior to

11:00 a.m. on any Business Day, each L/C Participant shall make available to the Administrative Agent for the account of the Letter of Credit Issuer such L/C Participant's Commitment Percentage of the amount of such payment on such Business Day in immediately available funds. If and to the extent such L/C Participant shall not have so made its Commitment Percentage of the amount of such payment available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at the Federal Funds Effective Rate. A certificate from the relevant Letter of Credit Issuer submitted to any L/C Participant (through the Administration Agent) with respect to amounts owing under this Section 3.3(c) shall be conclusive absent manifest error. The failure of any L/C Participant to make available to the

Administrative Agent for the account of the Letter of Credit Issuer its Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Commitment Percentage of any such payment.

(d) With respect to any Unpaid Drawing that is not fully reimbursed pursuant to Section 3.4 or refinanced by a Borrowing of Loans because the conditions set forth in Section 7 cannot be satisfied or for any other reason, the relevant Borrower shall be deemed to have incurred from the relevant Letter of Credit Issuer an L/C Borrowing in the amount of the Unpaid Borrowing that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the ABR Rate plus the Applicable ABR Margin plus 1% per annum. In such event, each L/C Participant's payment to the Administrative Agent for the account of the relevant Letter of Credit Issuer pursuant to Section 3.3(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 3.3.

(e) Each L/C Participant's obligation to make a Loan or L/C Advances to reimburse a Letter of Credit Issuer for amounts drawn under Letter of Credit, as contemplated by this Section 3.3(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (x) any setoff, counterclaim, recoupment, defense or other right which such L/C Participant may have against the relevant Letter of Credit Issuer, any Borrower or any other Person for any reason whatsoever; (y) the occurrence or continuance of a Default or any Event of Default; or (z) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided that each Lender's obligation to make Loans pursuant to this Section 3.3(c) is subject to the conditions set forth in Section 7 (other than delivery by the relevant Borrower of a Notice of Borrowing). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the relevant Borrower to reimburse the Letter of Credit Issuer for the amount of any payment made by such Letter of Credit Issuer under any Letter of Credit, together with interest as provided herein.

(f) Until each Lender funds its Loan or L/C Advance pursuant to this Section 3.3 to reimburse the Letter of Credit Issuer for any Unpaid Drawing, interest in respect of such Lender's Commitment Percentage of such amount shall be solely for the account of the Letter of Credit Issuer.

(g) Whenever the Letter of Credit Issuer receives a payment from a Borrower in respect of an Unpaid Drawing as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any L/C Advances from the L/C Participants pursuant to this Section 3.3, the Letter of Credit Issuer shall pay to the Administrative Agent and the Administrative Agent shall promptly pay to each L/C Participant that has paid its Commitment Percentage of such reimbursement obligation, in the relevant currency and in immediately available funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by

all L/C Participants) of the principal amount of such Unpaid Drawing and interest thereon accruing after the purchase of the respective L/C Participations.

(h) The obligations of the Borrowers to make payments to the Administrative Agent for the account of a Letter of Credit Issuer with respect to drawings under Letters of Credit shall be absolute, unconditional and irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including under any of the following circumstances:

(i) any lack of validity or enforceability of the Letter of Credit, this Agreement or any of the other Credit Documents;

(ii) the existence of any claim, set-off, defense or other right that any Credit Party may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom the beneficiary or any such transferee may be acting), the Administrative Agent, the relevant Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between a Borrower and the beneficiary named in any such Letter of Credit);

(iii) any draft, demand, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Credit Documents; or

(v) the occurrence of any Default or Event of Default.

3.4. Agreement to Repay Letter of Credit Drawings. Each Borrower hereby agrees to reimburse the relevant Letter of Credit Issuer, by making payment in the currency in which the relevant Letter of Credit is issued, to the Administrative Agent in immediately available funds, for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit (each such amount so paid until reimbursed, an "Unpaid Drawing") no later than the date that is three Business Days after the date on which the relevant Borrower receives notice of such payment or disbursement (the "Reimbursement Date"), with interest on the amount so paid or disbursed by the Letter of Credit Issuer, to the extent not reimbursed prior to 5:00 p.m. on the date of such payment or disbursement, from and including the date on which such payment or disbursement was made by the Letter of Credit Issuer to but excluding the

date the Letter of Credit Issuer is reimbursed therefor at a rate *per annum* that shall at all times be the Applicable ABR Margin plus the ABR Rate as in effect from time to time, provided that, notwithstanding anything contained in this Agreement to the contrary, (i) unless the relevant Borrower shall have

notified the Administrative Agent and the relevant Letter of Credit Issuer prior to 10:00 a.m. at least two Business Days prior to the Reimbursement Date that such Borrower intends to reimburse the relevant Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, such Borrower shall be deemed to have given a Notice of Borrowing requesting that, with respect to Letters of Credit, the Lenders make Loans on the Reimbursement Date in the relevant currency in the amount of such Unpaid Drawing which Loans, in the case of Unpaid Drawings denominated in US Dollars, shall be ABR Loans, in the case of Unpaid Drawings denominated in the Base Currency, shall be EURIBOR Loans and in the case of Unpaid Drawings denominated in any Alternative Currency other than US Dollars, shall be LIBOR Loans; and (ii) the Administrative Agent shall promptly notify each relevant L/C Participant of such drawing and the amount of its Loan to be made on the Reimbursement Date in respect thereof, and each L/C Participant shall be obligated to make a Loan to the relevant Borrower in the manner deemed to have been requested in the amount of its Commitment Percentage of the applicable Unpaid Drawing by 12:00 noon on such Reimbursement Date by making the amount of such Loan available to the Administrative Agent if, and only if, there are Available Commitments sufficient to make such Loan and the conditions set forth in Section 7 (other than the delivery of a Notice of Borrowing) shall be satisfied. Such Loans shall be made without regard to the Minimum Borrowing Amount or multiples. The initial interest period for any EURIBOR Loan or LIBOR Loan made pursuant to this Section 3.4 shall be one month. The Administrative Agent shall use the proceeds of such Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing.

3.5. Increased Costs. If after the date hereof, the adoption of any applicable Law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by the Letter of Credit Issuer or any L/C Participant with any request or directive made or adopted after the date hereof (whether or not having the force of law), by any such Governmental Authority, central bank or comparable agency shall either (a) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C Participant's L/C Participation therein, or (b) impose on the Letter of Credit Issuer or any L/C Participant any other conditions affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (other than any such increase or reduction attributable to Taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly after receipt of written demand to each relevant Borrower by the Letter of Credit Issuer or such L/C Participant, as the case may be, (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to Letter of Credit issued on account of such Borrower)) such Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction, it being understood and agreed, however, that the Letter of Credit Issuer or a L/C Participant shall not be entitled to

such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such Law, rule or regulation as in effect on the date hereof. A certificate submitted to a Borrower by the relevant Letter of Credit Issuer or a L/C Participant, as the case may be, (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent (with respect to Letters of Credit issued on account of the Borrower)) setting forth in reasonable detail the basis for the determination of such additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrower absent clearly demonstrable error.

3.6. New or Successor Letter of Credit Issuer.

(a) A Letter of Credit Issuer may resign as a Letter of Credit Issuer upon 60 days' prior written notice to the Administrative Agent, the Lenders and the Company. The Company may replace a Letter of Credit Issuer for any reason upon five Business Days written notice to the Administrative Agent and the relevant Letter of Credit Issuer. The Company may add Letter of Credit Issuers at any time upon notice to the Administrative Agent. If the Letter of Credit Issuer shall resign or be replaced, or if a new Letter of Credit Issuer under this Agreement shall be added in accordance with this Section 3.6, then the Company may appoint from among the Lenders a successor issuer of Letters of Credit or a new Letter of Credit Issuer, as the case may be, or, with the consent of the Administrative Agent (such consent not to be unreasonably withheld), another successor or new issuer of Letters of Credit, whereupon such successor issuer shall succeed to the rights, powers and duties of the replaced or resigning Letter of Credit Issuer under this Agreement and the other Credit Documents, or such new issuer of Letters of Credit shall be granted the rights, powers and duties of a Letter of Credit Issuer hereunder, and the term "Letter of Credit Issuer" shall mean such successor or such new issuer of Letters of Credit effective upon such appointment. At the time such resignation or replacement shall become effective, the Company shall pay to the resigning or replaced Letter of Credit Issuer all accrued and unpaid fees pursuant to Sections 4.1(c) and 4.1(d). The acceptance of any appointment as a Letter of Credit Issuer hereunder whether as a successor issuer or new issuer of Letters of Credit in accordance with this Agreement, shall be evidenced by an agreement entered into by such new or successor issuer of Letters of Credit, in a form satisfactory to the Company and the Administrative Agent and, from and after the effective date of such agreement, such new or successor issuer of Letters of Credit shall become a "Letter of Credit Issuer" hereunder. After the resignation or replacement of a Letter of Credit Issuer hereunder, the resigning or replaced Letter of Credit Issuer shall remain a party hereto and shall continue to have all the rights and obligations of a Letter of Credit Issuer under this Agreement and the other Credit Documents with respect to Letters of Credit issued by it prior to such resignation or replacement, but shall not be required to issue additional Letters of Credit. In connection with any resignation or replacement pursuant to this clause (a) (but, in case of any such resignation, only to the extent that a successor issuer of Letters of Credit shall have been appointed), either (i) the Company, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall arrange to have any outstanding Letters of Credit issued by the resigning or replaced Letter of Credit Issuer replaced with Letters of Credit issued by the successor issuer of Letters of Credit or (ii) the Company shall cause the successor issuer of Letters of Credit, if such successor issuer is reasonably satisfactory to the replaced or resigning Letter of Credit Issuer, to issue "back-stop"

Letters of Credit, in a form and substance reasonably satisfactory to the resigning or replaced Letter of Credit, naming the resigning or replaced Letter of Credit Issuer as beneficiary for each outstanding Letter of Credit issued by the resigning or replaced Letter of Credit Issuer, which new Letters of Credit shall

have a face amount equal to the Letters of Credit being back-stopped and the sole requirement for drawing on such new Letters of Credit shall be a drawing on the corresponding back-stopped Letters of Credit. After any resigning or replaced Letter of Credit Issuer's resignation or replacement as Letter of Credit Issuer, the provisions of this Agreement relating to a Letter of Credit Issuer shall inure to its benefit as to any actions taken or omitted to be taken by it (A) while it was a Letter of Credit Issuer under this Agreement or (B) at any time with respect to Letters of Credit issued by such Letter of Credit Issuer.

(b) To the extent that there are, at the time of any resignation or replacement as set forth in clause (a) above, any outstanding Letters of Credit, nothing herein shall be deemed to impact or impair any rights and obligations of any of the parties hereto with respect to such outstanding Letters of Credit (including, without limitation, any obligations related to the payment of Fees or the reimbursement or funding of amounts drawn), except that the Company, the resigning or replaced Letter of Credit Issuer and the successor issuer of Letters of Credit shall have the obligations regarding outstanding Letters of Credit described in clause (a) above.

3.7. Issuance By Affiliates. In the event that any Letter of Credit is issued by an Affiliate of a Letter of Credit Issuer on behalf of such Letter of Credit Issuer as contemplated by the definition of "Letter of Credit Issuer" all of the provisions of this Agreement applicable to Letter of Credit Issuers shall apply to and be enforceable by any such Affiliate.

SECTION 4. Fees; Commitments

4.1. Fees. (a) (i) The Company agrees to pay to the Administrative Agent in the Base Currency, for the account of each Lender (in each case *pro rata* according to the respective Commitments of all such Lenders), a commitment fee for each day from and including the Closing Date to but excluding the Termination Date. Such commitment fee shall be payable in arrears (x) on the last day of each March, June, September and December (for the three-month period (or portion thereof) ended on such day for which no payment has been received), (y) on the cancelled amount of the relevant Lender's Commitment on the date on which such Commitment is cancelled pursuant to this Agreement and (z) on the Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (x) above), and shall be computed for each day during such period at a rate per *annum* equal to the Commitment Fee Rate in effect on such day on the Available Commitments in effect on such day.

(ii) Notwithstanding the foregoing, (i) any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Company so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Company prior to such time, and (ii) no commitment fee shall accrue on any of the

Available Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) The Company agrees to pay to the Administrative Agent in the Base Currency for the account of the Lenders *pro rata* on the basis of their respective Letter of Credit Exposure, a fee in respect of each Letter of Credit (the "Letter of Credit Fee"), for the period from and including the date of issuance of such Letter of Credit to but excluding the termination date of such Letter of Credit computed at the *per annum* rate for each day equal to the Applicable LIBOR Margin for Loans minus 0.125% *per annum* on the average daily Stated Amount of such Letter of Credit. Such Letter of Credit Fees shall be due and payable quarterly in arrears on the last day of each March, June, September and December and on the date upon which the Total Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(c) The Company agrees to pay to the Administrative Agent in the Base Currency for the account of each Letter of Credit Issuer a fee in respect of each Letter of Credit issued by it (the "Fronting Fee"), for the period from and including the date of issuance of such Letter of Credit to but excluding the termination date of such Letter of Credit, computed at the rate for each day equal to 0.125% *per annum* on the average daily Stated Amount of such Letter of Credit (or at such other rate per annum as agreed in writing between the Company and the Letter of Credit Issuer). Such Fronting Fees shall be due and payable quarterly in arrears on the last day of each March, June, September and December and on the date upon which the Total Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(d) The Company agrees to pay directly to the Letter of Credit Issuer in the Base Currency upon each issuance of, drawing under, amendment and/or cancellation of, a Letter of Credit issued by it such amount as the Letter of Credit Issuer and the Company shall have agreed upon for issuances of, drawings under or amendments of, Letters of Credit issued by it.

4.2. Voluntary Reduction of Commitments. Upon at least three Business Days prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent at the Administrative Agent's Office (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Company (on behalf of each of the Borrowers) shall have the right, without premium or penalty, permanently to terminate or reduce the Commitments in whole or in part, provided that (a) any such reduction shall apply proportionately and permanently to reduce the Commitment of each of the Lenders, (b) any partial reduction pursuant to this Section 4.2 shall be in the amount of at least €5,000,000 and in integral multiples of €1,000,000 in excess thereof, (c) after giving effect to such termination or reduction and to any prepayments of the Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Credit Exposures shall not exceed the Total Commitment and (d) if, after giving effect to any reduction of the Commitments, the Singapore Dollar Sublimit, the L/C Sublimit or the Holdings Borrowing Limit exceeds the amount of the Total Commitments, such limit or sublimit (as applicable) shall be automatically reduced by the amount of such excess. The amount of any such reduction in the Total Commitment reduction shall not be applied to the Singapore Dollar Sublimit or the L/C Sublimit unless otherwise specified by the Company.

4.3. Mandatory Termination of Commitments. The Total Commitment shall terminate at 5:00 p.m. on the Maturity Date.

SECTION 5. Payments

5.1. Voluntary Prepayments. A Borrower shall have the right to prepay Loans, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (a) such Borrower shall give the Administrative Agent and at the Administrative Agent's Office written notice (or telephonic notice promptly confirmed in writing) of its intent to make such prepayment, the amount of such prepayment and (in the case of LIBOR Loans or

EURIBOR Loans) the specific Borrowing(s) to be prepaid, which notice shall be given by such Borrower no later than (i) in the case of EURIBOR Loans, 10:00 a.m. two Business Days prior to, or (ii) in the case of LIBOR Loans denominated (x) in Dollars, 10:00 a.m. three Business Days, and (y) in an Alternative Currency, 10:00 a.m. five Business Days prior to, the date of such prepayment and shall promptly be transmitted by the Administrative Agent to each of the Lenders; (b) each partial prepayment of any LIBOR Loans or EURIBOR Loans shall be in an integral multiple of €1,000,000 (or its equivalent in an Alternative Currency) and in an aggregate principal amount of at least €5,000,000 (or its equivalent in an Alternative Currency) and each partial prepayment of ABR Loans shall be in an integral multiple of $100,000 and in an aggregate principal amount of at least $500,000 or, in each case, if less, the entire principal amount thereof then outstanding, provided that no partial prepayment of Loans made pursuant to a single Borrowing shall reduce the outstanding Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount, and (c) any prepayment of LIBOR Loans or EURIBOR Loans pursuant to this Section 5.1 on any day other than the last day of an Interest Period applicable thereto shall be subject to compliance by the relevant Borrower with the applicable provisions of Section 2.11. Each such prepayment shall be applied to the Lenders' participation in each such Loan pro rata. At the relevant Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Loan of a Defaulting Lender.

5.2. Mandatory Prepayments and Cash Collateral. (a) If on any Revaluation Date the aggregate amount of the Lenders' Credit Exposures (such aggregate Credit Exposures, the "Aggregate Outstandings") exceeds 100% of the Total Commitment as then in effect, the Borrowers shall forthwith repay on such Revaluation Date a principal amount of Loans in an amount (in the Base Currency) equal to such excess. If, after giving effect to the prepayment of all outstanding Loans, the Aggregate Outstandings exceed the Total Commitment then in effect, the Company shall Cash Collateralize the then Letters of Credit Outstanding in an amount (in the Base Currency) equal to such excess.

(b) In addition to the obligations under clause (a) above:

(i) if, as of the L/C Maturity Date, there shall be any Letters of Credit Outstanding for any reason, the Company shall immediately Cash Collateralize the full amount of the then Letters of Credit Outstanding; and

(ii) if the Administrative Agent notifies the Company on any Revaluation Date that the Letters of Credit Outstanding (in the Base Currency) at such time exceeds the L/C Sublimit then in effect, then, within two Business Days after receipt of such notice, the Company shall Cash Collateralize the then Letters of Credit Outstanding in an amount equal to the amount by which the then Letters of Credit Outstanding exceeds the L/C Sublimit.

(c) As used herein, "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Letter of Credit Issuers and the Lenders, as collateral for the obligations of the Borrowers in respect of the Letters of Credit Outstanding, cash or deposit account balances pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Letter of Credit Issuers which documents are hereby consented to by the Lenders and which shall permit certain Investments in Permitted Investments satisfactory to the Administrative Agent, until the proceeds are applied to the Secured Obligations. Derivatives of such term have corresponding meanings. Each Borrower hereby grants to the Administrative Agent, for the benefit of each Letter of Credit Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at the Administrative Agent (or an Affiliate thereof).

(d) Any prepayment of a LIBOR Loan or EURIBOR Loan pursuant to this Section on a day other than the last day of the Interest Period applicable thereto shall be subject to compliance by the relevant Borrower with the applicable provisions of Section 2.11.

(e) With respect to each prepayment of Loans by a Borrower pursuant to Section 5.2(a), such Borrower may designate the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made, provided that (y) each prepayment of any Loans made pursuant to a Borrowing shall be applied *pro rata* among such Loans; and (z) notwithstanding the provisions of the preceding clause (y), no prepayment made pursuant to Section 5.2(a) of Loans shall be applied to the Loans of any Defaulting Lender. In the absence of a designation by the relevant Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(f) In lieu of making any payment pursuant to this Section 5.2 in respect of any LIBOR Loan or EURIBOR Loan other than on the last day of the Interest Period therefor and so long as no Event of Default shall have occurred and be continuing, the relevant Borrower, at its option may deposit with the Administrative Agent an amount equal to the amount of the LIBOR Loan or EURIBOR Loan to be prepaid and such LIBOR Loan or EURIBOR Loan (as the case may be) shall be repaid on the last day of the Interest Period therefor in the required amount with the proceeds of the amount so deposited. Such deposit shall be held by the Administrative Agent in a corporate time deposit account established on terms reasonably satisfactory to the Administrative Agent, earning interest at the then-customary rate for accounts of such type. Such deposit shall constitute cash collateral for the Secured Obligations, provided that the relevant Borrower may at any time direct that such deposit be applied to make the

applicable payment required pursuant to this Section 5.2 (subject, in all cases, to compliance by the relevant Borrower with Section 2.11).

5.3. Method and Place of Payment. (a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by each Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto or the Letter of Credit Issuer entitled thereto, as the case may be, not later than 12:00 Noon on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrowers, it being understood that written or facsimile notice by a Borrower to the Administrative Agent to make a payment from the funds in such Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of Loans (whether of principal, interest or otherwise) hereunder shall be made in the currency in which such amounts are denominated. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 12:00 noon on such day) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in the Base Currency Equivalent of such amount.

(b) Any payments under this Agreement that are made later than 1:00 p.m. shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, such extension of time shall be reflected in computing interest or fees (as the case may be) at the applicable rate in effect immediately prior to such extension.

5.4. Net Payments. (a) Any and all payments made by or on behalf of any Credit Party under this Agreement or any other Credit Document shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes; provided that if a Credit Party shall be required by law to deduct or withhold any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions or withholdings applicable to additional sums payable under this Section 5.4), the Administrative Agent, any Collateral Agent or any Lender, as the case may be, receives an amount equal to the after tax sum it would have received had no such deductions or withholdings been made, (ii) the relevant Credit Party shall make such deductions or withholdings and (iii) the relevant Credit Party shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. Whenever any Indemnified Taxes are payable by a Credit Party, as promptly as possible thereafter, such Credit Party shall send to the Administrative Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt in such form as provided in the ordinary course by the relevant Governmental Authority and as is reasonably available to the relevant Credit Party (or other evidence acceptable to such Lender, acting reasonably) received by such Credit Party showing payment thereof.

(b) Each Credit Party shall pay and shall jointly and severally indemnify and hold harmless, on an after tax basis, the Administrative Agent, each Collateral Agent and each Lender (whether or not such Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority) with regard to any Other Taxes.

(c) Each Credit Party shall jointly and severally indemnify and hold harmless, on an after tax basis, the Administrative Agent, each Collateral Agent and each Lender within 15 Business Days after written demand therefor, for the full amount of any Indemnified Taxes imposed on the Administrative Agent, each Collateral Agent or such Lender as the case may be, on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Upon the request of any Borrower, such Administrative Agent, Collateral Agent, or a Lender must provide details of how it calculated the amount of Indemnified Taxes for which it claimed liability under this Section 5.4. A certificate as to the amount of such payment or liability delivered to a Credit Party by a Lender or by the Administrative Agent or a Collateral Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error.

(d) Each Lender shall to the extent it is legally entitled to do so:

(i) upon the request of any Borrower or the Administrative Agent deliver to the Borrowers and the Administrative Agent two copies of any certification, information, documents or other evidence concerning the nationality, residence or identity of such Lender or make any declaration of similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, regulation or administrative practice of a relevant Governmental Authority as a precondition to exemption from all or a part of any Taxes, assessment or other governmental charge; and

(ii) deliver to the Borrowers and the Administrative Agent two further copies of any such form or certification (or any applicable successor form) on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to any Borrower;

unless in any such case any Change in Law has occurred prior to the date on which any such delivery would otherwise be required that renders any such form inapplicable or would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender so advises the Borrowers and the Administrative Agent. Each Person that shall become a Participant pursuant to Section 13.7 or a Lender pursuant to Section 13.7 shall, upon the effectiveness of the related transfer, be required to provide all the forms and statements required pursuant to this Section 5.4(d), provided that in the case of a Participant such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(e) If a Credit Party determines in good faith that a reasonable basis exists for contesting any taxes for which indemnification has been demanded hereunder or any other Credit Document, the relevant Lender, the Administrative Agent or a Collateral Agent, as applicable, shall cooperate with such Credit Party in challenging such taxes at such Credit Party's expense if so requested by such Credit Party. If any Lender, the Administrative Agent or a Collateral Agent, as applicable, receives a refund of, or determines that a Tax Credit is available to it with respect to, a tax for which a payment has been made by a Credit Party pursuant to this Agreement, which refund or Tax Credit in the good faith judgment of such Lender, the Administrative Agent or a Collateral Agent, as the case may be, is attributable to such payment made by such Credit Party, then the Lender, the Administrative Agent or a Collateral Agent, as the case may be, shall reimburse such Credit Party for such amount (together with any interest received thereon) as the Lender, the Administrative Agent or a Collateral Agent, as the case may be, determines to be the proportion of the refund or Tax Credit as will leave it, after such reimbursement, in no better or worse position (taking into account expenses or any taxes imposed on the refund) than it would have been in if the payment had not been required. A Lender, the Administrative Agent or a Collateral Agent shall claim any refund or Tax Credit that it determines is available to it, unless it concludes in its reasonable discretion that it would be adversely affected by making such a claim. Neither the Lender, the Administrative Agent nor any Collateral Agent shall be obliged to disclose any information regarding its tax affairs or computations to the any Credit Party in connection with this paragraph (e) or any other provision of this Section 5.4.

(f) The agreements in this Section 5.4 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

5.5. Computations of Interest and Fees. (a) Interest on LIBOR Loans, EURIBOR Loans and, except as provided in the next succeeding sentence, ABR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans in respect of which the rate of

interest is calculated on the basis of the Prime Rate and interest on overdue interest shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.

(b) Fees and Letters of Credit Outstanding shall be calculated on the basis of a 360-day year for the actual days elapsed.

5.6. Limit on Rate of Interest.

(a) No Payment shall exceed Lawful Rate. Notwithstanding any other term of this Agreement, no Borrower shall be obliged to pay any interest or other amounts under or in connection with this Agreement in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If a Borrower is not obliged to make a payment which it would otherwise be required to make, as a result of Section 5.6(a), such Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules and regulations.

(c) Adjustment if any Payment exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate any Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by any applicable Law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to, in the case of EURIBOR Loans and LIBOR Loans, the beginning of the relevant Interest Period or, in the case of ABR Loans, the relevant date, the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law, such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by such Borrower to the affected Lender under Section 2.8.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from any Borrower an amount in excess of the maximum permitted by any applicable Law, rule or regulation, then such Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to such Borrower.

5.7. Currency Indemnity

(a) If any sum due from a Credit Party under the Credit 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 that Credit Party; (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, in either case that Credit Party shall as an independent obligation, within three Business Days of demand, indemnify each Lender to whom that Sum is due 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) Each Credit Party waives any right it may have in any jurisdiction to pay any amount under the Credit Documents in a currency or currency unit other than that in which it is expressed to be payable.

SECTION 6. Conditions Precedent to Initial Borrowing

The occurrence of the initial Credit Event under this Agreement is subject to the satisfaction of the following conditions precedent (subject to the final paragraph of this Section 6), except as otherwise agreed in writing between the Company and the Administrative Agent. The Administrative Agent shall, upon such conditions precedent being satisfied, promptly confirm such satisfaction in writing to the Lenders and the Company.

6.1. Credit Documents. The Administrative Agent shall have received:

(a) this Agreement, executed and delivered by a duly authorized signatory of each Borrower and each Lender;

(b) the Guaranty, executed and delivered by a duly authorized signatory of each Guarantor;

(c) the Collateral Agency Agreement, executed and delivered by a duly authorized signatory of each party thereto; and

(d) each of the Security Documents set forth on Schedule 1.l(e), executed and delivered by a duly authorized signatory of each party thereto.

6.2. Acquisition Agreement. The Acquisition Agreement (which, solely for the purposes of this Section 6.2, shall mean the execution version of the Acquisition Agreement dated as of September 27, 2006), the Acquisition Side Letter (in the form in effect on the date hereof) and the other agreements, instruments and documents relating to the Transactions shall not, in any case, have been altered, amended or otherwise changed or supplemented or any condition therein waived, or any right or power exercised pursuant to Section 6.3 of the Acquisition Agreement, in a manner materially adverse to the Lenders without the prior written consent of the Joint Lead Arrangers. Evidence shall be provided that all conditions precedent to the Reorganization, Refinancing and the Acquisition (other than as to funding) have been satisfied and that the Reorganization, Refinancing and Acquisition have been (or will immediately after funding be) consummated in accordance with the terms of the Acquisition Agreement and the Acquisition Side Letter (in the form in effect on the date hereof) without any modification that is materially adverse to the Lenders (it being acknowledged and agreed that closing of the acquisition of the ownership interests in Jilin and ASMC in accordance with the terms of the Acquisition Agreement is not materially adverse to the Lenders); and that the Reorganization, to the extent not finalized on the date hereof (and except with respect to any actions or steps specifically contemplated in the schedules to the Acquisition Agreement or in the Acquisition Side Letter (in the form in effect on the date hereof) or to be taken after the Closing Date), be finalized in a manner that does not have a material adverse effect on the Guaranty and Liens created or to be created under the Security Documents, as a whole, from that contemplated under the Commitment Letter as of the date thereof (except with the prior written consent of the Joint Lead Arrangers).

6.3. Indebtedness. No Indebtedness or financing preferred stock of Holdings or its Subsidiaries to third parties shall remain outstanding as of the Closing Date (after giving effect to the Transactions) and no shareholder loans shall have been made without the consent of the Joint Lead Arrangers, other than (i) Indebtedness pursuant to this Agreement, (ii) the Bridge Facilities, (iii) the Senior Notes, (iv) Indebtedness outstanding on August 3, 2006, (v) Indebtedness owed to the Seller pursuant to the Acquisition Agreement which will be repaid in full to complete the Reorganization in accordance with the Acquisition Agreement and (vi) other Indebtedness not exceeding €50,000,000.

6.4. Solvency Certificate. On the Closing Date, the Administrative Agent shall have received a certificate from an Authorized Officer of the Company in a form

reasonably satisfactory to the Administrative Agent demonstrating that after giving effect to the consummation of the Transactions, the Company on a consolidated basis with its Subsidiaries is solvent.

6.5. Legal Opinions. The Administrative Agent shall have received the executed legal opinions of (a) Sullivan & Cromwell LLP, special New York counsel to the Borrowers, (b) Sullivan & Cromwell LLP, special German counsel to the Borrowers, (c) De Brauw Blackstone Westbroek N.V., special Dutch counsel to the Borrowers, (d) Davis Polk & Wardwell, special French counsel to the Lenders, (e) Slaughter and May, special Hong Kong counsel to the Lenders, (f) SyCip Salazar Hernandez & Gatmaitan, special Philippines counsel to the Lenders, (g) Allen & Gledhill, special Singapore counsel to the Lender, (h) Russin & Vecchi, special Taiwan counsel to the Lenders, (i) Linklaters, special Thailand counsel to the Lenders, and (j) Slaughter and May, special English counsel to the Lenders; in each case in a form and substance reasonably satisfactory to the Administrative Agent and, in each case, to the extent applicable to entities that are Credit Parties on the Closing Date. The Borrowers, the other Credit Parties and the Administrative Agent hereby instruct such counsel to deliver such legal opinions.

6.6. Closing Certificates. The Administrative Agent shall have received a certificate of each Credit Party, dated the Closing Date, substantially in the form of Exhibit D, with appropriate insertions, executed by the President or any Vice President and the Secretary or any Assistant Secretary of such Credit Party (or where customary in the relevant jurisdiction, executed by a director of such Credit Party), and attaching the documents referred to in Sections 6.7 and 6.8 below.

6.7. Corporate Proceedings of Each Credit Party. The Administrative Agent shall have received a copy of the resolutions, in form and substance satisfactory to the Administrative Agent, of the Board of Directors and, to the extent required under applicable Law or the organizational documents of any Credit Party, the shareholders and/or the supervisory board of directors of each Credit Party (or a duly authorized committee thereof) authorizing (a) the execution, delivery and performance of the Credit Documents (and any agreements relating thereto) to which it is a party and (b) in the case of the Borrowers, the extensions of credit contemplated hereunder.

6.8. Corporate Documents. The Administrative Agent shall have received true and complete copies of the certificate of incorporation, by-laws (or equivalent organizational documents) and, to the extent available in the relevant jurisdiction, an extract of the trade register of each Credit Party.

6.9. Collateral. All documents and instruments, including Uniform Commercial Code or other applicable personal property and fixture security financing statements, required by Law or reasonably requested by a Collateral Agent, as applicable, to be filed, registered or recorded in any relevant jurisdiction to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents, shall have been filed, registered or recorded or delivered to such Collateral Agent for filing, registration or recording, subject to the Agreed Security Principles.

6.10. Fees. The Agents and Lenders shall have received evidence that the fees in the amounts previously agreed in writing by the Agents and such Lenders to be received on the Closing Date and all expenses for which the Borrowers are responsible and in relation to which invoices have been presented prior to the Closing Date shall be paid on the Closing Date, and Holdings and its Subsidiaries that are party thereto shall have complied in all material respects with all of the other terms of the Fee Letter to be complied with on or before the Closing Date.

6.11. Bridge Loans and Senior Notes. The Administrative Agent shall have received satisfactory evidence of receipt by the Borrowers of (or the issuance by the Borrowers of irrevocable borrowing requests in respect of) not less than €1,500,000,000 and US$3,842,580,000 of cash proceeds from the advance of the Bridge Loans or the issuance of the Senior Notes.

6.12. Know Your Customer. The Lenders shall have received such documentation and other evidence as shall have been reasonably requested in order for each such Lender to carry out and be satisfied with the results of all necessary “know your customer” or other similar identification procedures.

Notwithstanding anything in this Section 6, to the extent any Liens over the intended Collateral or any action or deliverable related to the creation or perfection of Liens over the intended Collateral (other than any Collateral the Liens over which may be perfected by the filing of a UCC financing statement or, subject to the Agreed Security Principles, the delivery of stock certificates and the Security Document giving rise to the Lien therein) or any Guarantee is not provided on the Closing Date after use by the Borrowers and the other Credit Parties of commercially reasonable efforts to do so, the provision of any such Lien or deliverable or Guarantee shall not constitute a condition precedent to the initial Credit Event under this Agreement but shall be required to be delivered as soon as reasonably practicable, and in any event not later than 90 days or, in the case of the Security Documents set forth in paragraphs 5(b) and 5(c) of Schedule 6.12, seven months, after the Closing Date (or, in any such case, such longer period as may be agreed by the Administrative Agent with the consent of the Required Lenders); it being acknowledged and agreed that the Guarantees and Security Documents set forth on Schedule 6.12 shall not be provided on the Closing Date but shall be delivered within such period.

SECTION 7. Conditions Precedent to All Credit Events and Certain Funds

The agreement of each Lender to make any Loan requested to be made by it on any date and the obligation of the Letter of Credit Issuer to issue Letters of Credit on any date is subject to the satisfaction of the following conditions precedent:

7.1. No Default, Representations and Warranties. At the time of each Credit Event and also after giving effect thereto (subject to Section 7.3 in the case of Credit Events on the Closing Date) (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects with the same effect as though

such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

7.2. Notice of Borrowing, Letter of Credit Request. (a) Prior to the making of each Loan, the Administrative Agent shall have received a Notice of Borrowing (whether in writing or by telephone) meeting the requirements of Section 2.3.

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified above exist as of that time.

7.3. Certain Funds. Subject only to satisfaction of the conditions set forth in Section 6, during the period from and including the date of this Agreement to and including the earlier of March 31, 2007 and the Closing Date (the "Certain Funds Period") and notwithstanding any other provision of the Credit Documents to the contrary, no Lender may refuse to lend in accordance with its obligations under this Agreement, cancel any of its Commitment, exercise any right to rescission, termination or similar right or remedy or any other right of enforcement which it may have in relation to its rights and obligations under this Agreement, accelerate, make demand or cause or require repayment or prepayment of any Loan or exercise any right of set-off or counterclaim in respect of any facility unless:

(a) any Major Default is continuing unremedied and unwaived;

(b) it is unlawful for that Lender to perform any of its obligations under the Credit Documents;

(c) any termination right which may be exercised by the Company or Holdings has arisen under the Acquisition Agreement unless the Lenders have agreed that the Company or Holdings may not exercise such right (other than such right waived consistent with Section 6.2); or

(d) a Change of Control occurs,

provided that upon the expiry of the Certain Funds Period (subject to the Clean-up Period) all such rights, remedies and entitlements shall be available to the Lenders notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

SECTION 8. Representations, Warranties and Agreements

In order to induce the Lenders and Letter of Credit Issuers to enter into this Agreement, to make the Loans and issue or participate in Letters of Credit as provided for herein,

each Borrower makes the following representations and warranties to, and agreements with, the Lenders, each Agent, each Letter of Credit Issuer, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit:

8.1. Organization; Powers. Each of the Credit Parties (a) is a partnership, limited liability company, exempted company or corporation duly organized, validly existing and in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States) under the laws of the jurisdiction of its organization and (b) has the power and authority to execute, deliver and perform its obligations under each of the Credit Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrowers, to borrow and otherwise obtain credit hereunder.

8.2. Authorization. The execution, delivery and performance by each of the Credit Parties of each of the Credit Documents to which it is a party, and the borrowings and extensions of credit hereunder (a) have been duly authorized by all corporate, stockholder, shareholder, limited liability company or partnership action required to be obtained by each Credit Party and (b) will not (i) violate (A) any material provision of any material law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of any Credit Party, (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority or (C) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which any Credit Party is a party or by which any or any of their property is or may be bound, except for any such conflict, breach or default described in this paragraph (C) that could not reasonably be expected to have a Material Adverse Effect or otherwise have a material adverse effect on the rights and remedies of the Lenders under the Credit Documents, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) or to a loss of a benefit under any such indenture, certificate of designation for preferred stock, agreement or other instrument, except for any such conflict, breach or default described in this sub-clause (ii) that could not reasonably be expected to have a Material Adverse Effect or otherwise have a material adverse effect on the rights and remedies of the Lenders under the Credit Documents, or (iii) result in the creation or imposition of any Lien upon or with respect to any material property or assets now owned or hereafter acquired by any Credit Party.

8.3. Enforceability. This Agreement has been duly executed and delivered by each Credit Party party hereto and constitutes, and each other Credit Document when executed and delivered by each Credit Party that is party thereto will constitute, a legal, valid and binding obligation of such Credit Party enforceable against each such Credit Party in accordance with its terms, subject to Debtor Relief Laws and to general principles of equity.

8.4. Governmental Approvals; Other Consents. No action, consent or approval of, registration or filing with or any other action by, any Governmental Authority or any other Person is or will be required in connection with the execution, delivery and performance of the Credit Documents, except for (a) such as have been made or obtained and are in full force and effect, (b) filings necessary to perfect the Liens on the Collateral granted by the

Credit Parties in favor of the Secured Parties and (c) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect.

8.5. Federal Reserve Regulations. (a) No Credit Party nor any Restricted Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan or the issue of any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of Regulation U or Regulation X.

8.6. Investment Company Act. No Credit Party nor any Restricted Subsidiary is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

8.7. Use of Proceeds. The proceeds of the Loans and the issuance of Letters of Credit will be used for general corporate purposes not in contravention of any law or any Credit Document, provided that any Loans made on the Closing Date shall be used solely for working capital purposes.

8.8. Solvency. (a) (i) Immediately after giving effect to the Transactions, (A) the fair value of the assets of Holdings and its Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, direct, subordinated, contingent or otherwise, of Holdings and its Subsidiaries on a consolidated basis, respectively; (B) the present fair saleable value of the property of Holdings and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of Holdings and its Subsidiaries on a consolidated basis on their debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (C) Holdings and its Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (D) Holdings and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the Closing Date and (ii) after giving effect to the Transactions, each Credit Party (A) has not ceased, and does not expect that it will cease, making payments on its liabilities when due and (B) can, and expects that it can, obtain credit in the ordinary course of business.

(b) No Credit Party intends to, and does not believe that it or any of the Restricted Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing and amounts of cash to be received by it or any such Subsidiary and the timing and amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

8.9. Financial Statements; No Material Adverse Effect. (a) The audited financial statements of the Company and the semiconductors business of the Seller as at

December 31, 2005 and for the fiscal year then ended together with the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present, in all material respects, the combined financial condition of the Company and the semiconductors business of the Seller as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The unaudited consolidated balance sheets of the Company and the semiconductors business of the Seller as at June 30, 2006 and for the period then ended, and the related consolidated statements of income or operations, shareholders' equity and cash flows together with the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present, in all material respects, the combined financial condition of the Company and the semiconductors business of the Seller as of the date thereof and their results of operations for the period covered thereby, subject, in the case of sub-clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the audited financial statements described in clause (a) above, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

8.10. Litigation. Except as specifically disclosed on Schedule 8.10, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrowers, threatened in writing, at law, in equity, in arbitration or before any governmental authority, by or against Holdings or any of its Subsidiaries or against any of their properties or revenues that either individually or in the aggregate, have had or could reasonably be expected to have a Material Adverse Effect.

8.11. No Default. Neither Holdings nor any Subsidiary thereof is in default under any contractual obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.12. Ownership of Properties; Liens. Holdings and each Subsidiary thereof has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of Holdings and its Subsidiaries is subject to no Liens, other than Permitted Liens and Permitted Collateral Liens.

8.13. Environmental Compliance. Holdings and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof to the best knowledge of Holdings, except as specifically disclosed in Schedule 8.13, such Environmental Laws and

claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.14. Taxes. Except as could not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, Holdings and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those (a) which are not overdue by more than 30 days or (b) which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

8.15. Subsidiaries; Equity Interests. As of the Closing Date, Holdings has no Subsidiaries other than those specifically disclosed in Schedule 8.15, and (except as disclosed on such Schedule) all of the outstanding equity interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by Holdings or a Subsidiary thereof in the amounts specified in Schedule 8.15 free and clear of all Liens other than (a) those created under the Security Documents and (b) any Permitted Lien. As of the Closing Date, neither Holdings nor any of its Subsidiaries has any equity investments in any other corporation or entity other than those specifically disclosed in Schedule 8.15.

8.16. No Material Misstatements. All written information (other than projections) (the "Information") furnished by or on behalf of any Credit Party to any Lenders or the Administrative Agent in connection with the Transactions (as such Information may have been supplemented in writing prior to the Closing Date) or the other transactions contemplated by the Credit Documents, when taken as a whole, was true and correct in all material respects, as of the date such Information was furnished to the Lenders or the Administrative Agent (as the case may be) and (in the case of such Information delivered prior to the Closing Date) as of the Closing Date and did not contain any material misstatement of fact as of any such date or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made; provided that, with respect to projected financial information and pro forma financial information, the Credit Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation; it being understood that such projections may vary from actual results and that such variances may be material.

8.17. Compliance With Laws. Holdings, the Company and each of its Restricted Subsidiaries is in compliance in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Without limitation of the foregoing, Holdings, the Company and each of its Restricted Subsidiaries is in compliance (i) with all applicable provisions of law and all applicable regulations and published interpretations thereunder with respect to any employee pension benefit plan or other social security and employee benefit plan governed by

the laws in any jurisdiction in which it operates and (ii) with the terms of any such plan, except, in each case, for (x) such requirement of law, applicable regulation, published interpretations or plan term is being contested in good faith by appropriate proceeding diligently conducted; or (y) such noncompliance that could not reasonably be expected to have a Material Adverse Effect.

8.18. Intellectual Property Licenses. Holdings, the Company and its Restricted Subsidiaries own, license or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses as currently conducted, without conflict with the rights of any other person, except to the extent such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the best knowledge of Holdings, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by Holdings or any Subsidiary infringes upon any rights held by any other person, except to the extent such infringements, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Except as specifically disclosed in Schedule 8.18, no claim or litigation regarding any of the foregoing is pending or, to the knowledge of Holdings, threatened in writing, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 9. Affirmative Covenants

Each Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments and each Letter of Credit have terminated and the Loans and Unpaid Drawings, together with interest, Fees and all other Secured Obligations incurred hereunder, are paid and performed in full:

9.1. Financial Statements. The Company will deliver to the Administrative Agent for prompt further distribution to each Lender:

(a) as soon as available, but in any event on or before the date on which such financial statements would be required to be filed with the SEC but no later than 120 days after the end of the fiscal year (or, if such financial statements are not required to be filed with the SEC, within 120 days after the end of each fiscal year of the Company) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of KPMG, Ernst & Young or another registered public accounting firm of internationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event on or before the date on which such financial statements would be required to be filed with the SEC (or, if such financial statements

are not required to be filed with the SEC, within 60 days (or 90 days in the case of the fiscal quarter ending September 30, 2006) after the end of each of the first three fiscal quarters of each fiscal year of the Company) beginning with the fiscal quarter ending September 30, 2006 a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Company's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year (provided that information for prior year interim periods ending prior to the Closing Date may be based on management reports), all in reasonable detail and, other than in the case of the financial statements included in the quarterly report for the fiscal quarter ended September 30, 2006, certified by the chief executive officer, chief financial officer, treasurer or controller of the Company as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Company and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes. The financial statements included in the quarterly report for the fiscal quarter ended September 30, 2006 shall be prepared on the same basis as the unaudited financial statements for the six months ended June 30, 2006 included in the offering memorandum relating to the Senior Notes Offering with such pro forma adjustments thereto as management believes appropriate in relation to the allocation of costs and expenses, and shall include a statement of cash flows prepared on a consistent basis with the income statement and balance sheet;

(c) as soon as available, but in any event within, in the case of the fiscal year of the Company commencing on January 1, 2007, 120 days after the commencement of such fiscal year and, thereafter, 90 days after the commencement of each fiscal year of the Company, forecasts prepared by management of the Company, in reasonable detail as customarily prepared by management of the Company for their internal use, of consolidated balance sheets and statements of income or operations and cash flows of the Company and its Subsidiaries for such fiscal year (including the fiscal year in which the maturity date occurs).

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by the clauses (a) and (b) above shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) above may be satisfied with respect to financial information of the Company and its Subsidiaries by

furnishing (i) the applicable financial statements of Holdings (or any direct or indirect parent of Holdings) or (ii) the Company's or Holdings' (or any direct or indirect parent thereof), as applicable, Form 20-F or 6-K, as applicable, filed with the SEC; provided that, with respect to each of sub-clauses (i) and (ii), (A) to the extent such information relates to Holdings (or a parent thereof), such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to Holdings (or such parent), on the one hand, and the information relating to the Company and its Subsidiaries on a standalone basis, on the other hand and (B) to the extent such information is in lieu of information required to be provided under this Section 9.1, such materials are accompanied by a report and opinion of an independent registered public accounting firm of internationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

9.2. Certificates; Other Information. The Company will deliver to the Administrative Agent for prompt further distribution to each Lender:

(a) not later than 5 Business Days after the delivery of the financial statements referred to in Section 9.1(a), a certificate of the registered public accounting firm certifying such financial statements; and

(b) not later than 5 Business Days after the delivery of the financial statements referred to in Section 9.1(a) and 9.1(b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Company.

Documents required to be delivered pursuant to Section 9.1(a) or 9.1(b) above may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (a) on which Holdings or the Company posts such documents, or provides a link thereto on Holdings' or the Company's website on the internet at the website address listed on Schedule 9.2; or (b) on which such documents are posted on Holdings' or the Company's behalf on an internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) upon written request by the Administrative Agent, Holdings or the Company shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender that requests Holdings or the Company to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) Holdings or the Company shall notify the Administrative Agent for further notification to each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance Company shall be required to provide paper copies of the Compliance Certificates to the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

9.3. Notices. (a) Each Borrower will, or will cause the relevant Subsidiary (other than Jilin and SSMC or any other Unrestricted Subsidiary) to, promptly after a Responsible Officer of the Company or such Subsidiary obtains knowledge thereof, notify the Administrative Agent:

(i) of the occurrence of any Default; and

(ii) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (A) breach or non-performance of, or any default under, a contractual obligation of Holdings or any Subsidiary thereof; (B) any dispute, litigation, investigation, proceeding or suspension between Holdings or any Subsidiary thereof and any Governmental Authority; or (C) the commencement of, or any material development in, any litigation or proceeding affecting Holdings or any Subsidiary thereof, including pursuant to any applicable Environmental Laws, which, in any such case, has resulted or could reasonably be expected to result in a Material Adverse Effect.

(b) Each notice pursuant to this Section 9.3 shall be accompanied by a statement of a Responsible Officer of the Company setting forth material details of the occurrence referred to therein and stating what action the Company or the relevant Subsidiary has taken and proposes to take with respect thereto.

9.4. Payment of Obligations. Each Borrower will, and will cause each of its Restricted Subsidiaries to, pay and discharge as the same shall become due and payable, all its obligations and liabilities in respect of taxes, assessments and governmental charges or levies upon it or its properties or assets, unless (a) the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves, if any, in accordance with GAAP are being maintained by Holdings or such Restricted Subsidiary; or (b) the failure to pay or discharge the same could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.5. Preservation of Existence; Assets. Each Borrower will, and will cause each of its Restricted Subsidiaries to:

(a) preserve, renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization, except to the extent the failure to do so could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except (i) to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect or (ii) pursuant to a transaction permitted by Section 10.9 or 10.10; and

(c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non preservation of which could reasonably be expected to have a Material Adverse Effect.

9.6. Maintenance of Properties. Each Borrower will, and will cause each of its Restricted Subsidiaries to, maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted and casualty and condemnation excepted, and make all necessary repairs thereto and renewals and replacements thereof (in accordance with prudent industry practice) except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

9.7. Maintenance of Insurance. Each Borrower will, and will cause each of its Restricted Subsidiaries to, maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated persons engaged in the same or similar businesses as the Company and its Restricted Subsidiaries) as are customarily carried under similar circumstances by such other persons.

9.8. Compliance with Laws. Each Borrower will, and will cause each of its Restricted Subsidiaries to, comply in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect. Without limitation of the foregoing, Holdings and each of its Restricted Subsidiaries shall at all times comply (i) with all applicable provisions of law and all applicable regulations and published interpretations thereunder with respect to any employee pension benefit plan or other social security and employee benefit plan governed by the laws in any jurisdiction in which it operates and (ii) with the terms of any such plan (including funding obligations thereunder), except, in each case, for (x) such requirement of law, applicable regulation, published interpretations or plan term is being contested in good faith by appropriate proceeding diligently conducted; or (y) such noncompliance that could not reasonably be expected to have a Material Adverse Effect.

9.9. Inspection Rights. Each Borrower will, and will cause each of its Restricted Subsidiaries to, permit representatives and independent contractors of the Administrative Agent and the Required Lenders to visit and inspect any of its properties, to examine its corporate, financial and operating records, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Holdings; provided, however, that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Required Lenders under this Section 9.9 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of an Event of Default and for one such time the reasonable expenses of the Administrative Agent in connection with such visit and inspection shall be for the Company's account; provided further that when an Event Of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent

contractors) may do any of the foregoing at the reasonable expense of the Company at any time during normal business hours and upon reasonable advance notice.

9.10. Use of Proceeds. Each Borrower will use the proceeds of the extensions of credit under this Agreement for general corporate purposes not in contravention of any law or any Credit Document.

9.11. Guarantees by Holdings and Restricted Subsidiaries. (a) Subject to the Agreed Security Principles, all existing Wholly Owned Subsidiaries (other than an Immaterial Subsidiary and the Co-Borrower) will fully and unconditionally guarantee this Agreement. If the Company or any of its Restricted Subsidiaries acquires or creates a Wholly Owned Subsidiary (other than an Immaterial Subsidiary) after the Closing Date and the issuance of a Guarantee by such Guarantor is not precluded by the Agreed Security Principles, the new Restricted Subsidiary must, within 30 days (or such longer period as the Administrative Agent may agree in writing) after becoming a Restricted Subsidiary, provide a Guarantee of this Agreement by executing a supplement to the Guaranty in the form attached thereto.

(b) The obligations of each Guarantor under the Guaranty will be limited to the maximum amount that would not render the Guarantors obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law.

(c) The obligations of a Guarantor under the Guaranty will terminate upon:

(i) a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Company or a Restricted Subsidiary), in each case, as permitted by this Agreement;

(ii) the designation in accordance with this Agreement of the Guarantor as an Unrestricted Subsidiary;

(iii) to the extent that the Guarantor is not an Immaterial Subsidiary due to the operation of clause (a) of the definition of “Immaterial Subsidiary”, upon the release of the guarantee referred to in such clause; or

(iv) repayment in full of all amounts due and payable under the Credit Documents and cancellation of Commitments hereunder.

9.12. Additional Liens and Security Interests. (a) Subject to the Agreed Security Principles, within 60 days (or such longer period as the Administrative Agent may agree in writing) after (i) any Restricted Subsidiary becomes a Guarantor in accordance with Section 9.11 or (ii) any Credit Party acquires any material property that is not automatically subject to a perfected security interest under the Security Documents, the relevant Credit Party shall, in each case at its sole cost and expense, duly execute and deliver to the Administrative Agent such mortgages, security agreement supplements and other security documents, as reasonably

specified by and in form and substance reasonably satisfactory to the Administrative Agent (in form and scope, and covering such collateral on such terms, in each case consistent with the mortgages, security agreements and other security documents in effect on the Closing Date), granting a security interest in favor of the Secured Parties, and take such additional actions (including the giving of notices, the filing of statements and the provision of all instruments and documents reasonably requested by the Administrative Agent) to perfect and protect the security interests of the Secured Parties under the Security Documents. Notwithstanding the foregoing, no Credit Party shall be required to provide a security interest pursuant to this Section 9.12 (x) except as provided in Section 9.16, in cash or bank accounts prior to the occurrence of an Enforcement Event, (y) if the Agreed Security Principles would not so require or (z) over assets or properties that are not subject to Liens under the Security Documents specifically set forth on Schedule 1.1(e) (whether or not such Security Documents shall have been executed on the Closing Date) as a result of the application of the Agreed Security Principles. Any security interest provided pursuant to this Section 9.12 shall be accompanied with such opinions of counsel to the Company as customarily given by borrower’s counsel in the relevant jurisdiction, in form and substance customary for such jurisdiction. The Company will use reasonable endeavors to procure that its counsel in any relevant jurisdiction provides a legal opinion in respect of any such security interest.

(b) The obligations of a Credit Party under the Security Documents to which it is a party will terminate upon:

(i) such Credit Party ceasing to be a Guarantor in accordance with Section 9.1l(c);

(ii) except in the case of Holdings, the designation in accordance with this Agreement of such Credit Party as an Unrestricted Subsidiary; or

(iii) payment and performance in full of the Secured Obligations and the cancellation of Commitments hereunder.

(c) The assets or property of a Credit Party forming part of the Collateral shall be released from the Lien created under any Security Document to which such Credit Party is a party upon the sale or disposition of such assets or property (other than to the Company or a Restricted Subsidiary) in a transaction permitted by this Agreement (other than a sale or disposition subject to Section 10.9 or 10.10(c)).

9.13. Further Assurances. Subject to the Agreed Security Principles, promptly upon request by the Administrative Agent, (a) correct any material defect or error that may be discovered in any Credit Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, may reasonably require from time to time in order to carry out more effectively the purposes of any Credit Document.

9.14. Insurance Endorsements. Within 10 Business Days (or 30 days in the case of the Guarantor organized under the laws of Thailand) after the Closing Date and the end of each calendar year, the Lenders shall have received endorsements naming the relevant Collateral Agent, on behalf of the Lenders, as an additional insured or loss payee, as the case may be, under all material insurance policies to be renewed following the Closing Date or entered into prior to the end of such fiscal year with respect to the properties of Holdings and its Subsidiaries forming part of the Collateral.

9.15. Equal and Ratable Security. In the event that assets of the Guarantor organized under the laws of the Philippines or the Capital Stock in such Guarantor are provided as security (other than through sharing the benefit of any conditional assignment granted by such a Guarantor on the Closing Date) for Indebtedness referred to in Section 10. l(b)(i), 10.1(b)(iv), 10.1(b)(xi) or 10.1(b)(xiii) in excess of an aggregate of €25,000,000, then the Company shall, or shall cause the relevant Restricted Subsidiary to, provide that the obligations of the Borrowers under the Credit Documents are secured equally and ratably with all the Indebtedness that causes that threshold to be exceeded, for so long as such Indebtedness is so secured.

9.16. Security Over Cash and Bank Accounts. (a) On or before the Closing Date the Company shall establish bank accounts held, in each case, with the Global Collateral Agent in London and denominated in US Dollars, Euros and Sterling (each an "Initial Secured Account" and together the "Initial Secured Accounts") and shall, on the Closing Date, deposit a nominal amount into each Initial Secured Account.

(a) Upon the occurrence and during the continuance of an Enforcement Event the Company shall, and shall procure that each of its Restricted Subsidiaries shall (i) pay the proceeds of the sale or collection of Collateral to a bank account or bank accounts that do not contain other cash of the Company or the relevant Restricted Subsidiary (as the case may be) that is not the proceeds of Collateral, (ii) not commingle the proceeds of Collateral with other cash of the Company or the relevant Restricted Subsidiary and (iii) pay the proceeds of Collateral denominated in US Dollars, Sterling and Euros that are paid to, or received by, the Company or a Restricted Subsidiary promptly to the relevant Initial Secured Account and, to the extent practicable, direct counterparties to pay the proceeds of Collateral directly to the relevant Initial Secured Account.

(b) Upon the occurrence and during the continuance of an Enforcement Event, the Company shall, and shall procure that each of its Restricted Subsidiaries shall, grant, subject to the Agreed Security Principles, a perfected Lien in all bank accounts held by the Company or any Restricted Subsidiary to which proceeds of Collateral are paid, to the extent of the proceeds of such Collateral (any such account, an "Additional Secured Account", and together with the Initial Secured Accounts, the "Secured Accounts"); provided that, to the extent any of the Additional Secured Accounts are or become part of the bank accounts used in the cash management system of the Company, the Company and its Restricted Subsidiaries shall each be entitled to grant a Lien over the Additional Secured Accounts in favor of the bank providing cash management facilities to secure the Company's obligations to such bank, which Lien shall rank equally and ratably with the Lien created in favor of the Global Collateral Agent.

SECTION 10. Negative Covenants

Holdings and each Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments and each Letter of Credit have terminated and the Loans and Unpaid Drawings, together with interest, Fees and all other Secured Obligations incurred hereunder, are paid and performed in full:

10.1. Limitation on Indebtedness. (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that after the expiry of the Bridge Period the Company and any of the Guarantors may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.0.

(b) Clause (a) will not prohibit the Incurrence of the following Indebtedness:

(i) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (A) €750,000,000, plus (B) in the case of any refinancing of any Indebtedness permitted under this sub-clause (i) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(ii) (A) (1) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Guarantor and (2) co-issuance by the Co-Borrower of any Indebtedness of the Company, in each case so long as the Incurrence of such Indebtedness is permitted under this Agreement; or

(B) without limiting Section 10.3, Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under this Agreement;

(iii) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; provided, however, that:

(A) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary of the Company; and

(B) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary of the Company,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

(iv) Indebtedness represented by (A) the Bridge Loans issued on the Closing Date and exchange notes issued in respect thereof or the Senior Notes issued on or after the Closing Date, (B) any Indebtedness (other than Indebtedness described in sub-clauses (i) and (iii) above) outstanding on the Closing Date, (C) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this sub-clause (iv) or sub-clauses (v), (vii), or (xi) below or Incurred pursuant to clause (a) above, (D) Management Advances and (E) obligations arising under a declaration of joint and several liability in respect of a Restricted Subsidiary used for the purpose of section 2:403 of the Dutch Civil Code *(Burgerlijk Wetboek)* (and any residual liability under such declaration arising pursuant to section 2:404(2) of the Dutch Civil Code) to the extent that such obligations constitute Indebtedness;

(v) Indebtedness of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary of the Company or another Restricted Subsidiary of the Company or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition); provided, however, with respect to this sub-clause (v), that at the time of such acquisition or other transaction (x) the Company would have

been able to Incur €1.00 of additional Indebtedness pursuant to clause (a) above after giving effect to the Incurrence of such Indebtedness pursuant to this sub-clause (v), or (y) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(vi) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company);

(vii) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, and in each case any Refinancing Indebtedness in respect thereof, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (vii) and then outstanding, will not exceed at any time outstanding the greater of (A) €100,000,000 and (B) 1% of Total Assets;

(viii) Indebtedness in respect of (A) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds,

instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, (B) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (C) the financing of insurance premiums in the ordinary course of business and (D) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(ix) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); provided that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(x) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence;

(B) Customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(C) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(D) Indebtedness incurred by a Restricted Subsidiary in connection with bankers acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a recourse basis;

(xi) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (xi) and then outstanding, will not exceed €450,000,000;

(xii) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this sub-clause (xii) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Closing Date; provided, however, that (A) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under clause (a) above and Sections 10.2(c)(i), (vi), and (x) to the extent the Company and its Restricted Subsidiaries incur Indebtedness in reliance thereon, and (B) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this sub-clause (xii) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under Section 10.2 and Sections 10.2(c)(i), (vi), and (x) in reliance thereon;

(xiii) Indebtedness of Non-Guarantor Restricted Subsidiaries incurred as a result of (A) any governmental or regulatory restrictions, limitations or penalties in the nature of capital controls, exchange controls or similar restrictions affecting the incurrence or repayment of intercompany Indebtedness by any Restricted Subsidiary or (B) any ordinary course country risk management policies of the Company restricting or limiting transfers or distributions from the Company or any Restricted Subsidiary to the Company or any Restricted Subsidiary, provided that the principal amount of such Indebtedness so incurred when aggregated with other Indebtedness previously incurred in reliance on this sub-clause (xiii) and still outstanding shall not in the aggregate exceed €350,000,000; and

(xiv) the guarantee by the Company or a Restricted Subsidiary of Debt of any Person in which the Company or a Restricted Subsidiary has beneficial ownership of 15% or more of the Voting Stock in respect of performance, bid or surety bonds issued by or on behalf of any such Person in the

ordinary course of business in an aggregate amount, together with all other guarantees of the Company outstanding pursuant to this sub-clause (xiv) on the date of such incurrence, not to exceed €15,000,000.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Section 10.1:

(i) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in clauses (a) and (b) above, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the sub-clauses of clause (b) or clause (a);

(ii) all Indebtedness outstanding on the Closing Date under this Agreement shall be deemed initially Incurred on the Closing Date under clause (b)(i) above and not

clause (a) or clause (b)(v)(B) above, and may not be reclassified pursuant to sub-clause (i) above;

(iii) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(iv) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (b)(i), (vii), (xi), (xii) or (xiii) or clause (a) above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(v) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(vi) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(vii) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

(d) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, will not be deemed to be an Incurrence of Indebtedness for purposes of this Section 10.1.

(e) The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (ii) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

(f) If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this Section 10.1 the Company shall be in Default of this covenant).

(g) For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Base Currency Equivalent of the principal

amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; provided that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Base Currency Equivalent of the principal amount of any such Indebtedness outstanding on the Closing Date shall be calculated based on the relevant currency exchange rate in effect on the Closing Date; and (iii) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated in euros, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Base Currency Equivalent of such amount plus the Base Currency Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

(h) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this Section 10.1 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

(i) If the Company adopts the US Dollars as its reporting currency, it may elect irrevocably to convert all Euro-denominated restrictions into US Dollar-denominated restrictions at the applicable Exchange Rate prevailing on the date of such election, and all references in this Agreement to determining Base Currency Equivalents and Base Currency amounts shall apply mutatis mutandis as though referring to US Dollars.

10.2. Limitation on Restricted Payments. (a) The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(i) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

(A) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

(B) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a pro rata basis, measured by value);

(ii) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary of the Company (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(iii) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (A) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (B) any Indebtedness Incurred pursuant to Section 10.1(b)(iii)) or any Subordinated Shareholder Funding; or

(iv) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in sub-clauses (i) through (iv) above are referred to herein as a "Restricted Payment"), in the case of any payment described in sub-clauses (i), (ii) or (iii) at any time during the Bridge Period. If such payment is a Restricted Investment or, in the case of any such payment after the expiry of the Bridge Period, such payment may be made unless, at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(A) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(B) the Fixed Charge Coverage Ratio would not exceed 2.00 to 1.00 after giving effect, on a pro forma basis, to such Restricted Payment; or

(C) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Closing Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (c)(vi), (x), (xi), and (xii), but excluding all other Restricted Payments permitted by clause (c)) would exceed the sum of (without duplication):

(1) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing after the Closing Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which

internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(2) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with clause (b) below) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Closing Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Closing Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (c)(vi) below, and (z) Excluded Contributions);

(3) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with clause (b) below) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Closing Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with clause (b) below) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange);

(4) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(a) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted

Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(b) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this sub-paragraph (4), was included in the calculation of the amount of Restricted Payments; provided, however, that no amount will be included in Consolidated Net Income for purposes of sub-paragraph (1) above to the extent that it is (at the Company's option) included under this sub-paragraph (4); and

(5) the amount of the cash and fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(a) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(b) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary;

provided, however, that no amount will be included in Consolidated Net Income for purposes of sub-paragraph (1) above to the extent that it is (at the Company's option) included under this sub-paragraph (5) above; provided further, however, that such amount shall not exceed the amount included in the calculation of the amount of Restricted Payments.

(b) The fair market value of property or assets other than cash covered by clause (a) above shall be the fair market value thereof as determined in good faith by the Board of Directors of the Company or the relevant Restricted Subsidiary.

(c) Clause (a) above will not prohibit any of the following (collectively, "Permitted Payments"):

(i) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock, Disqualified Stock, Designated Preference Shares, Subordinated Shareholder Funding or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (a)(iv)(C)(2) above;

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to Section 10.1;

(iii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 10.1, and that in each case, constitutes Refinancing Indebtedness;

(iv) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(A) (1) from Net Available Cash to the extent permitted under Section 10.5, but only if the Company shall have first complied with Section 10.5 and purchased all Loans tendered pursuant to any offer to repurchase all the Loans required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (2) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(B) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (1) if the Company shall have first paid in full all amounts due under this Agreement as a result of such Change of Control and purchased all Loans tendered pursuant to the

offer to repurchase all the Loans required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (2) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(C) (1) consisting of Acquired Indebtedness (other than Indebtedness Incurred (x) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (y) otherwise in connection with or contemplation of such acquisition) and (2) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(v) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this provision;

(vi) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors: provided that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (A) €40,000,000 plus (B) €20,000,000 multiplied by the number of calendar years that have commenced since the Closing Date plus (C) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Closing Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (C), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (a)(iv)(C)(2) above;

(vii) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with Section 10.1;

(viii) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants

or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(ix) dividends, loans, advances or distributions to any Parent or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

(A) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

(B) amounts constituting or to be used for purposes of making payments (1) in connection with, and of fees and expenses Incurred in connection with, the Transactions or (2) to the extent specified in Sections 10.6(c)(ii), (iii), (v), (vii) and (xii).

(x) so long as no Default or Event of Default has occurred and is continuing (or would result from), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (A) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company and (B) following the Initial Public Offering, an amount equal to the greater of (1) the greater of (x) 7% of the Market Capitalization and (y) 7% of the IPO Market Capitalization; provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 2.75 to 1.00 and (2) the greater of (x) 5% of the Market Capitalization and (y) 5% of the IPO Market Capitalization; provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio shall be equal to or less than 3.25 to 1.00;

(xi) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed €200,000,000; provided that during the Bridge Period, such amounts may only be applied to make Restricted Investments;

(xii) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock, provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors);

(xiii) Investments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this sub-clause (xiii);

(xiv) [Reserved];

(xv) [Reserved];

(xvi) (A) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Closing Date; and (B) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent issued after the Closing Date; provided,

however, that, in the case of paragraphs (A) and (B), the amount of all dividends declared or paid pursuant to sub-clause (xvi) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of the Company, from the issuance or sale of such Designated Preference Shares;

(xvii) [Reserved];

(xviii) dividends or other distributions of Capital Stock of Unrestricted Subsidiaries (unless the Unrestricted Subsidiary's principal asset is cash and Cash Equivalents or to the extent the assets owned by such Unrestricted Subsidiary were contributed in contemplation to such dividend or distribution); and

(xix) [Reserved].

(d) The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Company acting in good faith.

10.3. Limitation on Liens. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien (other than Permitted Liens or, in the case of assets constituting Collateral, Permitted Collateral Liens) upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Company), whether owned on the Closing Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien secures any Indebtedness.

10.4. Limitation on Restrictions on Distributions from Restricted Subsidiaries. (a) The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;

(ii) make any loans or advances to the Company or any Restricted Subsidiary; or

(iii) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) Clause (a) above will not prohibit:

(i) any encumbrance or restriction pursuant to (A) any Credit Facility (including the Credit Documents and the Bridge Facilities) or (B) any other agreement or instrument, in each case, in effect at or entered into on the Closing Date;

(ii) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this sub-clause (ii), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(iii) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in sub-clause (i) or (ii) above or this sub-clause (iii) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in sub-clause (i) or (ii) above or this sub-clause (iii); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Lenders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company);

(iv) any encumbrance or restriction:

(A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(B) contained in mortgages, pledges or other security agreements permitted under this Agreement or securing Indebtedness of the Company or a Restricted Subsidiary permitted under this Agreement to the extent such encumbrances or restrictions restrict the transfer of the

property or assets subject to such mortgages, pledges or other security agreements; or

(C) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(v) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under this Agreement, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(vi) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(vii) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(viii) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(ix) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(x) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(xi) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Closing Date pursuant to Section 10.1 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Lenders than (A) the encumbrances and restrictions contained in this Agreement, together with the Security Documents associated therewith as in effect on the Closing Date or (B) in comparable financings (as determined in good faith by the Company) and where, in the case of paragraph (B), the Company determines at the time of issuance of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Borrowers' ability to make principal or interest payments on the Loans or Unpaid Drawings;

(xii) [Reserved]; or

(xiii) any encumbrance or restriction existing by reason of any Lien permitted under Section 10.3.

10.5. Limitation on Sales of Assets and Subsidiary Stock. (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(i) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

(ii) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company or such Restricted Subsidiary, as the case may be:

(A) to the extent the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), (1) to prepay, repay or purchase any Indebtedness of a non-Guarantor Restricted Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary) or Indebtedness under this Agreement within 365 days from the later of (x) the date of such Asset Disposition and (y) the receipt of such Net Available Cash; provided, however, that such prepayment shall only be required after the Company and the Co-Borrower have complied with Section 10.5(b)(ii) and in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this paragraph (A), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of this Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or (2) to prepay, repay or purchase Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment or purchase; provided that the Company shall redeem, repay or repurchase Pari Passu Indebtedness pursuant to this sub-paragraph (2) only if the Company makes (at such time or subsequently in compliance with this Section 10.5) an offer to Lenders to purchase Loans in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Loans at least equal to the proportion that (x) the total aggregate principal amount of Loans outstanding bears to (y) the sum of the total aggregate principal amount of Loans outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or

(B) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted

Subsidiary) within 365 days from the later of (1) the date of such Asset Disposition and (2) the receipt of such Net Available Cash; provided, however, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day; provided that to the extent that any disposition in such Asset Sale was of Collateral, the assets (including Voting Stock) acquired with the Net Cash Proceeds thereof shall, subject to the Agreed Security Principles, be pledged as Collateral under the Security Documents substantially simultaneously with such acquisition; provided further that neither the Company nor any Restricted Subsidiary shall be entitled to rely on the Agreed Security Principles so as not to provide security over the assets so acquired to the extent that it would result in more than 60% of the fair market value of the assets so acquired (as determined on the date of the acquisition thereof) not being subject to security interests (perfected to the extent required by the Security

Documents specifically set forth on Schedule 1.1 (e) or otherwise in accordance with the Agreed Security Principles);

provided that, pending the final application of any such Net Available Cash in accordance with paragraph (A)(l) or paragraph (B) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Agreement.

(b) (i) Any Net Available Cash from Asset Dispositions that is not applied or invested or committed to be applied or invested as provided in clause (a) above will be deemed to constitute "Excess Proceeds." On the 366th day after an Asset Disposition, if the aggregate amount of Excess Proceeds exceeds €50,000,000, the Borrowers will, subject to sub-clause (ii) below, be required to make an offer ("Asset Disposition Offer"') to all Lenders and, to the extent the Company elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Loans and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Loans in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Loans and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth herein or the agreements governing the Pari Passu Indebtedness, as applicable.

(ii) The Borrowers shall only be required to make an Asset Disposition Offer to Lenders and apply any Excess Proceeds to purchase Loans after the Company and the Co-Borrower have (A) during the Bridge Period, complied with any mandatory prepayment obligations under each of the Bridge Facilities and (B) after the Bridge Period has expired, at the election of the Company and the Co-Borrower, prepaid, repaid or repurchased Indebtedness under the Note Indentures in respect of the Senior Notes, and, in each case, then only to the extent of the Excess Proceeds available after the Company and the Co-Borrower have complied with such obligations or made such prepayment, repayment or repurchase (as the case may be).

(c) To the extent that the aggregate amount of Loans and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Company may use any remaining Excess Proceeds for general corporate purposes, subject to the other provisions of this Agreement. If the aggregate principal amount of the Loans surrendered in any Asset Disposition Offer by Lenders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Loans and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Loans and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in the Base Currency, such Indebtedness shall be calculated by converting any such principal amounts into their Base Currency Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined in clause (e) below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

(d) To the extent that any portion of Net Available Cash payable in respect of the Loans is denominated in a currency other than the currency in which the relevant Loans are denominated, the amount thereof payable in respect of such Loans shall not exceed the net amount of funds in the currency in which such Loans are denominated that is actually received by the Company upon converting such portion into such currency.

(e) The Asset Disposition Offer will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Borrowers will purchase the principal amount of Loans and, to the extent they elect, Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Loans and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

(f) On or before the Asset Disposition Purchase Date, the Borrowers will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Loans and Pari Passu Indebtedness or portions of Loans and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Loans and Pari Passu Indebtedness so validly tendered and not properly withdrawn. The Company will deliver to the Administrative Agent an Officer's Certificate stating that such Loans or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 10.5. The relevant Borrowers will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) pay to the Administrative Agent for the account of each tendering Lender an amount equal to the purchase price of the Loans so validly tendered and not properly withdrawn by such Lender, and accepted by the Borrowers for purchase.

(g) For the purposes of clause (a)(ii) above, the following will be deemed to be cash:

(i) after the expiry of the Bridge Period, the assumption by the transferee of Indebtedness of the Company or Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(ii) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(iii) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each

other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(iv) after the expiry of the Bridge Period, consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Closing Date from Persons who are not the Company or any Restricted Subsidiary; and

(v) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of €100,000,000 and 1% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

10.6. Limitation on Affiliate Transactions.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "Affiliate Transaction" involving aggregate value in excess of €20,000,000 unless:

(i) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(ii) in the event such Affiliate Transaction involves an aggregate value in excess of €50,000,000, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Company or the relevant Restricted Subsidiary (as applicable).

(b) Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (a)(ii) above if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in this Section 10.6 if the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Company or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

(c) The provisions of clause (b) above will not apply to:

(i) any Restricted Payment permitted to be made pursuant to Section 10.2, any Permitted Payments (other than pursuant to Section 10.2(c)(ix)(B)(2)) or any Permitted Investment (other than Permitted Investments as defined in clauses (a)(ii), (b), (k) and (o) of the definition thereof);

(ii) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(iii) any Management Advances and any waiver or transaction with respect thereto;

(iv) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries;

(v) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary of the Company or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(vi) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Closing Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this Section 10.6 or to the extent not more disadvantageous to the Lenders in any material respect and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(vii) execution, delivery and performance of any Tax Sharing Agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(viii) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(ix) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(x) (A) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; provided that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (B) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of this Agreement;

(xi) without duplication in respect of payments made pursuant to sub-clause (xii) below, (A) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual customary management, consulting, monitoring or advisory fees and related expenses customary for portfolio companies of the Initial Investors described in clause (a) of the definition thereof and (B) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this paragraph (B) are approved by a majority of the Board of Directors in good faith; and

(xii) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries.

10.7. Limitation on Business Activities of the Co-Borrower. The Co-Borrower may not hold any material assets, become liable for any material obligations or engage in any business activities; provided that it may be a co-obligor with respect to the notes or any other Indebtedness issued by the Company or a Guarantor, and may engage in any activities directly related thereto or necessary in connection therewith. The Co-Borrower shall be a Wholly-Owned Subsidiary of the Company at all times.

10.8. Limitation on Business Activities of Holdings. (a) Holdings may not hold any material assets, become liable for any material obligations or engage in any material business activities, except those related to its ownership of the Company; provided that it may guarantee this Agreement, the Senior Notes, the Bridge Facilities and any other Indebtedness issued by the Company or a Guarantor and may incur any Indebtedness in an aggregate amount not to exceed €20,000,000 and Subordinated Shareholder Funding, and may engage in any activities directly related thereto or necessary in connection therewith.

(b) During the Bridge Period, Holdings shall not, and shall ensure that any Parent that owns directly or indirectly all or substantially all of the Voting Stock of the Company shall not, incur any Indebtedness (other than Indebtedness under this Agreement in an aggregate amount not to exceed €20,000,000) at any time other than (i) Guarantees of Debt of the Company and (ii) Subordinated Shareholder Funding to a Permitted Holder.

10.9. Merger and Consolidation by the Company. (a) The Company will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") will be a Person organized and existing under the laws of any member state of the European Union on January 1, 2004, or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Company (if not the Company) will expressly assume, by supplemental agreements, executed and delivered to the Administrative Agent, in form reasonably satisfactory to the Administrative Agent, all the obligations of the Company under the Credit Documents;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect, on a pro forma basis, to such transaction, either (A) the Fixed Coverage Ratio of the Successor Company would exceed 2.00 to 1.00 or (B) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(iv) the Company shall have delivered to the Administrative Agent an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental agreement (if any) comply with this Agreement and an Opinion of Counsel to the effect that such supplemental agreement (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Administrative Agent), provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of sub-clauses (ii) and (iii) above.

(b) Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with Section 10.1.

(c) For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

(d) The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement and the other Credit Documents but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under this Agreement or the other Credit Documents.

(e) Notwithstanding clauses (a)(ii) and (a)(iii) above (which do not apply to transactions referred to in this clause (e)) and, other than with respect to clause (c) above and clause (a)(iv) above, (i) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (ii) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding clause (a)(ii) or (a)(iii) above (which does not apply to the transactions referred to in this clause (e)), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

(f) This Section 10.9 (other than the requirements of clause (a)(ii) above) shall not apply to the creation of a new subsidiary as a Restricted Subsidiary of the Company.

10.10. Merger and Consolidations by the Co-Borrower and Guarantors. (a) The Co-Borrower may not consolidate with, merge with or into any person or permit any person to merge with or into the Co-Borrower unless:

(i) concurrently therewith, a Subsidiary of the Company that is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia (which may be the Co-Borrower or the continuing person as a result of such transaction) expressly assumes all of the obligations of the Co-Borrower under this Agreement and the other Credit Documents; or

(ii) after giving effect to the transaction, at least one obligor on the Senior Notes is a limited liability company or corporation organized under the laws of the United States of America or any state thereof or the District of Columbia.

(b) Upon the consummation of any transaction effected in accordance with this Section 10.10, the resulting, surviving or transferee Co-Borrower will succeed to, and be substituted for, and may exercise every right and power of, the Co-Borrower under each Credit Document with the same effect as if such successor Person had been named as the Co-Borrower under such Credit Documents. Upon such substitution, the Co-Borrower will be released from its obligations under each Credit Document.

(c) No Guarantor may (i) consolidate with or merge with or into any Person, or (ii) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or (iii) permit any Person to merge with or into the Guarantor, unless, in any such case:

(A) except in the case of Holdings, the other Person is the Company or any Restricted Subsidiary that is Guarantor or becomes a Guarantor concurrently with the transaction; or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under the Credit Documents to which such Guarantor is a party; and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) except in the case of Holdings, the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by this Agreement.

10.11. Impairment of Liens. The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the Lien with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Lien with respect to the Collateral) for the benefit of the Secured Parties, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than a Collateral

Agent, for the benefit of the Secured Parties, any interest whatsoever in any of the Collateral, except that the Company and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged and released in accordance with the Credit Documents.

SECTION 11. Events of Default

11.1. Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment of Interest. Default in any payment of interest on any Loan, L/C Advance or any Unpaid Drawing when due and payable and such default continues for 30 days;

(b) Non-Payment of Principal. Default in the payment of the principal amount of or premium, if any, on any Loan or any Unpaid Drawing when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(c) Breach of Specific Covenants. Failure to comply for 30 days after notice by the Administrative Agent on behalf of the Lenders or the Required Lenders with any covenant, warranty or other agreement with respect to Section 9.11, Section 9.12 or Section 10;

(d) Breach of Other Covenants. Failure to comply for 60 days after notice by the Administrative Agent on behalf of the Lenders or the Required Lenders with its other agreements (not specified in clause (a), (b) or (c) above) contained in any Credit Document;

(e) Cross-Default. Any Credit Party or any Restricted Subsidiary (i) fails to make any payment beyond the applicable grace period with respect thereto, if any (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Credit Documents and Indebtedness referred to in clauses (d) and (f) of the definition thereof) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than €100,000,000 or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity provided that this sub-clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder;

(f) Change of Control. Any Change of Control occurs;

(g) Insolvency. Any Credit Party or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar office is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property or assets is instituted without the consent of such Person and continues undismissed or unstayed for (60) calendar days, or an order for relief is entered in any such proceeding;

(h) Breach of Representations. Any representation or warranty made or deemed made by any Credit Party (or any of its officers) under or in connection with any Credit Document shall prove to have been incorrect in any material respect when made or deemed made;

(i) Security Documents. (i) Any Lien under the Security Document on any material Collateral shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document and this Agreement) for any reason other than the satisfaction in full of all of the Secured Obligations or the release of any such Lien in accordance with the terms hereof or (ii) any Security Document or any Lien created thereunder on any material Collateral shall be declared invalid or unenforceable or a Borrower shall assert in writing that any such Lien is invalid or unenforceable, and, in any such case, such event or circumstance continues for 10 days.

(j) Judgments. Failure by any Credit Party or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for Holdings, the Borrowers and their Restricted Subsidiaries), would constitute a Significant Subsidiary, to pay final judgments aggregating in excess of €100,000,000 (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final; or

(k) Guaranty. The Guaranty ceases to be in full force and effect, other than in accordance the terms of the Credit Documents and the Agreed Security Principles, or a Guarantor denies or disaffirms its obligations under the Guaranty, other than in accordance with the terms thereof or upon release of the Guaranty in accordance with the Credit Documents;

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrowers, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrowers, except as otherwise specifically provided for in this Agreement: (i) declare the Total Commitment terminated, whereupon the Commitments of each Lender shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of all Loans, L/C Advances and all other amounts owing hereunder or under any other

Credit Document to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; (iii) terminate any Letter of Credit that may be terminated in accordance with its terms; and/or (iv) direct the Company to Cash Collateralize the aggregate Stated Amount of all Letters of Credit then outstanding, provided that upon the occurrence of any Event of Default under Section 11.1 (g) the Total Commitment and Commitment of each Lender shall automatically terminate, the unpaid principal amount of all outstanding Loans, L/C Advances and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Company to Cash Collateralize the then Letters of Credit Outstanding as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

11.2. Clean-up Period. (a) Notwithstanding any other terms of this Agreement, during the period commencing on the Closing Date and expiring 90 days after the Closing Date (the "Clean-up Period"), if any matter or circumstance that exists in respect of the Company or any of its Subsidiaries would constitute (i) a breach of a representation or warranty made in Section 8; or (ii) a breach of an undertaking in Section 9 or Section 10; or (iii) a Default or an Event of Default, (a "Relevant Default") then:

(A) promptly upon becoming aware of its occurrence, the Company shall notify the Administrative Agent of that Relevant Default and the related event or circumstance (and the steps, if any, being taken to remedy it); and

(B) subject to clause (b) below, during the Clean-up Period that Relevant Default shall not constitute a Default or an Event of Default and the Administrative Agent shall not be entitled to take any action under Section 11.1 with respect to that Relevant Default until (if that Relevant Default is then continuing) the earlier of (1) the date immediately after the end of the Clean-up Period; and (2) the date (if any) on which a Material Adverse Effect occurs as a result of that Relevant Default.

(b) Clause (a)(B) above shall not apply with respect to any Relevant Default to the extent that:

(i) the Relevant Default is not capable of remedy; or

(ii) the Relevant Default is capable of remedy and reasonable steps are not being taken to remedy it within 20 Business Days of the Administrative Agent giving notice to the Company or the Company becoming aware of the occurrence of that Relevant Default; or

(iii) the Relevant Default has been procured by or approved by the Company or Holdings.

(c) For the avoidance of doubt, subject to Section 7.3, clause (a)(B) above shall not restrict the Administrative Agent's right to take any action under Section 11.1 with respect to any Default or Event of Default which is not a Relevant Default.

11.3. No Breach for Reorganization or Refinancing. Notwithstanding any other provision of this Agreement, no Credit Party shall be in breach of any of its obligations under Section 9 or Section 10 as a result of any actions or steps taken in order to complete the Reorganization and, to the extent applicable, the Refinancing, to the extent not finalized on the Closing Date, in accordance with terms of the Acquisition Agreement, including the schedules thereto (which for the purposes of this Section 11.3 shall mean the execution version of the Acquisition Agreement dated September 27, 2006) and the Acquisition Side Letter (in the form in effect on the date hereof) which, in each case, shall not have been altered, amended or otherwise changed or supplemented or any condition therein waived, or, any right or power exercised pursuant to Section 6.3 of the Acquisition Agreement, in a manner materially adverse to the Lenders without the prior written consent of the Required Lenders.

11.4. Application of Funds. After the exercise of remedies as provided in Section 11.1 (or after the Commitments have been automatically cancelled, Loans, L/C Advances and all other amounts have automatically become due and payable and the Letters of Credit Outstanding have automatically been required to be Cash Collateralized as set forth in the proviso to Section 11.1), any amounts received by the Administrative Agent on account of the Secured Obligations shall be applied in accordance with Section 4 of the Collateral Agency Agreement.

SECTION 12. The Agents

12.1. Appointment (a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent.

(b) The Administrative Agent, each Lender and each Letter of Credit Issuer hereby irrevocably designate and appoint each Collateral Agent as its agent under this Agreement and the other Credit Documents, and the Administrative Agent, each Lender and each Letter of Credit Issuer irrevocably authorize each Collateral Agent, in such capacity, to take such action on their behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to each Collateral Agent by the terms of this Agreement and the other Credit Documents, together

with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, each Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Administrative Agent, any Lender or any Letter of Credit Issuer, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against a Collateral Agent.

(c) Each Joint Lead Arranger, each Joint Bookrunner, the Syndication Agent and the Documentation Agent, each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

(d) Each Lender and Letter of Credit Issuer confirms that each Joint Lead Arranger and the Administrative Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Joint Lead Arranger or Administrative Agent) the terms of any reliance letter or engagement letters relating to any reports or letters provided by accountants in connection with the Credit Documents or the transactions contemplated in the Credit Documents (including any net asset letter in connection with the financial assistance procedures) and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

12.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Credit Documents by or through agents or attorneys- in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

12.3. Exculpatory Provisions. No Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Credit Document (except for its or such Person's own gross negligence or willful misconduct) or (b) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower, any Guarantor, any other Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent or any Collateral Agent under or in connection with, this Agreement or any other Credit Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document or for any failure of the Borrower, any Guarantor or any other Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

12.4. Reliance by Agents. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to any Credit Party), independent accountants and other experts selected by such Agent. Each Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. Each Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders (or such greater number or percentage of Lenders as may be expressly required by this Agreement in any instance), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

12.5. Notice of Default. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders, provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders (except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders or each of the Lenders, as applicable).

12.6. Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that no Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by any Agent hereinafter taken, including any review of the affairs of a Borrower, any Guarantor or any other Credit Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender or any Letter of Credit Issuer. Each Lender and Letter of Credit Issuer represents to each Agent that it has, independently and without reliance upon such Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of each Borrower, any Guarantor and any other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time,

continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of any Borrower, any Guarantor and any other Credit Party. Except for notices, reports and other documents expressly required to be famished to the Lenders by the Administrative Agent hereunder, no Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Borrower, any Guarantor or any other Credit Party that may come into the possession of such Agent any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliate.

12.7. Indemnification. The Lenders agree to indemnify each Agent, each in its capacity as such (to the extent not reimbursed by any Credit Party and without limiting the obligation of any Credit Party to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing, provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct; it being acknowledged and agreed that no action taken in accordance with the instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall constitute gross negligence or willful misconduct. The agreements in this Section 12.7 shall survive termination of the Commitment, the repayment of the Loans and all other amounts payable hereunder.

12.8. Agents in their Individual Capacity. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Borrower, any Guarantor, and any other Credit Party as though it were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

12.9. Successor Agents. The Administrative Agent may resign as Administrative Agent upon 20 days' prior written notice to the Lenders and the Borrowers. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Credit Documents, then the Required Lenders shall appoint from among the Lenders a successor Administrative Agent which successor agent shall be approved by the Company (which approval

shall not be unreasonably withheld or delayed) so long as no Default or Event of Default is continuing. If no successor agent has accepted appointment as the Administrative Agent by the date which is twenty (20) days following the retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor (or upon the Lenders assuming such role as provided above) and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Security Documents, and such other instruments or notices, as may be necessary or desirable, as the Required Lenders may request, in order to (a) continue the perfection of the Liens granted or purported to be granted by the Security Documents or (b) otherwise ensure that the requirements set forth in Section 9.11 are satisfied, the Administrative Agent shall thereupon succeed to the rights, powers and duties of the Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 12 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Credit Documents..

12.10. Withholding Tax and Deductions. To the extent required by any applicable Law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by a Credit Party and without limiting the obligation of any Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

12.11. Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan or Unpaid Drawing shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Unpaid Drawings and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Letter of Credit Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, Letter of Credit Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, Letter of Credit Issuers and the Administrative Agent under Sections 4.1 and 14.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and Letter of Credit to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and Letter of Credit Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 4.1 and 14.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Letter of Credit Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Secured Obligations or the rights of any Lender or Letter of Credit Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

12.12. Joint and Several Claims. Each of the Agents, Lenders and Letter of Credit Issuers hereby agree that as regards any Collateral located in or related to the Republic of China, the Taiwan Collateral Agent shall be deemed to be a creditor jointly and severally with each of them with respect to the rights and claims against the Credit Parties hereunder and under any of the other Credit Documents pursuant to Article 283 of the Republic of China Civil Code and that the Taiwan Collateral Agent shall be entitled to exercise and pursue all such rights and claims against the Credit Parties in its capacity as a joint and several creditor and for the joint and several benefit of the Agents, Lenders and Letter of Credit Issuers.

SECTION 13. Miscellaneous

13.1. Professional Market Party Representations. (a) For the purpose of this Section 13.1, each Lender includes the domestic or foreign branch office or Affiliate making a Loan and each Letter of Credit Issuer includes its Affiliates issuing Letters of Credit.

(b) Without limiting the Borrower's obligations under the Dutch Banking Act and the Exemption Regulation to the Dutch Banking Act, each Lender and Letter of Credit Issuer which is a party to this Agreement on the date hereof represents and warrants to each party to this Agreement on the date hereof that it is a PMP.

(c) If, on the date on which a party becomes a Lender or a Letter of Credit Issuer (as the case may be), it is a requirement of Dutch law that such party be a PMP, each such new Lender or Letter of Credit Issuer represents and warrants to each party to this Agreement on the date on which it becomes a party to this Agreement as a Lender or a Letter of Credit Issuer (as the case may be) that it is a PMP.

(d) Each Lender and Letter of Credit Issuer acknowledges that (i) it is aware of the consequences of the representation and warranty made by it under this Section 13.1 and (ii) each of the Agents and other Lenders and Dutch Borrowers has relied upon such representation and warranty.

13.2. Amendments and Waivers. (a) Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof may be amended, supplemented, modified or waived except in accordance with the provisions of this Section 13.2. The Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time (i) enter into with the relevant Credit Party or Credit Parties written amendments, supplements, modifications or waivers hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or (ii) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement, modification or waiver shall directly (A) forgive or reduce or waive any portion of any Loan or L/C Advance or extend the final scheduled maturity date of any Loan or any L/C Advance or reduce the stated rate (it being understood that any change to the definition of Net Leverage Ratio or in the component definitions thereof shall not constitute a reduction in the rate and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrowers to pay interest at the "default rate" or amend Section 2.8), or forgive any portion, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Lender's Commitment or extend the final expiration date of any Letter of Credit beyond the L/C Maturity Date, or increase the aggregate amount of the Commitments of any Lender, or amend or modify any provisions of Section 5.3(a) (with respect to the ratable allocation of any payments only) and 13.11(a), in each case without the written consent of each Lender directly and adversely affected thereby, (B) amend, modify or waive any provision of this Section 13.2 or reduce the percentages specified in the definitions of the terms "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, or consent to the assignment or transfer by any Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Sections 10.9 or 10.10), (in any such case) without the written consent of each Lender, (C) amend Section 2.14 or the definition of "Alternative Currency" in each case without the written consent of each Lender directly and adversely affected thereby, (D) amend, modify or waive any provision of Section 12 without the written consent of each Agent, (E) in addition to the Lenders required above, amend, modify or waive any provision hereof relating to a Letter of Credit Issuer or to

any Letter of Credit without the written consent of each Letter of Credit Issuer, or (F) release all or substantially all of the Guarantors under the Guaranty (except as expressly permitted by the Guaranty) or release all or substantially all of the Collateral under any of the Security Documents, without the prior written consent of each Lender and each Letter of Credit Issuer, or (G) amend Section 2.9 so as to permit Interest Periods of greater than six months without the written consent of each Lender directly and adversely affected thereby, or (H) affect the rights, duties, privileges, liabilities or obligations of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or the other Credit Documents, without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrowers, the Lenders, the Administrative Agent and all future holders of the affected Loans. In the case of any waiver, the Borrowers, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

(b) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

(c) In the event that any covenant contained in any Note Indenture is amended, varied, modified, supplemented or replaced as a result of negotiations with potential investors in the Senior Notes prior to the issue date of such Senior Notes, the Lenders or the Company shall have the right to require that the corresponding covenant herein is so amended, varied, modified, supplemented or replaced and the Borrowers and the Lenders shall promptly execute such documents as may be required to give effect to any such amendment, variation, modification, supplement or replacement.

13.3. Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(a) if to a Borrower, the Administrative Agent, any Collateral Agent or any Letter of Credit Issuer, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrowers, the Administrative Agent, any Collateral Agent and the Letter of Credit Issuers.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after

deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 3.2, 4.2 and 5.1 shall not be effective until received.

13.4. No Waiver: Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, a Collateral Agent, any Lender or any Letter of Credit Issuer, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.5. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of Letters of Credit hereunder.

13.6. Payment of Expenses and Taxes. The Company and the Co-Borrower jointly and severally agree (a) to pay or reimburse the Agents for all their reasonable out-of- pocket costs and expenses incurred after the Closing Date in connection with any amendment, supplement or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection therewith including the reasonable fees, disbursements and other charges of the Administrative Agent's counsel, (b) to pay or reimburse each Lender, Agent and Letters of Credit Issuers for all its reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any such other documents, including the reasonable fees, disbursements and other charges of counsel to each Lender, the Agents and each Letter of Credit Issuer, (c) subject to the Agreed Security Principles, to pay, indemnify, and hold harmless each Lender, each Letter of Credit Issuer and Agent from, any and all recording and filing fees incurred on or after the Closing Date and (d) to pay, indemnify, and hold harmless each Lender, Letter of Credit Issuer and Agent and their respective directors, officers, employees, advisors and agents from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including

reasonable and documented fees, disbursements and other charges of counsel, with respect to the enforcement, performance and (except in the case of each Agent and Letter of Credit Issuer) administration of this Agreement, the other Credit Documents and any such other documents, including, without limitation, any of the foregoing relating to any violation of, noncompliance with or liability under, any Environmental Law or to any actual or alleged presence, release or threatened release of Hazardous Materials involving or attributable to the operations of any Borrower, any of its Subsidiaries (all the foregoing in this clause (d), collectively, the "indemnified liabilities"), provided that the Company and the Co-Borrower shall have no obligation hereunder to the Administrative Agent, any Lender or any Letter of Credit Issuer nor any of their respective Related Parties with respect to indemnified liabilities to the extent attributable to (i) the gross negligence or willful misconduct of the party to be indemnified or any of its Related Parties or (ii) disputes among the Administrative Agent, the Lenders, the Letters of Credit Issuers and/or their transferees. All amounts payable under this Section 13.6 shall be paid within ten Business Days of receipt by the Company or the Co-Borrower (as the case may be) of an invoice relating thereto setting forth such expense in reasonable detail. The agreements in this Section 13.6 shall survive resignation of any Agent, the replacement of any Lender or Letter of Credit Issuer, the termination of the Total Commitments and repayment of the Loans and all other amounts payable hereunder.

13.7. Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower or without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.7. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Letter of Credit Issuer that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section 13.7) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Letter of Credit Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not be unreasonably withheld or delayed; it being understood that, without limitation, the Company shall have the right to withhold its consent to any assignment if, in order for such assignment to comply with applicable Law, the Company would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority) of:

(A) the Company (which consent shall not be unreasonably withheld or delayed), provided that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an

Agent (unless increased costs would result therefrom except if an Event of Default under Section 11.1(a), (b) or, with respect to any Credit Party, (g) has occurred and is continuing), an Approved Fund or, if an Event of Default under Section 11.1(a), (b) or, with respect to any Credit Party, (g) has occurred and is continuing, any other assignee; and

(B) the Administrative Agent (which consent shall not be unreasonably withheld or delayed) and the Letter of Credit Issuers, provided that no consent of the Administrative Agent or any Letter of Credit Issuer, as applicable, shall be required for an assignment of (1) any Commitment to an assignee that is a Lender or (2) any Loan to a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an Agent or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an Agent or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than €5,000,000, and whole increments of €1,000,000 in excess thereof, unless each of the Company and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed), provided that no such consent of the Company shall be required if an Event of Default under Section 11.1(a), (b) or, with respect to any Credit Party, (g) has occurred and is continuing; provided, further, that contemporaneous assignments to a single assignee made by Affiliates of Lenders and related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of €3,500, provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee, and provided further that only one such fee shall be payable in the event of simultaneous assignments to or from two or more Approved Funds; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent (the "Administrative Questionnaire").

For the purpose of this Section 13.7(b), the term "Approved Fund" means any Person (other than a natural person) that is (or will at the time of the relevant assignment be) engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section 13.7, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 5.4 and 13.6). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.7 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 13.7.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and any payment made by the Letter of Credit Issuer under any Letter of Credit owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Letter of Credit Issuer and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Letter of Credit Issuer and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 13.7 and any written consent to such assignment required by paragraph (b) of this Section 13.7, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. Promptly following any change to the Register, the Administrative Agent shall deliver to the Company an updated version thereof.

(c) (i) Any Lender may, without the consent of the Borrowers, the Administrative Agent or any Letter of Credit Issuer, sell participations to one or more banks or other entities (each, a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrowers, the Administrative Agent, the Letter of Credit Issuers and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) at any time it is a requirement of Dutch law on the date participations are sold to a Participant, such Participant is a PMP. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 13.2 that affects such Participant. Subject to paragraph (c)(ii) of this Section 13.7, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the requirements of those Sections) and had acquired its interest by assignment pursuant to paragraph (b) of this Section 13.7. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 13.11(b) as though it were a Lender, provided such Participant agrees to be subject to Section 13.7(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.10 or 5.4 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent (which consent shall not be unreasonably withheld or delayed).

(d) Any Lender may, without the consent of the Borrowers or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 13.7 shall not apply to any such pledge or assignment of a security interest, provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. In order to facilitate such pledge or assignment, each Borrower hereby agrees that, upon request of any Lender at any time and from time to time after such Borrower has made its initial borrowing hereunder, such Borrower shall provide to such Lender, at such Borrower's own expense, a promissory note, substantially in the form of Exhibit E, as the case may be, evidencing the Loans owing to such Lender; provided that any such promissory note shall be governed by the laws of the State of New York and the relevant Borrower shall not be required to pay for any notarization of any such promissory note.

(e) Subject to Section 13.19, each Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "Transferee")

and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrowers and their respective Affiliates that has been delivered to such Lender by or on behalf of the Borrowers and their respective Affiliates pursuant to this Agreement or any other Credit Document or which has been delivered to such Lender by or on behalf of the Borrowers and their respective Affiliates in connection with such Lender's credit evaluation of the Borrowers and their respective Affiliates prior to becoming a party to this Agreement.

13.8. Replacements of Lenders under Certain Circumstances. (a) A Borrower shall be permitted to replace any Lender that (i) requests reimbursement for amounts owing pursuant to Section 2.10, 3.5 or 5.4; (ii) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken; (iii) becomes a Defaulting Lender; or (iv) fails to approve an Additional Alternative Currency requested pursuant to Section 2.14 and with respect to which the Required Lenders shall have approved such request, with (in any such case) a replacement bank or other financial institution, provided that (A) such replacement does not conflict with any Law, (B) no Event of Default shall have occurred and be continuing at the time of such replacement, (C) such Borrower shall repay (or the replacement bank or institution shall purchase, at par) all Loans, L/C Advances and other amounts (other than any disputed amounts), pursuant to Section 2.10, 2.11, 3.5 or 5.4, as the case may be) owing to such replaced Lender prior to the date of replacement, (D) the replacement bank or institution, if not already a Lender, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent and the Letter of Credit Issuer, (E) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.7 (provided that the relevant Borrower shall be obligated to pay the registration and processing fee referred to therein) and (F) any such replacement shall not be deemed to be a waiver of any rights that such Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "Non-Consenting Lender") has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 13.2 requires the consent of all of the Lenders affected and with respect to which the Required Lenders shall have granted their consent, then provided no Event of Default then exists, the Company shall have the right (unless such Non-Consenting Lender grants such consent) to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent, provided that: (i) all Secured Obligations of the Borrowers owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment, and (ii) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon. In connection with any such assignment, the Borrowers, Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.7.

13.9. Resignation as Letter of Credit Issuer upon Assignment. (a) Notwithstanding anything to the contrary contained herein, if at any time a Lender assigns all of its Commitment and Loans pursuant to this Section 13.9, it may, upon three Business Days notice to the Company and the Administrative Agent, resign as Letter of Credit Issuer. In the

event of any such resignation as Letter of Credit Issuer, the Company shall be entitled to appoint from among the Lenders a successor Letter of Credit Issuer hereunder in accordance with Section 3.6; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of the relevant Lender as Letter of Credit Issuer. If a Letter of Credit Issuer resigns, it shall retain all the rights, powers, privileges and duties of the Letter of Credit Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Letter of Credit Issuer and all Letter of Credit Exposure with respect thereto (including the right to require the Lenders to make Loans or fund risk participations in Unpaid Drawings pursuant to Section 3). Upon the appointment of a successor Letter of Credit Issuer such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Letter of Credit Issuer in accordance with Section 3.6.

(b) Notwithstanding anything to the contrary contained above the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 12.9.

13.10. Assignment to SPCs. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Company (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; provided that (i) such SPC makes the representations and warranties applicable to Lenders set forth in Section 13.1 (ii) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (iii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the cost or expenses or otherwise increase or change the obligations of any Borrower under this Agreement (including its obligations under Section 2.10, 2.11, 3.5 or 5.4, (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Credit Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of any Borrower and the Administrative Agent and with the payment of a processing fee of €3,500 assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public

information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC; provided that the information disclosed shall be limited to the extent necessary to satisfy the requirements of any such rating agency, commercial paper dealer, provider of any surety or Guarantee or credit or liquidity enhancement and shall not include (without the prior written consent of the Company) non-public projections, forecasts or any other forward looking information provided by, or relating to, the Company.

13.11. Adjustments; Set-off. (a) If any Lender (a "benefited Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.1(g), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to any Borrower, any such notice being expressly waived by each Borrower to the extent permitted by applicable Law, upon any amount becoming due and payable by a Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any of its Affiliates or any branch or agency thereof to or for the credit or the account of such Borrower. Each Lender agrees promptly to notify the relevant Borrower and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.12. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

13.13. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.14. Integration. This Agreement and the other Credit Documents represent the agreement of the Borrowers, the Collateral Agents, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Borrowers, the Administrative Agent, the Collateral Agents or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

13.15. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13.16. Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) in the case of each Credit Party party hereto (other than the Co-Borrower) appoints the Co-Borrower (the "Process Agent") as its agent to receive on behalf of such Credit Party and its property service of copies of the summons and complaint and any other process which may be served by the Administrative Agent or any Lender or Letter of Credit Issuer in any such action or proceeding in any aforementioned court in respect of any action or proceeding arising out of or relating to this Agreement. Such service may be made by delivering a copy of such process to such Credit Party by courier and by certified mail (return receipt requested), fees and postage prepaid, both (iv) in care of the Process Agent at the Process Agent's address and (v) at the relevant Credit Party's address specified pursuant to Section 13.3, and each Credit Party hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.3;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.16 any special, exemplary, punitive or consequential damages.

13.17. Acknowledgments. Each Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b) no Agent nor any Lender has any fiduciary relationship with or duty to any Borrower arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between such Agent and Lenders, on one hand, and the Borrowers, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers and the Lenders.

13.18. **WAIVERS OF JURY TRIAL.** EACH BORROWER, EACH AGENT AND EACH LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.19. Confidentiality. The Administrative Agent and each Lender shall hold all non-public information furnished by or on behalf of a Borrower in connection with such Lender's evaluation of whether to become a Lender hereunder or obtained by such Lender or the Administrative Agent pursuant to the requirements of this Agreement ("Confidential Information"), confidential in accordance with its customary procedure for handling confidential information of this nature and (in the case of a Lender that is a bank) in accordance with safe and sound banking practices and in any event may make disclosure (a) as required or requested by any Governmental Authority or representative thereof or pursuant to legal process, or (b) to such Lender's or the Administrative Agent's attorneys, professional advisors or independent auditors or Affiliates, (c) to any other party to this Agreement, (d) to any pledgee referred to in Section 13.7(d), provided that the information disclosed shall be limited to the extent necessary to satisfy the requirements of such pledgee and shall not include (without the prior written consent of the Company) non-public projections, forecasts or other forward looking information provided by, or relating to, the Company, (e) to the extent such Confidential Information becomes publicly available other than as a result of a breach of this Section 13.19 and (f) otherwise with prior written consent of the Company, provided that unless specifically prohibited by applicable Law or court order or similar process, each Lender and the Administrative Agent shall notify the Company of any request by any Governmental Authority or representative thereof (other than any such request in connection with an examination of the financial condition of such Lender by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information, and provided, further, that in no event shall any Lender, Letter of Credit Issuer or the Administrative Agent be obligated or required to return any materials furnished by a Borrower or any Subsidiary of a Borrower. Each Lender and the Administrative Agent agrees that it will not provide to prospective Transferees or to prospective direct or indirect contractual counterparties in Hedge Agreements to be entered into in connection with Loans made hereunder any of the Confidential Information unless such Person is advised of and agrees to be bound by the provisions of this Section 13.19.

13.20. Direct Website Communications.

(a) (i) A Borrower may, at its option but subject to the limitations set forth in Sections 9.1 and 9.2, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, Borrowing or other Credit Event (including any election of an Interest rate or Interest Period relating thereto), (B) relates to the payment of any principal or other amount due under the Credit Agreement prior to the scheduled date therefor, (C) provides notice of any Default or Event of Default or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of the Credit Agreement and/or any Borrowing or other Credit Event (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to David.Hobbs@morganstanley.com. Nothing in this Section 13.20 shall prejudice the right of the Borrowers, the Administrative Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

(ii) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(b) Each Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform"), so long as the access to such Platform is limited (i) to the Agents and the Lenders and (ii) remains subject the confidentiality requirements set forth in Section 13.19.

(c) The Platform is provided "as is" and "as available". The Agent Parties do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Agent Parties in connection with the Communications or the Platform. In no event shall the Administrative Agent, a Collateral Agent or any of its Affiliates or any of their respective officers, directors, employees, agents, advisors or representatives (collectively, "Agent Parties") have any liability to any Borrower, any Lender or any other person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort,

contract or otherwise) arising out of a Borrower's or the Administrative Agent's transmission of Communications through the internet, except to the extent the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties) gross negligence or willful misconduct.

13.21. USA PATRIOT Act. Each Lender hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender to identify the Borrowers in accordance with the Patriot Act.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

KASLION ACQUISITION B.V.

By: /s/ Axel Holtrup
Name: AXEL HOLTRUP
Title: DIRECTOR

Kees De Ru
representing AlpInvest Partners N.V. in its turn
representing AlpInvest Partners 2006 B.V.

NXP B.V.

By: /s/ Ingen Housz
Name: INGEN HOUSZ
Title: J.M.L.M.

NXP FUNDING LLC

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title: Secretary

ADMINISTRATIVE AGENT AND GLOBAL COLLATERAL AGENT

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent and as Global Collateral Agent

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Attorney

JOINT LEAD ARRANGERS AND JOINT BOOKRUNNERS

MORGAN STANLEY BANK INTERNATIONAL LIMITED,
as Joint Lead Arranger and Joint Bookrunner

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Signatory

By: _____
Name:
Title:

DEUTSCHE BANK AG, LONDON BRANCH,
as Joint Lead Arranger and Joint Bookrunner

By: /s/ Paul Cahalan
Name: Paul Cahalan
Title: Managing Director

By: /s/ Nick Jansa
Name: Nick Jansa
Title: Managing Director

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Lead Arranger and Joint Bookrunner

By: /s/ Anand Melvani
Name: Anand Melvani
Title: Director

SYNDICATION AGENT

DEUTSCHE BANK AG, LONDON BRANCH,
as Syndication Agent

By: /s/ Paul Cahalan
Name: Paul Cahalan
Title: Managing Director

By: /s/ Nick Jansa
Name: Nick Jansa
Title: Managing Director

DOCUMENTATION AGENT

MERRILL LYNCH CAPITAL
CORPORATION,
as Documentation Agent

By: /s/ Arminee H. Bowler
Name: Arminee H. Bowler
Title: Vice President

LENDERS

MERRILL LYNCH CAPITAL
CORPORATION

By: /s/ Arminee H. Bowler
Name: Arminee H. Bowler
Title: Vice President

MORGAN STANLEY SENIOR
FUNDING, INC.

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Authorised Attorney

DEUTSCHE BANK AG, LONDON
BRANCH

By: /s/ Paul Cahalan
Name: Paul Cahalan
Title: Managing Director

By: /s/ Nick Jansa
Name: Nick Jansa
Title: Managing Director

BANK OF AMERICA, N.A.

By: /s/ Oscar William Cranz III
Name: Oscar William Cranz III
Title: Principal

[GRAPHIC]

ABN AMRO BANK N.V.

By: /s/ Edwin Ezinga
Name: Edwin Ezinga
Title: ASSISTANT DIRECTOR

/s/ LA van Waart
LA van Waart

MIZUHO CORPORATE BANK, LTD.

By: /s/ M Kobayashi
Name: M Kobayashi
Title: Joint General Manager

HSBC BANK PLC

By: /s/ David Ewing
Name: David Ewing
Title: Global Relationship Manager

BNP PARIBAS, AMSTERDAM
BRANCH

By: /s/ J.A.C. NIESSEN
Name: J.A.C. NIESSEN
Title: Head of Corp. Group

/s/ R. van der VELDEN
R. van der VELDEN

COOPERATIEVE CENTRALE
RAIFFEISEN-
BOERENLEEN BANK B.A.

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title:

SCHEDULE 1.1(a)

AGREED SECURITY PRINCIPLES

1. Agreed Security Principles

1.1 The Guarantees and Liens to be provided by the Loan Parties will be given in accordance with certain agreed security principles (the "Agreed Security Principles"). This Schedule 1.1(a) identifies the Agreed Security Principles and addresses the manner in which the Agreed Security Principles will impact on or be determinant of the Guarantees and Liens to be taken in relation to this Agreement.

1.2 The Agreed Security Principles embody a recognition by all parties that there may be certain legal, commercial and practical difficulties in obtaining effective security from the Company and each of its Restricted Subsidiaries in every jurisdiction in which the Company and its Restricted Subsidiaries are located. In particular:

(a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters may limit the ability of the Company or any of its Restricted Subsidiaries to provide a Guarantee or Liens or may require that it be limited as to amount or otherwise, and if so the same shall be limited accordingly, provided that the Company or the relevant Restricted Subsidiary shall use reasonable endeavors to overcome such obstacle. The Company will use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each of the Restricted Subsidiary;

(b) the Company and its Restricted Subsidiaries will not be required to give Guarantees or enter into Security Documents if (or to the extent) it is not within the legal capacity of the Company or its relevant Restricted Subsidiary or if the same would conflict with the fiduciary duties of their directors or contravene any legal prohibition or regulatory condition or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any officer or director of the Company or any of the Restricted Subsidiaries, provided that the Company and each of its Restricted Subsidiaries shall use reasonable endeavors to overcome any such obstacle;

(c) a key factor in determining whether or not security shall be taken is the applicable cost (including adverse effects on interest deductibility, registration taxes and notarial costs) which shall not be disproportionate to the benefit to the Lenders of obtaining such security;

(d) where there is material incremental cost involved in creating security over all assets owned by any of the Borrowers or a Guarantor in a particular category (e.g. real estate), regard shall be had to the principle stated at paragraph 1.2(c) of this Schedule 1.1 (a) which shall apply to the immaterial assets and, subject to the Agreed Security Principles, only the material assets in that category (e.g. real estate of material economic value) shall be subject to security;

(e) it is expressly acknowledged that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

(f) any assets subject to contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Agreement and which (subject to override by the UCC and other relevant provisions of applicable law), effectively prevent those assets from being charged will be excluded from any relevant Security Document; provided that reasonable endeavors to obtain consent to creating Liens in any such assets shall be used by the Company and each of its Restricted Subsidiaries to avoid or overcome such restrictions if the Administrative Agent reasonably determines that the relevant asset is material (which endeavors shall not include the payment of any consent fees), but unless effectively prohibited by contracts, leases, licenses or other arrangements with a third party that exist concurrently (but which are not created in contemplation of the Transactions) or are not prohibited by this Agreement, this shall not prevent security being given over any receipt or recovery under such contract, lease or license;

(g) the giving of a Guarantee, the granting of security or the perfection of the security granted will not be required if it would have a material adverse effect (as reasonably determined in good faith by management of the relevant obligor) on the ability of the relevant obligor to conduct its operations and business in the ordinary course as otherwise permitted by this Agreement;

(h) in the case of accounts receivable, a material adverse effect on Holdings', either Co-Borrower's or a Guarantor's relationship with or sales to the customer generating such receivables or material legal or commercial difficulties (as reasonably determined by management of the relevant obligor in good faith) provided that none of Holdings, the Borrowers and the Guarantors may utilize this exception unless, after giving effect thereto no less than a majority of the book value of the accounts receivable of the Company and its Subsidiaries on a consolidated basis (as measured at the end of each fiscal quarter) is subject to perfected liens, and provided further that any accounts receivable of the Borrowers and the Guarantors excluded from collateral by virtue of this clause (except where prohibited by law and subject to the remainder of these Agreed Security Principles) shall be subject to perfected Liens promptly if and when the corporate credit of the Company is downgraded to "B" or lower from S&P and "B2" or lower from Moody's;

(i) security will be limited so that the aggregate of notarial costs and all registration and like taxes relating to the provision of security shall not exceed an amount to be agreed. Any additional costs may be paid by the Lenders at their option; and

(k) all security shall be given in favor of a single security trustee or collateral agent and not the secured parties individually. "Parallel debt" provisions and other similar structural options will be used where necessary and such provisions will be contained in the intercreditor agreement and not the individual security documents unless

---

required under local law. No action will be required to be taken in relation to the guarantees or security when any lender assigns or transfers any of its participation in this Agreement to a new lender.

2. Terms of Security Documents

The following principles will be reflected in the terms of any Security Document to be executed and delivered as part of the Transactions:

(a) subject to permitted liens and these Agreed Security Principles the security will be first ranking and the perfection of security (when required) and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Credit Documents or, if earlier or to the extent no such time period is specified in the Credit Documents, within the time periods specified by applicable law in order to ensure due perfection;

(b) the security will not be enforceable until an Event of Default has occurred and notice of acceleration of the Loans has been given by the applicable Administrative Agent or the Loans have otherwise become due and payable prior to the scheduled maturity thereof (an "Enforcement Event");

(c) prior to the Maturity Date, notification of any Liens over bank accounts will be given (subject to legal advice) to the banks with whom the accounts are maintained only if an Enforcement Event has occurred;

(d) notification of receivables security to debtors who are not members of the Company or its Subsidiaries will only be given if an Enforcement Event has occurred;

(e) notification of any security interest over insurance policies will be served on any insurer of the Company's or any Restricted Subsidiaries' assets (other than in respect of any insurance policy maintained by the Company or any of its Restricted Subsidiaries which is due to expire on or before December 31, 2006);

(f) the Security Documents should only operate to create security rather than to impose new commercial obligations. Accordingly, they should not contain material additional representations, undertakings or indemnities (such as in respect of insurance, information or the payment of costs) unless these are the same as or consistent with those contained in this Agreement or are necessary for the creation or perfection of the security;

(g) in respect of the share pledges and pledges of intra-group receivables, until an Enforcement Event has occurred, the pledgors will be permitted to retain and to exercise voting rights to any shares pledged by them in a manner which does not materially adversely affect the value of the security (taken as a whole) or the validity or enforceability of the security or cause an Event of Default to occur, and the pledgors will be permitted to receive dividends on pledged shares and payment of intra-group receivables and retain the proceeds and/or make the proceeds available to Holdings and its Subsidiaries to the extent not prohibited under this Agreement;

(h) Secured Parties will only be able to exercise a power of attorney in any Security Document following the occurrence of an Enforcement Event or with respect to perfection or further assurance obligations that following request, the relevant obligor has failed to satisfy;

(i) no obligor shall be required to provide surveys on real property (unless such surveys already exist in which case there shall be no requirement that such surveys be certified to the Lenders) or to remove any encumbrances on title (not created in contemplation of the Transactions) that are reflected in any title insurance or any other existing encumbrances on real property (not created in contemplation of the Transactions) (not including Liens securing Indebtedness of the Company or any of its Restricted Subsidiaries);

(j) no obligor shall be required to protect any Liens in the United States prior to the occurrence of an Enforcement Event by means other than customary filings (including UCC-1s, mortgage or deed of trust filings and patent and trademark filings) and delivery of share certificates (accompanied by powers of attorney executed in blank) and any intercompany promissory notes; and

(k) information, such as lists of assets, will be provided if, and only to the extent, required by local law to be provided to protect or create, perfect or register the security and, to the extent so required will be provided annually (unless required to be provided by local law more frequently, but not more frequently than quarterly) and following the occurrence and during the continuance of an Event of Default, on the applicable Administrative Agent's reasonable request.

SCHEDULE 1.1(b)

COMMITMENTS

Initial Lender		**Commitment**
Merrill Lynch Capital Corporation	€	73,333,333.33
Morgan Stanley Senior Funding, Inc.	€	73,333,333.33
Deutsche Bank AG, London Branch	€	73,333,333.33
Bank of America, N.A.	€	40,000,000
ABN AMRO Bank N.V.	€	40,000,000
Mizuho Corporate Bank Limited	€	40,000,000
HSBC Bank plc	€	80,000,000
BNP Paribas, Amsterdam Branch	€	40,000,000
Cooperatieve Centrale Raiffeisen- Boerenleenbank B.A.	€	40,000,000

SCHEDULE 1.1(c)

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: ,

To: Morgan Stanley Senior Funding, Inc., as Administrative Agent

Ladies and Gentlemen:

Reference is made to the Secured Revolving Credit Agreement dated as of September 29, 2006 (the "Credit Agreement"), among KASLION ACQUISITION B.V., NXP B.V. (the "Company"), NXP FUNDING LLC, the lenders from time to time parties thereto (each a "Lender" and, collectively, the "Lenders"). MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Global Collateral Agent, MORGAN STANLEY BANK INTERNATIONAL LIMITED, DEUTSCHE BANK AG, LONDON BRANCH and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Joint Lead Arrangers and Joint Bookrunners, DEUTSCHE BANK AG, LONDON BRANCH, as Syndication Agent and MERRILL LYNCH CAPITAL CORPORATION, as Documentation Agent. All capitalized terms used but not defined herein shall have the meanings given in the Credit Agreement.

This is a Compliance Certificate for the purposes of the Credit Agreement.

The undersigned hereby certifies as of the date hereof that he/she is the [*Title*](1) of the Company, and that, as such, he/she is authorized to execute and deliver this Compliance Certificate to the Administrative Agent on the behalf of the Company, and that:

*[Use following paragraph 1 for fiscal **year-end** financial statements]*

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 9.01(a) of the Credit Agreement for the fiscal year of the Company ended as of the above date, together with the report and opinion of [ ] required by and in conformance with such section.

*[Use following paragraph 1 for fiscal **quarter-end** financial statements]*

2. Except as otherwise permitted by the Credit Agreement, attached hereto as Schedule 1 are the unaudited financial statements required by Section 9.01(b) of the Credit Agreement for the fiscal quarter of the Company ended as of the above date. Such financial statements fairly present, in all material respects, the financial condition, results of operations shareholders' equity and cash flows of the Company and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

(1) Must be the chief executive officer, chief financial officer, treasurer or controller of the Company.

---

3. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Company and its Subsidiaries during the accounting period covered by the attached financial statements.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of].

By: _____
Name:
Title:

SCHEDULE l.1(d)

MANDATORY COSTS

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Administrative Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB+C(B-D)+Ex0.01}{100-(A+C)}$$ per cent. per annum

(b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300}$$ per cent. per annum

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable LIBOR Margin or the Applicable EURIBOR Margin (as the case may be) and the Mandatory Cost and any additional rate of interest charged on overdue amounts pursuant to Section **Error! Reference source not found.**) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Administrative Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of

---

charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Facility Office" means, in respect of any Lender, the jurisdiction of the office out of which such Lender is making available its participation in the relevant Loan;

(c) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(d) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(e) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Administrative Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Administrative

---

Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties hereto.

13. The Administrative Agent may from time to time, after consultation with the Company and the Lenders, determine and notify to all parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties.

SCHEDULE 1.1(e)

SECURITY DOCUMENTS

1. FRANCE

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors France SAS.

(b) Intercompany Debt Pledge Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in France.

(d) Pledge of Shares between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Crolles.

(e) Pledge of Trade Receivables between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

(f) Pledge of Business as an Ongoing Concern between Philips Semiconductors France SAS, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

2. GERMANY

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Germany GmbH.

(b) Pledge of Shares between Philips Semiconductors Germany GmbH, as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors Dresden AG.

(c) Land Charge Deeds between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Security Transfer of Moveable Assets between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) Global Assignment of Receivables between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(f) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in Germany.

3. HONG KONG

(a) Share and Receivables Charge over the shares and receivables in Philips Semiconductors Hong Kong Limited between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Debenture between Philips Semiconductors Hong Kong Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

4. NETHERLANDS

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors B.V.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Software B.V.

(c) Pledge of Shares between KASLION Acquisition B.V., as. pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in NXP B.V.

(d) Disclosed Pledge of Insurance Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(e) Disclosed Pledge of Intercompany Receivables between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(f) Undisclosed Pledge of Third Party Receivables between NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(g) Non-Possessory Pledge of Moveable Assets between KASLION Acquisition B.V., NXP B.V. and Philips Semiconductors B.V., as pledgors, and Morgan Stanley Senior Funding, Inc., as pledgee.

(h) Pledge of IP Rights between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee.

(i) Deed of Mortgage between Philips Semiconductors B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

5. PHILIPPINES

(a) Deed of Conditional Assignment to be entered into among Philips Semiconductors Philippines, Inc. and NXP B.V., as Assignors, and Hong Kong Shanghai Banking Corporation, Philippine Branch, as Assignee and Escrow Agent.

6. SINGAPORE

(a) Charge over the shares in Philips Semiconductors Singapore Pte. Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Charge over the shares in Systems On Silicon Manufacturing Company Pte Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Debenture between Philips Semiconductors Singapore Pte. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

---

7. TAIWAN

(a) Mortgage over the shares in Philips Electronics Building Elements Industries (Taiwan) Ltd. to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and NXP B.V.

(b) Mortgage of land and buildings to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(c) Mortgage of equipment to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(d) Assignment of accounts receivable to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Electronics Building Elements Industries (Taiwan) Ltd.

8. THAILAND

(a) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee, in relation to the shares in Philips Semiconductors (Thailand) Co. Ltd.

(b) Assignment of Receivables from material contracts and insurances between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Mortgage of Real Property between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Mortgage of Machinery between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

9. UNITED KINGDOM

(a) Debenture between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, in relation to security over shares, receivables, intellectual property rights and certain bank accounts.

(b) Debenture between Philips Semiconductors UK Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(c) Charge over intercompany receivables between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

10. UNITED STATES

(a) Security Agreement among Philips Semiconductors USA Inc., NXP Funding LLC, and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in Philips Semiconductors USA Inc.

(c) Deed of Trust between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(d) Leasehold Mortgage between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(e) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in the United States and any short form version thereof to be filed with any relevant governmental authorities.

(f) Pledge of Shares between NXP B.V., as pledgor, and Morgan Stanley Senior Funding, Inc., as pledgee in relation to the shares in non-Guarantor subsidiaries.

SCHEDULE 6.12

POST CLOSING MATTERS

This Schedule sets forth those Security Documents and Guarantees that shall not constitute conditions precedent to the initial Credit Event under the Agreement but shall be required to be delivered in accordance with the final paragraph of Section 6, subject in each case to the Agreed Security Principles.

1. GERMANY

(a) Land Charge Deeds between Philips Semiconductors Germany GmbH and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) IP Security Agreement between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, relating to intellectual property in Germany.

2. JAPAN

(a) Security over intellectual property registered in Japan between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

3. SINGAPORE

(a) Charge over the shares in Systems On Silicon Manufacturing Company Pte Ltd. between NXP B.V. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

4. TAIWAN

(a) Mortgage of land and buildings to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

(b) Mortgage of equipment to be entered into between Mizuho Corporate Bank, Ltd., as Taiwan Collateral Agent, and Philips Electronics Building Elements Industries (Taiwan) Ltd.

5. THAILAND

(a) Supplement in relation to the Guaranty.

(b) Mortgage of Real Property between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent in relation to the land represented by title deeds Nos. 1432, 1902, 1904, 8365, 8366, 8367, 8368, 8369 and

---

8370, Land Nos. 2419, 35, 10, 1050, 1051, 1052, 1053, 1054 and 1055, Survey Page Nos. 104, 23, 162, 1334, 1335, 1336, 1337, 1338 and 1339 located at Talard Bang Khen Sub-District, Bang Khen District, Bangkok Metropolis, including any building from time to time constructed thereon, and registration thereof.

(c) Mortgage of Machinery between Philips Semiconductors (Thailand) Co. Ltd. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent and registration thereof.

(d) Approval in principle from the Bank of Thailand in connection with the conversion and remittance from Thailand of amounts that may become due and payable by Philips Semiconductors (Thailand) Co., Ltd. under the Guaranty.

6. UNITED KINGDOM

(a) Supplement in relation to the Guaranty.

(b) Debenture between Philips Semiconductors UK Limited and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

7. UNITED STATES

(a) Deed of Trust between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

(b) Leasehold Mortgage between Philips Semiconductors USA Inc. and Morgan Stanley Senior Funding, Inc., as Global Collateral Agent.

SCHEDULE 8.10

LITIGATION (EXCEPT INTELLECTUAL PROPERTY LITIGATION)

NETHERLANDS/CENTRAL

A. *Major European Customer*

- On May 9, 2005, one of our significant European customers filed a request for arbitration with the ICC International Court of Arbitration in relation to a product warranty claim that arose in March 2002 over the reliability of certain of our integrated circuit products that were delivered between 1999 and 2002 and were used by the customer in its products. The claims relate to a molding compound supplied to us by Sumitomo Bakelite Company of Japan ("Sumitomo") during that period. It is the customer's current view that over time all affected products supplied by us will fail and, as a result, the customer anticipates very large damages, which it claims from us in the arbitration. We believe that the defect rate will be substantially smaller than anticipated by the customer and dispute our liability on that basis, as well as on the basis of the limited warranty provision the customer has invoked. We also believe that, even if the customer were to be successful in the arbitration, we would not be liable to the extent of the damages claimed by the customer. We intend to defend the case vigorously. Moreover, on May 10, 2006, we filed a request for arbitration with the ICC International Court of Arbitration to recover from Sumitomo any amount that we become liable to pay to the customer. In addition, Philips has agreed to indemnify us with respect to any damages or losses we may sustain in relation to this arbitration and accordingly do not expect this case to have a material adverse effect on our results or financial condition.

SCHEDULE 8.13

ENVIRONMENTAL CLAIMS

All information contained in the documents provided at the Virtual Data Room (as defined in the Acquisition Agreement) locations listed below is expressly incorporated in this Section 8.13.

Site	Issue	Expected Liability	Virtual Data Room Locations / Additional Information
China			
Guangdong	• Environmental Impact Assessment increased production volume and waste water treatment	EUR 60,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0010 — Guangdong China Environmental Assessment
	• Minor improvements	EUR 25,000	
France			
Caen	• Soil and groundwater pollution	EUR 3 million	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0007 — Caen France Environmental Assessment
	• Asbestos in buildings	EUR 260,000	• J01-04-PD-0002 — Caen Final ACM • J01-04-PD-0003 — Caen Table 1 ACM removal cost
	• USTs and ASTs (Storage Tanks)	EUR 60,000	• J01-04-PD-0005 — Caen Appendix build WaterWork • J01-04-PD-0006 — Caen Appendix build Y

	• Storm water	EUR 30,000	• J01-04-PD-0007 — Caen Appendix build B-C • J01-04-PD-0008 — Caen Appendix G • J01-04-PD-0009 — Caen Appendix build Hprime • J01-04-PD-0010 — Appendix build J • J01-04-PD-0011 — Caen Appendix build Lprirme

Site	Issue	Expected Liability	Virtual Data Room Locations / Additional Information
			• J01-04-PD-0012 — Appendix build N-R • J01-04-PD-0013 — Caen Appendix build N-R GF • J01-04-PD-0014-Appendix build Pprime • J01-04-PD-0078 — Caen R6014278 edr V01 annexe 1a • J01-04-PD-0079 — R6014278 edr V01 annexe 1b • J01-04-PD-0080 — R6014278 evaluation risques.V01 • J01-04-PD-0081 — R6014294 ESR phase 1 • J01-03-PD-0002 — Summary Environmental Assessment • J01-04-PD-0082 — R6014294 ESR phase 1 Annexe 1 • J01-04-PD-0083 — R6014294 ESR phase 1 Annexe 6 • J01-04-PD-0084 — R6014294 ESR phase 1 Annexe 7 • J01-04-PD-0085 — R6014294 ESR phase 1 Annexe 8 • J01-04-PD-0093 — Rapport ICF-05-INV-185-Investigations CORIO • J01-04-PD-0094 — Resume concentration-metaux-A3 • J01-04-PD-0095 — Resume concentration- solvants A3
Germany			
Hamburg	Soil and groundwater pollution	EUR 16 million	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0011 — Hamburg Germany Environmental Assessment
Netherlands			
Nijmegen	• Soil and groundwater pollution	EUR 2.5 million	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0016 — Nijmegen Netherlands Environmental

Site	Issue	Expected Liability	Virtual Data Room Locations / Additional Information
	• Environmental licenses required	EUR 500,000	Assessment • J01-04-PD-0097 — Nijmegen fase 3 rapport 1998 • J01-04-PD-0098 — Nijmegen bijlagen fase 3 rapport 1998
	• Asbestos in foundation parking lot	EUR 175,000	• J01-04-PD-0099 — Definiitief Bodemrisicoanalyse • J01-04-PD-0100 — Nijmegen 2 NRB rapport • J01-04-PD-0101 — Nijmegen GW-resultaat • J01-04-PD-0102 — Nijmegen updated map 2006
Lent	Soil and groundwater pollution This matter involves premises at Pastoor van Laakstraat 90-92, Lent. Philips owned and occupied this site until selling it to C.C.A. BV on December 31, 1984. Under the sale agreement, Philips retained liability for soil and groundwater pollution. Ownership of site has changed hands several times since then; it is currently owned by the Municipality of Nijmegen, which purchased it in 1995.	0 (but maximum potential liability of EUR 6 million)	• J01-03-PD-0002 — Summary Environmental Assessment

Site	Issue	Expected Liability	Virtual Data Room Locations/ Additional Information
	The Stichting Bodemsanering NS (SBNS) has indicated that it will hold Philips liable for all damages that NS Vastgoed and/or Prorail, who are developing the property, may suffer as a result of soil and groundwater contamination on the premises caused by Philips. Philips has denied liability on the grounds that SBNS has not established that the soil and groundwater contamination was caused by Philips. It is considered very unlikely that a claim against Philips in connection with this matter will be made successfully.		
Philippines			
Pamplona	Soil and groundwater pollution	EUR 700,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-04-PD-0075 — Las Pinas CAP final • J01-04-PD-0076 — Las Pinas reassessment
Calamba	Pollution	EUR 100,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0008 — Calamba Philippines Environmental Assessment • J01-04-PD-0053 — Philippines Calamba part 1 • J01-04-PD-0054 — Philippines Calamba part 2
Cabayuao	Improvements and permits required	EUR 25,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0006 — Cabuyo Philippines Environmental Assessment J01-04-PD-0049 — Philippines Cabuyo part 1 • J01-04-PD-0050 — Philippines Cabuyo part 2 • J01-04-PD-0051 — Philippines Cabuyo part 3 • J01-04-PD-0052 — Philippines Cabuyo part 4
Singapore			
SSMC	Oil spill	EUR 30,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0019 — Singapore SSMC Environmental Assessment • J01-04-PD-0030 — Singapore SSMC
United Kingdom			
Southampton	Asbestos in buildings	EUR 800,000	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0022 — Southampton UK Environmental Assessment • J01-04-PD-0034 — Southampton Final • J01-04-PD-0035 —Southampton Tables Southampton • J01-04-PD-0036 — Southampton Fig 1 Site Location • J01-04-PD-0037 — Southampton Fig2 Site Layout and borehole Locations • J01-04-PD-0038 —

Site	Issue	Expected Liability	Virtual Data Room Locations/ Additional Information
			Southampton Fig3 groundwater elevations • J01-04-PD-0039 — Southampton Fig4 Tier I exceedances • J01-04-PD-0040 — Southampton Appendix A Borehole logs • J01-04-PD-0041 — Southampton Appendix B Laboratory certificates • J01-04-PD-0043 — Southampton Asbestos Final • J01-04-PD-0044 — Southampton Site Location • J01-04-PD-0045 — Southampton Site Layout • J01-04-PD-0046 — Southampton Risk Assessment
Hazel Grove	Asbestos in building and foundation Possible soil and groundwater pollution	EUR 800,000 Unknown	• J01-03-PD-0002 — Summary Environmental Assessment • J01-03-PD-0012 — Hong kong PSCCHK Environmental Assessment • J01-04-PD-0031 — Hazel Grove Asbestos Survey • J01-04-PD-0032 — Hazel Grove Location Map • J01-04-PD-0033 — Hazel Grove Layout Plan • J01-04-PD-0057 — UK Hazel Grove Final report Stockport • J01-04-PD-005 8 — UK Hazel Grove Tables 1 to 13 • J01-04-PD-0059 — UK Hazel Grove Figure 1 Site Location • J01-04-PD-0060 — UK Hazel Grove Figure 2 Site Layout • J01-04-PD-0061 — UK Hazel Grove Figure 3 Shallow Groundwater Levels • J01-04-PD-0062 — UK Hazel Grove Appendix A Borehole Log Records • J01-04-PD-0063, J01-04-PD-0064 — UK Hazel Grove Appendix C Analytical certificates1

Site	Issue	Expected Liability	Virtual Data Room Locations / Additional Information
			• J01-04-PD-0065 — UK Hazel Grove Appendix C Analytical certificates2 xxx
United States			
Sunnyvale	Soil and groundwater pollution This matter concerns soil and/or groundwater pollution at six sites in Sunnyvale, California: (1) 811E. Arques; (2) 440 Wolfe; (3) 740 Kifer; (4) 760 Evelyn; (5) 680 Maude; and (6) 915 De Guigne. None of the locations are currently used by Philips. Remediation activities are being performed at each of these sites at a total cost of approximately USD 1.1 million per year and are expected to continue for some time into the future.	USD 13.6 million. Liability for clean-up will remain with Philips following the Transaction.	• J01-03-PD-0002 — Summary Environmental Assessment
Albuquerque	Facility cleanup and removal of remaining hazardous materials (if any) prior to sale	USD 2.5 million	• J01-03-PD-0002 — Summary Environmental Assessment

Site	Issue	Expected Liability	Virtual Data Room Locations / Additional Information
San Antonio	Potential improper closure of chemical tank	Uncertain	• J01-03-PD-0002 — Summary Environmental Assessment

SCHEDULE 8.15

SUBSIDIARIES

No.	Subsidiary	Jurisdiction of Organization	Ownership Interest
1.	Philips Semiconductors B.V.	Netherlands	100%
2.	Philips Software B.V.	Netherlands	100%
3.	Philips Semiconductors Dresden AG	Germany	100%
4.	SMST UK GmbH (Unterstutzungs Kasse)	Germany	100%
5.	Philips Semiconductors Germany GmbH	Germany	100%
6.	Philips Semiconductors Austria GmbH	Austria	100%
7.	Philips Semiconductors Switzerland AG	Switzerland	100%
8.	Philips Semiconductors Belgium N.V.	Belgium	100%
9.	Philips Semiconductors Crolles R&D SAS	France	100%
10.	Philips Semiconductors France SAS	France	100%
11.	Philips Semiconductors Italy SpA	Italy	100%
12.	Philips Semiconductors Finland Oy	Finland	100%
13.	Philips Semiconductors Sweden AB	Sweden	100%
14.	Philips Semiconductors UK Limited	UK	100%
15.	Philips Semiconductors Hungary Ltd	Hungary	100%
16.	Philips Semiconductors Electronic Ticaret A.S	Turkey	100%
17.	Philips Semiconductors Poland Sp. z.o.o	Poland	100%
18.	Philips Semiconductors Russia O.O.O.(1)	Russia	100%
19.	Philips Semiconductors (Guangdong) Company Ltd	China	100%
20.	Philips Electronics (Beijing) Co. Ltd	China	100%
21.	Philips Semiconductors (Suzhou) Co. Ltd	China	100%
22.	Philips Jilin Semiconductors Co Ltd	China	60%
23.	Philips Semiconductors (Shanghai) Company Ltd	China	100%
24.	Philips Semiconductors HK Limited	Hong Kong	100%
25.	Philips Semiconductors Japan, Ltd	Japan	100%
26.	Philips Semiconductors Korea Ltd.	Korea	100%
27.	Philips Semiconductors Singapore Pte. Ltd	Singapore	100%
28.	P.T. RFS Batam	Indonesia	100%
29.	Philips Electronics Building Elements Industries (Taiwan) Ltd	Taiwan	100%
30.	Philips Semiconductors Seremban Sdn Berhad	Malaysia	100%

(1) To be incorporated.

31.	Philips Semiconductors Philippines Inc	Philippines	100%
32.	Laguna Ventures Philippines Inc.	Philippines	39.99%
33.	Philips Semiconductors (Thailand) Co. Ltd	Thailand	99.99%
34.	Philips Semiconductors SMO (Thailand) Co. Ltd.	Thailand	99.99%
35.	Philips Semiconductors India Pvt Ltd.	India	100%
36.	Philips Semiconductors US Inc	USA	100%
37.	Philips Semiconductors Canada Inc	Canada	100%
38.	Philips Semiconductors Brasil Ltda	Brazil	100%
39.	SSMC (Systems on Silicon Manufacturing Company Pte. Ltd.)	Singapore	50.5%
40.	NXP Funding LLC	USA	100%

EQUITY INVESTMENTS

No.	JV Entity	Country	JV Stakeholder(2)	Ownership Interest
1.	Advanced Semiconductor Manufacturing Corporation Limited	China	Philips Electronics China B.V. (3)	26.65%
2.	Beijing T3G Technology Company Limited	China	NXP B.V.	40.84%
3.	Sunext Technology Co. Ltd.	Taiwan	NXP B.V.	32.3%

(2) As far as the NXP B.V. stake is concerned.
(3) Ownership to be transferred to NXP B.V. following expiration of lock up.

SCHEDULE 8.18

INTELLECTUAL PROPERTY LITIGATION

NETHERLANDS/CENTRAL

A. Litigation matters

I. *Biax* (Case TA 129)

- Biax Corporation of Boulder, Colorado (Biax) filed a complaint with the U.S. International Trade Commission (ITC). The ITC case was originally filed on December 8, 2005, with a third amended complaint filed on February 17, 2006.

- The complaint alleges that Philips Semiconductors B.V., Philips Consumer Electronics B.V., Philips Consumer Electronics North America Corp. and 2Wire, Inc. are infringing Biax's U.S. patents Nos. 5,021,945, 5,517,628 and 6,253,313 by importing into the U.S., selling for importation into the U.S. and the selling within the U.S. after importation of certain digital processors and digital processing systems, in particular the Nexperia line of processors that contain a TriMedia core and the televisions produced and/or sold by Philips containing these chips.

- In parallel proceedings, Biax filed a patent infringement action in the Eastern District Court of Texas. In the Texas case all three of the above-mentioned patents are at issue, along with U.S. patent No. 4,847,755. The infringement proceedings in Texas have been stayed until the ITC action has been resolved.

- The TriMedia core technology is used in digital television sets and (multimedia) mobile phones. The TriMedia core technology was developed by Philips, subsequently spun off as TriMedia Technologies, Inc., and later re-acquired by Philips.

- 2Wire has a non-exclusive, non-transferable, royalty-bearing, worldwide license to the TriMedia technology and uses this technology in its products. According to the license agreement TriMedia – now Philips Semiconductors, Inc. – is obliged to defend and indemnify 2Wire at its expense for any loss suffered in any action based on a claim that the TriMedia technology, when used in accordance with the license, infringes U.S. patents. 2Wire has sent Philips Semiconductors, Inc. a notice regarding Philips's obligations under the license. Philips understands the indemnification agreement to cap its obligations at USD 2 million, including legal fees incurred by 2Wire. However, 2Wire also purchases TriMedia chips from Philips and wants to claim part of the liability under the sales relationship.

- On January 9, 2006 the ITC issued a notice of investigation in which it announced that an investigation will be instituted on the basis of the complaint. In response to the ITC, Philips denied the alleged patent infringement as set out in the complaint and gave an outline of its defenses. On February 9, 2006 the ITC ordered the parties to file a statement of discovery with the ITC, which was discussed in a preliminary conference at the ITC held on March 1, 2006.

- The discovery phase of the litigation has been finalized. Expert witnesses have been identified and depositions of Philips experts have been filed. Philips further filed several motions of non-infringement and invalidity/unenforceability.

- Judge Harris has found non-infringement on the Firing Time patent. We are waiting for the Commission to approve the judge's Summary Determination decision. We are still waiting to hear on several motions still outstanding on the two Condition Code patents.

- The hearing in this matter will commence immediately following the conclusion of a prehearing conference, and is scheduled for October 12th through October 18th.

- Biax has filed a motion requesting a 3-month delay in the hearing based on 1) the spinoff of NXP, 2) the need to review the Philips' workaround and 3) time to give Commission to review the Summary Determination decision on the Firing Time patent.

- The risks associated with the ITC action centre around 'exclusion orders' which may bar infringing products– and 'downstream' products containing infringing products –from import into the United States. The total sales of TriMedia products amount to USD 200 million, of which 20% is sold directly in the United States. Part of the chips sold outside the United States is incorporated in products sold in the United States. Monetary damages are not at issue in the ITC investigation. If and when the Texas action is revived, Biax may claim monetary damages in that action.

- Biax has previously asserted its patents against IBM, Apple and Motorola in the District of Delaware, and against Texas Instruments before the ITC. The IBM/Apple/Motorola case was settled pursuant to undisclosed terms. Texas Instruments won summary determination of no infringement of two patents and settled the remainder of the case pursuant to undisclosed terms. Biax is currently asserting its patents against Intel and Analog Devices in the Eastern District of Texas.

- Philips is aiming at a settlement. An early overture to Biax concerning settlement in the range of anticipated litigation costs, USD 3-4 million, was not accepted by Biax. Through July 2006, legal expenses totaled approximately USD 3.3 million. Philips provided Biax with relevant sales information. It is believed that Biax expected Philips to have had higher sales than it actually does. On June 13, 2006 Biax made an offer of USD 38 million paid for the life of the Biax patent portfolio, which would also cover chips made by 2Wire. Although Biax indicated that this was more of a gut response to Philips's low offer of USD 3.3 million, and that they were willing to negotiate, Philips indicated at that time to Biax that it did not want to meet until Biax reduces its offer to a more reasonable level. After Philips won the summary determination motion in the ITC of non-infringement on 1 of the 3 patents, BIAX has now lowered its settlement offer to USD 15 million. Further, design around efforts have been undertaken to cap exposure.

II *Sumitomo Special Metals / Neomax (Cases TA 405 and TA 406)*

- Neomax (formerly Sumitomo Special Metals Co. Ltd.) filed patent infringement actions in Germany against the mobile phone operators T-Mobile and Vodafone D2. The actions are based on the German part of their European patent EP 0 101 552 relating to magnet material. T-Mobile and Vodafone D2 are allegedly infringing this

patent by selling and distributing (about twelve brands of) mobile phones which allegedly make use of Nd-Fe-B magnets in their loudspeakers and vibrators. The claim is based on a patent that expired in July 2003. Neomax therefore only claims damages for past use; from September 1989 through July 2003. Patent nullification actions were filed by T-Mobile at the Federal Patent Court on December 7, 2004 and by SonyEricsson on December 7, 2005.

- T-Mobile and Vodafone D2 have sent third party notices to their suppliers of mobile phones and speakers.

- T-Mobile sent third party notices to Alcatel SEL AG, Robert Bosch GmbH, Motorola GmbH, Nokia GmbH, Panasonic Deutschland GmbH, Philips Consumer Electronics, Research in Motion UK Ltd., Samsung Electronics GmbH, Sharp Electronics GmbH, Siemens AG, Sony Ericsson Mobile Communications Int. AB, Philips Austria GmbH, Sony Deutschland GmbH and Ericsson GmbH. The litigation has been joined by Nokia, Philips, SonyEricsson, Ericsson, Samsung, Siemens and Research in Motion.

- It is believed that Vodafone D2 has sent third party notices to Nokia GmbH, Philips GmbH, Philips France, Alcatel, Sagem and Sony Ericsson. Philips Austria GmbH and Sonion A/S received a third party notice from Nokia. The litigation has been joined by Nokia GmbH, Philips GmbH, Sonion A/S and Ericsson GmbH.

- Some suppliers of mobile phones have in their turn sent third party notices to Philips Semiconductors, because Philips Semiconductors manufactures the speakers containing the allegedly infringing magnet material in question and supplied them with such speakers for their mobile phones. The relationships between particular mobile phones, particular speakers and especially particular magnets have been very difficult to establish. Philips has supplied most of the parties with part of their products, where the largest customers would be Nokia (supposedly purchased 100% from Philips), Motorola and Siemens. Samsung, Panasonic and Sony Ericsson, however, may not have been customers for these particular products. All of these companies may hold Philips liable. Philips's indemnification provisions are not identical among all the companies involved, and some indemnification provisions are not limited to the value of the goods delivered. The indemnification provisions do require that the customer hand over the management of the litigation to the supplier (which T-Mobile and Vodafone have not done, and Nokia and others could not do). In the end this would come down to a negotiation process with the customers, taking the long term relationship into account. Philips Semiconductors purchases the allegedly infringing magnet material from small Chinese suppliers. According to Philips it is doubtful whether they can get an indemnification from such suppliers.

- In the T-Mobile case, appeal proceedings at the Oberlandesgericht Düsseldorf are pending. The Oberlandesgericht did not render a final decision yet but has given a preliminary opinion. It decided to appoint an expert to take evidence on the infringement question. The expert will commence his activities in the near future. Neomax has filed revision to the Bundesgerichtshof against the judgment in part of the Oberlandesgericht.

- In the Vodafone D2 case, the Landgericht Düsseldorf split the litigation into separate cases for different mobile phone models/suppliers (Nokia, Siemens, Ericsson, Motorola, Alcatel, Philips and Sagem phones). The Landgericht has decided to

---

appoint an expert to take evidence on the infringement question. No decision has been rendered yet.

- Neomax dismissed its initial claim of approximately USD 100 million, which was based on the profits made by the sales of the mobile phones involved. The court recently indicated that a link to the sales price of mobile phones (or even to the telephone operator's business) will not be considered. Philips's best guess is that the financial risk involved, based on what they consider to be a reasonable royalty per magnet, is substantially lower than this amount. If the royalty would ultimately be linked to, for example, the speakers instead of the magnets inside the speakers, the total risk could be higher (but still significantly lower than if the amount would be linked to the sales prices of the mobile phones or the telephone operator's business). Neomax has recently shown an interest in negotiating with Philips Semiconductors directly, on the condition that a total solution with all parties can be achieved. Philips Semiconductors is now in discussions with Sonion, the (only) other speaker supplier involved, to agree an aligned approach. Philips Semiconductors intends to propose a settlement for use of the (expired) patents anywhere in the world, against the royalty rate that was available to the industry (5%), even dropping arguments about parts of its purchased magnets already being licensed. This would amount to a payment of less than USD 1 million. Neomax's benefit in this would be that they remove the risk of being held liable for the involved parties' legal costs.

III. *Kreft (Case TA 184)*

- Technische Beteiligungsgesellschaft Hanau GmbH (TBH) sued Giesecke & Devrient GmbH and Philips Semiconductors GmbH on July 11,2006 for infringing patent DE 3,935,364. Philips sells smart card ICs that communicate via a contact and a contact-less interface with a reader, and TBH claims that the patent covers the way the switching between these two interfaces operates. Giesecke & Devrient buys Philips ICs and manufactures dual interface smart cards. Philips has indemnity obligations towards Giesecke & Devrient.

- The first assertion by the patent owner (Mr. Kreft) was in April 2001. Philips always took the position that its ICs did not infringe, although there is a risk that Philips's solution could be judged as an equivalent solution. The case was dormant for years but was renewed with a new assertion letter dated March 3, 2006.

- The claimed amount in the German lawsuit is EUR 500,000, but it is believed that the worldwide financial risk is less than this amount based on the worldwide sales and a reasonable royalty. As this lawsuit is in an early phase, additional information may required a modified assessment.

B. Claims – pending cases

I. *Tessera (Case TA 489)*

- There is a risk that Tessera will file suit against Philips Semiconductors for alleged infringement of the patent "family" that includes U.S. patents Nos. 5,852,326, 5,679,977, 6,433,419, 6,465,893, European Patent EP1111672 and corresponding patents in Korea and Japan. These patents relate to the packaging of integrated circuits ("ICs"), and more specifically to an important subclass of ball grid arrays ("BGAs"). A product falls within the subclass when its substrate is relatively flexible or thin and the pitch between terminals is relatively small. This subclass is

---

particularly relevant for the applications for which miniaturization is key (such as mobile phones). The patents expire in September 2011.

- Tessera has not filed a lawsuit yet against Philips Semiconductors, but it did make statements on its actual liability. Philips estimates that the chances that the outcome of a lawsuit would be unfavorable to Philips Semiconductors are over 70 percent. Tessera has already been successful in its lawsuits against Texas Instruments, Sharp and Samsung, and several competitors have taken a license against considerable payments. A number of lawsuits are currently pending against other competitors and foundries, including STMicroelectronics, Infineon, Micron and ASE. Infineon, Micron, STMicroelectronics and Philips have in turn filed oppositions against EP1111672 before the European Patent Office.

- Philips Intellectual Property and Standards, on behalf of Philips Semiconductors, have been discussing license terms with Tessera since the third quarter of 2004. Tessera explained its licensing program and showed reverse engineering data on one of Philips IC packages. The package had a similarity to one of Intel's IC packages, for which Intel pays royalties to Tessera. After signing a non-disclosure agreement, Tessera presented its model for licensing payments. Although counsel believes that Tessera's position outside the United States is weaker than inside the United States, Tessera refuses to take that into account in the royalty calculation and wants a worldwide license with worldwide payment. For the period up to and including 2005, Tessera claims a one-off payment for past use in the amount of about USD 7 million. Tessera has always indicated that there is some flexibility in this past use amount. Tessera wants to agree on a running royalty per BGA package depending on its number of pins, with a maximum of USD 0.06 per BGA package. This would amount to approximately EUR 5-8 million per year for Philips Semiconductors including packages sourced from its subcontractors, depending on sales. It is Philips's position that the subcontractors are responsible for the packages they supply to Philips. Tessera had indicated that Philips may let its subcontractors pay their own royalties. Tessera indicated that the royalty rate proposed in February 2006 was the lowest possible, so they may not be inclined to lower it further.

- Philips sent a proposal to Tessera on July 8, 2006 to pay the past use and part of the running royalties with a back license under Philips's U.S. patents 5,739,591, 6,177,295 and 5,504,036 and their respective family members (which will all transfer to the Company or a Company Subsidiary in connection with the Transaction) for the Shellcase technologies including the right to sublicense these patents to Tessera's Shellcase licensees. On July 28, 2006 Philips was informed by Tessera that they are not willing to accept this form of payment.

- The proposal made by Philips on September 1, 2006 included a past use payment of USD 3 million, including the whole of 2006 and a proposal not to pay for packages supplied by Philips Semiconductors' main subcontractors. Tessera's counter offer included a past use payment of USD 10 million, including the first half of 2006 with a responsibility to pay for packages supplied by subcontractors. For the packages supplied by subcontractors we are coordinating with NXP's purchasing department. For the past use, including Q3 2006 we expect to be able to settle for about 5.5 million Euros.

- The discussions with Tessera remain mainly focused on the following issues:

    - the amount of the past use payment

    - and responsibility for royalty payments in case packaging is carried out by subcontractors.

- In relation to products manufactured by Philips using technology licensed from Amkor, Amkor has an indemnification obligation capped at USD 1 million under the applicable license and technology transfer agreement.

II. *Alliacense (Cases TA443, TA486, TA13621 and TA13864)*

- Several assertions have been made relating to alleged infringement of U.S. patent No. 5,440,749 and related dependent patents (the so-called Moore Patent Portfolio) relating to microprocessor technology and co-owned by Technology Properties and Patriot Scientific (now joined in the new company Alliacense). Because of sales by Philips of TriMedia microprocessors in the U.S., Technology Properties and Patriot Scientific in the past offered to settle for USD 22 million but did not want to substantiate their case. Philips refused the offer and is of the opinion that its microprocessors did not infringe the patents involved.

- Patriot Scientific approached a number of Japanese PC companies, such as Sony, Matsushita, Fujitsu, NEC and Toshiba. Intel, as supplier of Pentium chips, came to their defense. In 2004, Sanyo asked Philips for assistance in their defense. Philips explained that it does not believe that the Philips microprocessors infringe. Recently, Intel, which produces similar microprocessors to those that Philips does, took a license from Technology Properties and Patriot Scientific for an amount of USD 10 to 25 million. In addition, Bosch and Agfa Gevaert recently sent a letter to Philips indicating that they had been approached by Alliacense for alleged infringement by products incorporating Philips microprocessors and asking for indemnification. Philips Semiconductors is receiving questions from more customers about the Moore patents. Recently, Alliacense approached Philips Consumer Electronics again to present their claim against microprocessors used in products from both Philips Consumer Electronics and Philips Medical Systems. Because the patents pertain to microprocessor technology, Philips Consumer Electronics and Philips Medical Systems are requesting indemnification from their suppliers, including Philips Semiconductors.

- Alliacense primarily approaches companies such as Sanyo, Bosch, Agfa Gevaert, and Philips Consumer Electronics that manufacture finished products incorporating microprocessors, relying on patent claims that allegedly cover the combination of microprocessors with other components. Although Philips Semiconductors is generally not liable for infringement by the combinations, Philips Semiconductors could be liable in case their products implement all features of one or more of the Moore patent claims. Besides from indemnification requests by customers, liability

could also arise from Alliacense directly if they would decide to approach Philips Semiconductors (risking exhaustion of their patents. However, Alliacense like their predecessors declined to discuss a license on the chip level, keeping their focus on higher value products.

- Several manufacturers have recently entered into license agreements with Alliacense, including Fujitsu, HP, Sony, apparently not protected by their customer status of Intel and AMD.

III. *Silicon Image (Case TA 189)*

- In 2003, Philips Semiconductors wanted to make ICs using a standard developed by Silicon Image. Philips Semiconductors performed a check under which patents a license might be required. No such patents were identified.

IV. *IGR (Cases TA 190 and TA 204)*

- Interessengemeinschaft fur Rundfunkschutzrechte (IGR) sued Quelle in Germany under patents DE 3,137,535; DE 2,827,159 and DE 2,902,933, all of which are now all expired. Philips is not a party to the litigation.

- Quelle is seeking indemnification from Elektronika Velenje and Vestel. Both Velenje (case TA190) and Vestel is seeking indemnification from Philips (case TA204). Philips products concerned are stereo sound ICs TDA9870, 9875, 9840 , and 9820. These TV manufacturers also bought similar products from Micronas, which makes it difficult to calculate possible liability.

- Philips already has a license under these patents from the IGR, which is acknowledged by IGR, but IGR claims that the patent claims (and thus the license) do not cover ICs. In Philips's view, the patents are so broad that they do cover ICs. If so, Philips's ICs are covered, and the patents are exhausted with respect to the Quelle TVs that incorporate Philips ICs. However, if the patent claims are considered insufficiently broad to cover ICs, and only TVs are covered by the patents, there would be no such exhaustion. Philips Semiconductors cannot be held liable vis-a-vis Velenje and/or Vestel for more than the ICs themselves.

V. *Peng Tan (Case TA 316)*

- In February 2002, American Invention and Patent, which is believed to be an entity owned and operated by the inventor of the asserted patent, Peng Tan, approached Philips for alleged infringement of U.S. patent 4,682,857 by employing an IC die or wafer failure analysis method of hot spot detection utilizing liquid crystal material. While various claims of the patent have been mentioned, only one very broadly-worded claim provides any significant risk of infringement. Philips filed for re-examination with the USPTO and was successful in the first instance. An appeal is pending, and no negotiations are ongoing. Submissions on appeal by Peng Tan and by the Examiner have been filed. The next step is for Board of Patent Appeals and Interferences to decide the appeal; it is not known when the Board will hear the case.

- The royalties claimed are in the order of USD 500,000. The patent expired in April 2005.

VI. *Technology Properties /Leckrone (Case TA 443)*

- See Alliacense (Cases TA 13621 and TA 13864).

VII. *Innovatron (Case TA 450)*

- On December 11, 2003, Innovatron asserted the following patents against Philips Semiconductors B.V.:

    - ISO Patents: all family members of FR9615163; FR9702501; FR9800383
    - Application Patents: all family members of FR9804453; FR9812770.

- In a letter dated Jan 12, 2004, Innovatron informed Philips about the terms and conditions of Innovatron's license program: lump sum or USD 100,000 and royalties of 2% of net sales price, or lump sum of USD 10,000 and royalties of 4% of net sales price.

- Philips has since negotiated with Innovatron, and it seems that not all their patens are relevant. The total estimated financial risk to Philips for the years 2002 to 2009 is EUR 2 million.

VIII. *Patriot Scientific (Case TA 486)*

- See Alliacense (Cases TA 13621 and TA 13864).

IX. *WiLAN (Case TA 491)*

- WiLAN has claimed that their patents U.S. 5,282,222 and U.S. Re37,802 covered the standards for 802.11b/g and 802.15.3a (UWB). In 1999, Philips licensed WiLAN's technology, but the collaboration was short-lived. In June 2004, WiLAN claimed that as a result of Philips's use of WiLAN's technology, Philips owed royalties of 7% under the license agreement. Philips maintains that it did not use their technology and hence does not owe any royalty. After a meeting, WiLAN they backed off position but continued to claim that Philips owed royalties for allegedly infringing their patents. Philips suggested that WiLAN join the patent pool; WiLAN reportedly applied to the patent pool but failed essentiality test. Contractual issues remain.

- WiLAN is still considering Philips settlement offer (around USD 200,000). No changes since September 2005.

X. *Eastman Kodak (Case TA 497)*

- Eastman Kodak filed an infringement case in the United States against Sony Ericsson under 11 U.S. patents relating to digital cameras. Sony Ericsson requested indemnification from Philips Semiconductors for supplying image sensors of the type OM6800/01. Philips denied liability on the basis that Philips did not infringe and liability arising from combining the image sensors with other parts was excluded in the sales agreement. Sony Ericsson did not address these arguments. The latest message from Philips to Sony Ericsson was communicated on April 29, 2005, and no response has been received. The image sensor business has since been discontinued.

XI. *Cryptography Research (Case TA 509)*

- On or about August 2004, Cryptography Research, Inc. (CRI) asked Philips Semiconductors GmbH to license U.S. patent Nos. 6,298,442, 6,304,658, 6,654,884, 6,327,661, 6,510,518, 6,381,699, 6278,783, and 6,539,092 along with continuations and European counterpart patent applications. CRI states that these patents cover various cryptographic counter measures to Differential Power Analysis (DPA) attacks.

- Philips sells integrated circuits (IC's) used in smart cards, passports and similar applications. These IC's are tamper-resistant. DPA is one kind of tampering technique. CRI claims to have all countermeasures for DPA attacks covered by their patents. If CRI's claim is accurate, Philips' smart card IC's would be implicated.

- In June 2006, Philips and CRI representatives met in Hamburg, Germany to discuss a term sheet that was provided by CRI detailing the terms of the CRI proposal. Philips is considering CRI's proposal, which would result in a royalty-bearing license. CRI offered Philips a royalty-bearing patent license at a rate of approximately USD 2.5 million per year.

- Negotiations with CRI are ongoing. One possible outcome is an agreement by Philips to accept a license from CRI.

XII. *Intermec (Case TA 513)*

- Intermec Technologies Corporation (Subsidiary of UNOVA) asserted in September 2004 the following patents against Philips Semiconductors B.V.: US4,739,328; US5,030,807; US5,777,561; US5,828,693; US5,850,181; US5,912,632; US5,995,019; US6,429,775; US6,288,629; US5,528,222; US6,371,375. In a meeting with Intermec in February 2005, it was clarified that Philips Semiconductors B.V. is licensed for several of these patents under an old cross license agreement with IBM.

- Intermec is an aggressive licensor and, for example, has sued Matrix based on four of above patents. Philips Semiconductors B.V., based on the fact that it is already licensed for several of these patents, decided not take any further licenses. Since September 2005, there has been no communication in this case, and it is more or less dormant. For the new EPC Global GEN 2 IC, which will have high volume in the future (2007) a solution with Intermec will be needed.

XIII. *Motorola (Case TA 528)*

- In October 2004, Philips customer VTech informed Philips that Motorola asserted U.S. patent 5,784,585 against VTech in relation to the use one of Philips's ICs (PCD80710). This IC incorporates an ARM7 with the "Thumb" instruction set. Philips relayed this back to ARM, and they provided reasoning for non-infringement which was passed on to VTech. Since then Motorola have been applying pressure in VTech. Because of a chain of indemnity between ARM, Philips and VTech, Philips is in the middle of a discussion which should be between ARM and Motorola. Philips has initiated a dialogue between ARM and Motorola and hopes that they will sort out the matter themselves.

XIV. *Sennheiser Electronic (Case TA 553)*

- Sennheiser Electronic GmbH & Co. KG presented their patents EP0889544B1 and U.S. 6,210,241B to Nokia. Philips Sound Solutions (PSS) received a notice from Nokia on January 19, 2005 and directly from Sennheiser via their lawyers on September 2, 2005.

- Sennheiser claims that a speaker, which they found in a Nokia phone, infringes these patents. Sennheiser offered their patents for sale; as an alternative, they offered a license on their patents. It is unlikely that Sennheiser will attempt to bar PSS from producing loudspeakers, and at worst Philips would have to take a license (although Philips does not believe that it is infringing Sennheiser's patents).

- On February 14, 2006, Philips sent its most recent letter to Sennheiser. Philips cited two speakers, which are novelty destroying for U.S. 6,210,241 and EP 0 889 554. Thus, from Philips's point of view the Sennheiser patents are not valid. As evidence, drawings, invoices, and a declaration under oath were presented. Furthermore evidence was requested whether the speaker found in the Nokia phone indeed is a Philips product. No answer has been received so far.

XV. *Cabot Microelectronics Corporation (Case TA 557)*

- Cabot Microelectronics believes that Cheil, a Samsung company, is infringing patents EP0844290, SG65839 and U.S. 5,980,775 covering the IC wafer polishing slurry claims. IC manufacturers using the Cheil product are alleged to infringe the method claims in the patents. Cabot first wrote to Philips Semiconductors on January 21, 2005 to inform Philips Semiconductors about their issues with Cheil. Philips Semiconductors is not

directly implicated, as they only use the Cheil product in Nijmegen, while Cabot does not have a patent in the Netherlands, and as under European patent laws, the Nijmegen ICs cannot be considered as directly obtained by the patented process. However, Samsung would not provide full indemnification and is also not willing to file a nullity action, and the contract party, Braztek, is not strong enough to indemnify. Therefore, Philips Semiconductors has planned to stop using the Samsung/Cheil slurry in the IC Manafacturing Operations but to continue using the slurry from Cabot for manufacturing operations in those countries where Cabot does have a patent.

- A German court case initiated by Cabot to get more information from Cheil was withdrawn for procedural reasons. In March 2006, Cabot filed an action against Cheil before the U.S. International Trade Commission.

- Philips's most recent contact with Cabot was in March 2005.

XVI. *Scanner Technologies Corporation (Case TA 5938)*

- Philips received a notice from Alacron on July 18, 2005 following Alacron's receipt of a letter from Scanner Technologies stating that Philips products resold by Alacron allegedly infringed Scanner Technologies' patents.

- Scanner Technologies claims that any chip with ball grid arrays (BGA) that are inspected using their patented method infringe their U.S. Patents No. 6,064,757; 6,072,898; and 6,862,365. The three patents cover a method for inspecting the BGA on chips. These chips include numerous Philips Nexperia chips with BGAs, specifically including PNX1302EH and PNX1501E.

- Philips has not had direct contact with Scanner Technologies. Alacron informed Philips that in their initial conversation with Scanner Technologies, Scanner Technologies indicated that they were seeking a 10% royalty for every chip that is inspected under their claimed method of inspection.

- No lawsuit has been filed in this assertion. The asserted patents cover a method of testing BGA on chips. Testing on Philips's chips occurs in Taiwan either in an ASE facility or in Philips's own facility using ICOS equipment Both ICOS and ASE have been contacted regarding indemnity. ASE has indemnification obligations under the contract between ASE and Philips. ICOS is aware of the matter and filed for declaratory judgment against Scanner Technologies in July 2005 seeking a ruling

---

that chips with BGA that are tested using the patented method outside the U.S. do not infringe the patent. ICOS has also been involved in litigation with Scanner Technologies in Federal Court in New York regarding these patents since 2000.

- Philips has communicated with both ASE and ICOS regarding indemnification. The last date of communication with ICOS was October 12, 2005, when Philips received a letter of assurance from ICOS that the ICOS equipment does not practice any claims of the asserted Scanner Technologies patents.

- Scanner Technologies's assertion is considered weak assertion because they are trying to claim that an inspection method used outside of the country infringes a U.S. patent.

XVII. *Avante International Technology (Case TA 12834)*

- Avante International Technology Inc. sent an assertion letter dated October 10, 2005 and asserted patents U.S. 6,665,193 and U.S. 10/732,984 against RF tags made by Philips Semiconductors B.V. The patents relate to the manufacturing of RF tags.

- In December 2005 a letter was sent to Avante pursuant to which Philips requested a claim chart that clarifies why Avante is of the opinion that Philips products infringe their patent. No response has yet been received.

XVIII. *Vcode Holdings an Acacia Technologies, Inc. subsidiary (Case TA 13136)*

- Acacia's patents U.S. 4,924,078; U.S. 5,612,524 and EP 0438841 allegedly cover a two dimensional data matrix ID tag that holds more data than a standard bar code. It is alleged that Philips Semiconductors sells IC's with labels having this type of tag. Philips Semiconductors have contacted our supplier of bar code label printers, Intermec, with a request to indemnify.

- Acacia has asked for USD 0.5 - 2 million for a fully paid license for the life of the patent. The life is 18 months from April 15, 2006. Philips received notice in November 2005.

- Philips can and is willing to design around by using the PDF-417 bar code (as used by Fed Ex) instead of the DataMatrix bar code alleged to be infringing. Acacia represented that it believes that this PDF-417 bar code is not covered by the patents at issue. .

XIX. *Samsung (Case TA 13182)*

- Samsung asserted U.S. 5,581,716 against BENQ relating to a DVD RW using a Philips PNX7860E IC. Samsung's claim appeared to be based on compliance with the ATA-3 standard (a CD/hard disc interface standard). This was relayed back to BENQ.

XX. *Curitel cq. Pantech (Case TA 13285)*

- In one of Philips's licensing programs, the other party claimed that U.S. 6,215,905; KR 413,979; KR 086,267 were of interest for Nexperia in an attempt to get a cross-license.

XXI. *Ericsson (Case TA 13513)*

- Ericsson has initiated lawsuits against Samsung for alleged patent infringement of 15 U.S. patents by their GSM/GPRS mobile phones, along with six patents in Germany and two in the Netherlands. Ericsson has started a case in the UK as well. Samsung requested assistance from Philips because Philips chipsets OM6359EL, PCF5212, and PCF5213 are incorporated into Samsung GSM/GPRS mobile phones. Philips believes that the 15 U.S. patents asserted by Ericsson against Samsung to fall within the scope of a patent cross-license agreement for Mobile Radio Communication Systems between Philips and Ericsson as regards their subjects and as regards the time period up till July 1, 2000. The cross-license agreement extends only to the Philips products and not to combinations thereof.

XXII. *Avermedia (Case TA 13532)*

- This case relates to an injunction action in Taiwan by Avermedia against Animation based on alleged infringement by Animation of Avermedia's TW patent I240169 on an audio video signal transceiving device. Animation uses a product design that may be based on a reference design and chip set of Philips Semiconductors. Animation has requested Philips support (although Philips has no formal obligation to provide it). Both Avermedia and Animation are customers of Philips, and Philips wants to keep a good relation with both. Philips provided Animation with prior art but will not start legal action itself. The patent seems weak.

XXIII. *Card Soft (Case TA 13618)*

- Card Soft Inc. of San Mateo, California sent an assertion letter dated March 10, 2006 that their patent U.S. 6,934,935 is essential to a GPD/STIP Specification 2.2 drafted by the Global Platform. It seems that this letter was sent to all members of the Global Platform. Philips acknowledged the receipt of the letter and asked for a claim chart showing why a product of Philips infringes. On April 7, 2006, Philips received a claim chart with regard to the GPD/STIP Specification 2.2. It is Philips's understanding that the claim does not read on a product of Philips Semiconductors, but further discussions may be required.

XXIV. *LG Electronics (Case TA 13902, TA 14066)*

- LG Electronics (LGE) asserted patents EP 0 335 521, EP 0 548 054, EP 0 719 439 and foreign counterparts thereof against Philips's cell phone business semiconductor businesses. These patents were previously owned by British Telecom. LGE claims these patents cover the GSM/3GPP standards that are used in cell phones. They also asserted the patents against Nexperia Baseband Chipset including PCF 5212, PCF 5213, PNX 5220, PNX 5221 and PNX 5230. Samsung is probably the largest customer of these chips and Samsung already asked Philips Semiconductors for comments. LGE also seized some phones in France and some other financial documents based on this assertion.

- Philips argues that, under a JPEG licensing-out program between Philips and LGE, LGE is obliged to license these patents to Philips under similar terms as the JPEG licenses. Further, British Telecom entered into some undertakings to ETSI that are still believed relevant for these patents.

- In August 2006, LGE added LGE's US Patent 6,529,730 which is allegedly essential for the AMR technology as used in the GSM standard.

- For all these patents, Philips Semiconductors' position is that they are not liable for standard essential patents.

XXV. *Canon (Case TA 13986)*

- On 22 March 2006, we received a claim chart from Canon claiming that their patent US 5,231,495 is infringed by Philips' Nexperia and DVD products, in particular the PNX8550. Canon did not specify any damages. Although the US patent has rather broad claims, the only family member JP3321802 has claims that had been restricted to overcome Japanese prior art. This is under investigation.

- On 2 August, Canon extended this assertion by including a larger product list and citing in addition the patents US 5,566,002; US 5,790,265; US 6,278,486 and US 5,966,495 including their Japanese counterparts JP3542572 and JP2925281.

C. Claims – dormant cases

I. *Smart Card (Case TA 130)*

- Philips received a letter in 2000 from Smart Card LLC stating that Smart Card had sued a number of internet security companies under patents U.S. 5,530,232 and U.S. 5,578,808. Philips does not believe that it is at risk as a customer.

II. *Microtune (Case TA 247)*

- In April 2001, Microtune asserted U.S. patent 6,169,569 against Ericsson for alleged infringement by a cable modem tuner. Ericsson, as customer of Philips, in turn requested indemnification from Philips in July 2001. Philips has not had any direct contact with Microtune, and the case has been dormant since 2003.

III. *LSI LOGIC Corporation (Case TA 260)*

- In December 2001, LSI Logic asserted 28 U.S. patents against various products in response to the I2C assertion by Philips. After repeated requests for information relating to their claim of infringement by Philips, no evidence has been provided. No further communications have been received from LSI in over two years.

IV. *Polycom (Case TA 298)*

- In January 2002, Philips received a patent assertion by Polycom in response to other patent assertions against Polycom by Philips. The Polycom assertion concerned Philips Products (encoders/decoders) using various ITU standards, G.722.1, H.261 & H.263. H.323 and Polycom patents: U.S. 5924064, 6304928, 5767897, 5367385, 5283646, 4794455, 4727422, 4703350,l 5821986, 5778082. Polycom has provided no evidence that Philips is infringing its patents. Philips informed that Polycom that it does not believe there is any infringement over four years ago, and Polycom has not responded.

V. *Robert Bosch (Case TA 309)*

- In early 2004, Bosch, along with Siemens and Temic, joined the Safe-By-Wire consortium. All necessary patent claims of each consortium member are royalty free, so this issue is now considered resolved.

VI. *Technology Licensing Corporation / IP Innovation (Case TA 338)*

- This case covers a series of claims made against various Philips Semiconductors's customers. James Carl Cooper uses a plurality of business names, including Technology Licensing Corp and IP Innovation. Mr. Cooper's assertions are generally somewhat specious, although in one case Philips did indemnify Sanyo for USD 200,000 after Sanyo settled a case with Mr. Cooper. Philips Semiconductors has not been approached by Mr. Cooper directly, but from time to time is requested for assistance by its customers.

VII. *Inside Technologies (Case TA 348)*

- Philips licenses certain patents which are essential for the ISO14.443 and ISO15.693 standards in the radio frequency identification area. Philips asserted its ISO14.443 and ISO15.693 patents against Inside Technologies (now Inside Contactless) as they have potentially infringing products on the market. Inside responded by asserting that their patents U.S. 6,337,619 (WO97/42578) and U.S. 6,033,777 (WO98/06057)) are allegedly relevant for these standards. Based on Philips's evaluation, only one of Inside's patents may be relevant, and on balance Philips has a stronger position and that Inside would be the net debtor in this situation.

- In 2002, Inside filed an opposition against one of the Philips patents. The opposition procedure is ongoing, and Philips will wait for the outcome before reviewing the case and possible restarting negotiations with Inside.

VIII. *Wisconsin Alumni Research Foundation ("WARF") (Case TA 352)*

- On September 4, 2002 Philips received a letter from Intersil Corporation to the effect that they had received a notice letter from WARF asserting a claim of infringement of the patents U.S. 4,630,094 (Expired December 16, 2003); U.S. 4,494,136 (Expired December 21,1999) and U.S. 4,350,994 (Expired December 21,1999) for Semiconductors products containing amorphous films, and requesting that Philips defend and indemnify Intersil. WARF has not identified infringing products. In August 2003, there was a consensus among the engineers that the chips that Philips makes do not contain the amorphous barriers that are recited in all the relevant claims of WARF's patents. In March 2004, Joseph Grear of Intersil admitted that "WARF does not currently have a Philips chip that infringes the WARF '094 patent," but suggests that a Philips .13 micron copper interconnect chip would infringe because similar competitor chips do. Mr. Grear states that Toshiba has obtained a license under the patents, and litigation against Toshiba and Sony (a Toshiba customer) has been dismissed. Agilent, Rohm, Hitachi, Intel, Matsushita, NEC, New Japan Radio, Sanyo and Sharp also took licenses. In April/May 2004, a lawsuit was filed against Samsung.

- In October 2005, Philips received another letter from Intersil stating that they have not heard from Philips regarding this matter, and asking that Philips let him know how it would like to proceed.

IX. *Siemens (Case TA 396)*

- On April 9, 2003, V-Tech, a DECT-phone manufacturer and a customer of Philips Semiconductors, had sent an inquiry letter to Philips Semiconductors with respect to the relevance of Siemens Patent DE 195 25 425 to a Philips Software Stack. This patent covers an apparatus for receiving video signals. It appeared that because Philips was already licensed, it could not be held liable under this patent. Vtech also cited other Siemens patents which Philips VEGA/ABC products allegedly would infringe. Philips denies liability in each case either because Philips is not responsible for any infringement, because the patents relate to separate software not included in the chipset or because they relate to standard (e.g. DECT) essential technologies, respectively.

- On September 30, 2003 Siemens came forward with a similar patent infringement claim against Philips customer Detewe.

- There have been no further contacts between Philips and Siemens about this issue for over two years.

X. *Optrex (Case TA 397)*

- In the first half of 2003, Optrex asked Philips's Japanese IP&S department for its point of view on some of their Japanese patents on MRA display drivers. Philips decided to refrain from any analysis of the Optrex patents until Optrex has explained its claims against Philips in more detail and in an official letter. There has been no news with respect to this matter since then.

XI. *eFLASH (Case TA 413)*

- In June 2003, eFlash claimed that the Philips compact 2T flash cell infringed their patent U.S. 5,455,792. This 2T flash cell was one of the several options investigated at Philips Research and was not in production. It is unlikely that the compact 2T cell, also referred to as CMP cell, will ever become a product. In August 2003, Philips Semiconductors sent a message to eFlash indicating that Philips has no business interest in a license. There has been no contact with respect to this matter since then.

XII. *Raben (Case TA 434)*

- Mr. Raben approached Philips in September 2003 for damages resulting from infringement of patent application PCT/EP 93/00814 by ADSL chipsets. Because Philips could not find any patent rights resulting from this application that were still in force, Philips responded with a letter in early 2004 saying that because patent databases showed no pending patent rights, there could be no damage so Philips would not respond farther to his demand.

XIII. *Alcatel (Case TA 458)*

- In October 2003, Philips received a request for assistance from Arima, a customer of Philips, because Arima was approached by Alcatel on alleged infringement on Alcatel's patents by Arima's GSM/GPRS phones using a Philips IC (GSM GPRS SySol2 System Solution) purchased from Philips Semiconductors Zurich. Because Philips's contract with Arima excludes any liability in case of this patent infringement, Philips decided not to assist Arima in this case.

XIV. *InterDigital Communication Corporation (Case TA 459)*

Philips customer Arima requested assistance in relation to a claim by Interdigital against Arima for the alleged patent infringement of Interdigital's patents on TDMA wireless communications products for 2G mobile phones. As in Case TA 458 above, Philips decided not to assist Arima in this matter.

XV. *Texas Instruments (via 3Com) (Case TA 460*)

- In November 2003, Philips received notice of a possible indemnification claim from its customer 3Com in connection with very broad assertion by TI against 3Com of 30 TI patents, only a relatively small number of which may be relevant to Philips. There is a good possibility of settlement by 3Com. At the end of 2003, Philips sent contact information to 3Com; to date, no further contact made.

XVI. *Cisco (Case TA 476)*

- In April 2004, Cisco asserted its U.S. patents 4,963,034 and 4,868,867 against codecs used in Philips Nexperia products. Philips intended to settle this counter assertion in the same deal as the license from Philips to Cisco, but because of the relatively low license income expected from this deal, this matter has become something of low priority.

XVII. *Lexar Media (Case TA 477)*

- In April 2004, we received a letter from Lexar which discussed the IP owned by Lexar for various types of flash memory. The letter was not specific about the products involved. Philips internal counsel phoned Lexar's attorney to ask him which Philips products Lexar considered to be infringing. Philips has not received any response for two years. It is believed that this was just a 'blanket' letter and that it relates more to Consumer Electronics than to Semiconductors.

XVIII. *MGate (Case TA 529)*

- In May 2005, Mgate GmbH of Germany sent an assertion letter with a two-page patent DE 197 28 004 C2. Mgate is of the opinion that this patent reads on Near Field Communication Devices like mobile phones that comply with the ISO18.092 standard. In 2006, Philips started to sell ICs that comply with this standard. Philips requested Mgate to send a claim chart that proves why they think a product of Philips infringes their patent. No response has been received.

XIX. *Michael Branigin (Case TA 534)*

- In July 2004, Branigin claimed infringement of U.S. patent 5,471,593 by microprocessors. No substantiation or identification of individual Philips products was There have been no further contact with Branigin for a year and a half.

XX. *Thomson (Case TA 558)*

- In February 2005, Philips received notice from LGE that Thomson asserted patent EP0581835B1 (incl. U.S. 5,389,893) against their LCD TV's which use a Philips IC TDA9817. Further, Thomson filed a patent infringement case and ITC action against BenQ. Philips believes that the TDA9817 does not infringe; the TDA9800 is to be investigated, but Philips has have good prior art. In November 2005, BenQ won the

---

ITC case, and the judge held that Philips's IC did not infringe Thomson's patent. BenQ thereafter took a license under five Thomson patents including the one asserted against Philips's IC. However, not all outstanding assertions are yet resolved.

XXI. *Magellan Technology (Case TA 560)*

- Magellan Technology said in a letter to Philips Semiconductors dated April 15, 2005 that their patent US2003/112128 is relevant for all products that will comply with an EPC Global Standard. WalMart and other stores in 2006 started to request all suppliers to deliver all their products with tags that comply with this EPC Global Standard that will replace barcodes in the long run. Philips will start to sell such ICs in the first quarter of 2007.

- In an earlier case, Philips had to take a license from Magellan under a different patent in the same technology area. However, the current case is now dormant, as Philips has not had any further communication with Magellan since the initial letter did not sell such ICs in 2005 and 2006; it is expected that Philips will have to pay a reasonable royalty or can compensate in a cross-license with Philips patents relevant to that EPC Global Standard.

XXII. *Washington Research Foundation (Case TA 567)*

- In March 2005, Plantronics requested indemnification from Philips Semiconductors with respect to a letter from the Washington Research Foundation (which is associated with the University of Washington). The letter from WSF was an informational letter stating that WRF had patents that covered Bluetooth, but no specific claims were made with respect to Philips or Plantronics products. An initial assessment found no infringement.

- In November 2005, Philips sent a letter to WRF stating: "If we do not receive substantive evidence of infringement from you, including a claim chart relating all attributes of our product to every limitation in the claims, we will assume that you, as we, consider this matter settled." Because Philips has not heard from WRF since the initial March 2005 letter, and because WRF has not responded to Philips November 2005 letter, this matter is considered dormant.

XXIII. *Amiga Technologies (Case TA 12777)*

- In September 2005, HP notified Philips Electronics North America Corporation of a "potential" indemnification claim with respect to a patent infringement lawsuit filed by Amiga Technologies, Inc. (a subsidiary of Gateway). The lawsuit alleged that certain "graphics cards/chipsets or optical drives" infringed U.S. Patent Nos. 4,874,164 and 5,412,667. In connection with the lawsuit, Amiga served a subpoena on Philips Semiconductors requesting documents and information relating to Philips' CD/DVD error correction algorithms. Philips supplied certain documents and information relating to the error correction algorithms and processes used in Philips CD/DVD error correction chips and explained that Philips chips (and associated optical drives incorporating those chips) were not using the algorithms claimed in the relevant patents. After reviewing the documents and information, Amiga voluntarily dropped its patent infringement claims against HP with respect to the relevant patents.

XXIV. *Atmel-Deister (Case TA 13413)*

- Deister Electronics GmbH co-owns patent U.S. 5,286,955 together with Atmel Corporation. Philips Semiconductors has close business relations with Deister. Atmel is a competitor of Philips and entered into a license agreement with respect to a patent from Philips that Philips asserted in 2004.

- In February 2006, the CEO of Deister informed Philips that Atmel plans to use U.S. 5,286,955 that might have relevance for some Philips Semiconductors' ICs, for backfire. For this purpose, Atmel asked Deister to sell the 50% ownership of that patent to Atmel. Mr. Stobbe mentioned to Philips that he would be interested in looking for a solution with Philips to keep the good relations between the companies. Philips patent EP 0 473 569 B1 is an elder right for the EP family member and it appears that Philips already had a first product on the European market at the time the Stobbe patent was first filed. There has been no assertion letter yet, and it is possible that there never will be.

SPAIN

A. Claim against Philips Ibérica for alleged illegal use of "whycry001" software. All information contained in section I01-01-ES-0001 of the Virtual Data Room is expressly incorporated in this Schedule 8.18.

SCHEDULE 9.2

COMPANY'S WEBSITE

http://www.nxp.com

SCHEDULE 13.2

NOTICES

1. To the Administrative Agent

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

2. To the Global Collateral Agent

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

3. To Holdings, the Company or the Co-Borrower:

NXP B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 40 272-2041
Telecopy: (31) 40 272-4005
Email: guido.dierick@nxp.com
Attention: Guido Dierick

With a copy to:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven

The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

4. To the Letter of Credit Issuers

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
England
Facsimile No: +44 20 7056 3377
Telephone No: +44 20 7672 4012
E-mail: David.Hobbs@Morganstanley.com
Attention: David Hobbs

Deutsche Bank AG, London Branch
Global Transaction Banking
1 Great Winchester Street
London EC2N 2DB
England
Facsimile No: +44 20 7545 4949
Telephone No: +44 20 7545 4606
E-mail: jim.mcsweeney@db.com
Attention: Jim McSweeney

Bank of America, N.A.
26 Elmfield Rd.,
Bromley, BR1 1WA,
United Kingdom
Facsimile No.: +44 20 8313 2140

Telephone No.: +44 20 8695 3090
E-mail: gary.durrell@bankofamerica.com
Attention: Gary Durrell

HSBC Bank plc
Level 32
S Canada Square
London E14 5HQ
Facsimile No.: + 44 20 7991 4637
Telephone No.: + 44 20 7991 0563 or 21494
E-mail: traceyreading@hsbc.com, davidkimerlin@hsbc.com
Attention: Tracy Reading or David Kimberlin

BNP Paribas, Amsterdam Branch
Herengracht 477
1017 BS, Amsterdam
The Netherlands
Facsimile No: +31 (0)20 550 1373
Telephone No.: +31 (0)20 550 1316
Email: joost.niessen@bnpparibas.com
Attention: Joost Niessen

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Rabobank Nederland
Trade Services UHP-4038
Gildenkwartier l99
3511 DH Utrecht
The Netherlands
Facsimile No.: +31 3 216 6306
Telephone No.: +31 (0)30 216 3200
Email: middofficets@m.rabobank.nl
Attention: Mid Office Trade Services

ABN AMRO Bank N.V.
(GF 3050)
P.O. Box 949
3000 DD Rotterdam
The Netherlands
Facsimile No: +31 (0)10 402 5073
Telephone No: +31 (0)20 535 9200
Email: RSC.inquiry@nl.abnamro.com
Attention: Mr. Barend Nout

Address courier only
ABN AMRO Bank N.V.
(GF 3050) 5th Floor
Aert van Nesstraat 45
3012 CA Rotterdam
The Netherlands
Attention: Trade Processing Centre

EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the "Assignment and Acceptance") is dated as of the Effective Date (as defined below) and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used in this Assignment and Acceptance and not otherwise defined herein shall have the meanings specified in the Secured Revolving Credit Agreement dated as of September 29, 2006 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "Credit Agreement"), among KASLION ACQUISITION B.V., NXP B.V. (the "Company"). NXP FUNDING LLC, the lenders from time to time parties thereto (each a "Lender" and, collectively, the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Global Collateral Agent, MORGAN STANLEY BANK INTERNATIONAL LIMITED, DEUTSCHE BANK AG, LONDON BRANCH and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Joint Lead Arrangers and Joint Bookrunners, DEUTSCHE BANK AG, LONDON BRANCH, as Syndication Agent and MERRILL LYNCH CAPITAL CORPORATION, as Documentation Agent.

The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement, the other Credit Documents and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of the Credit Facility identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement and the other Credit Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1. Assignor (the "Assignor"):

2. Assignee (the "Assignee"):

3. Assigned Interest:

Total Commitment of all Lenders/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Total Commitment/Loans of all Lenders (set forth, to at least 9 decimals, as a percentage of the, Total Commitment/Loans of all Lenders)
$		[0.000000000 %]

4. Effective Date of Assignment (the "Effective Date": , 20 (1).

The terms set forth in this Assignment and Acceptance are hereby agreed to:

[NAME OF ASSIGNOR], as Assignor

By: _____
Name:
Title:

[NAME OF ASSIGNEE], as Assignee

By: _____
Name:
Title:

Accepted:

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent

By: _____
Name:
Title:

(1) To be inserted by Administrative Agent and which shall be the effective date of recordation of the transfer in the Register.

Consented to:

NXP B.V

By: _____
Name:
Title:]

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties and Agreements.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of any of the Credit Parties, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by any of the Credit Parties, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document of any of their respective obligations under any Credit Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender thereunder (including, if it is a requirement of Dutch law, that it is a PMP), (iii) from and after the Effective Date, it shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender under the Credit Agreement, and (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 9.1 of the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions.

3.1 In accordance with Section l3.17 of the Credit Agreement, upon execution, delivery, acceptance and recording of this Assignment and Acceptance, from and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender under the Credit Agreement with a Commitment as set forth herein and (b) the Assignor shall, to the extent of the Assigned Interest assigned pursuant to this Assignment and Acceptance, be released from its obligations under the Credit Agreement (and, in the case of this Assignment and Acceptance covers all of the Assignor's rights and obligations under the Credit Agreement, the Assignor shall cease to be a party to the Credit Agreement.

3.2 This Assignment and Acceptance shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed by one or more of the parties to this Assignment and Acceptance on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Assignment and Acceptance and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by and interpreted under the law of the state of New York.

EXHIBIT B

NOTICE OF BORROWING

Morgan Stanley Senior Funding, Inc. Date: [ ]
20 Cabot Square
Canary Wharf
London E14 4QW
Attention: [ ]

This Notice of Borrowing is delivered pursuant to the Secured Revolving Credit Agreement dated as of September 29, 2006 (as amended, the "Credit Agreement") among KASLION ACQUISITION B.V., NXP B.V., NXP FUNDING LLC, the lending institutions from time to time parties thereto, and MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent. All capitalized terms used but not defined herein shall have the meanings given in the Credit Agreement.

[KASLION ACQUISITION B.V./ NXP B.V./NXP FUNDING LLC](2) (the "Borrower") hereby requests a Borrowing as follows:

1. Amount of Borrowing: [ ] (3)

2. Date of Borrowing: [ ] (4)

3. Type of Borrowing: [ABR Loan] [LIBOR Loan] [EURIBOR Loan].

4. Currency of Borrowing: [ ] (5)

5. Interest Period: month(s)(6)

The Borrower certifies that on and as of the date of the proposed Borrowing and after giving effect thereto:

(i) no Default or Event of Default shall have occurred and be continuing; and

(2) Delete as appropriate.

(3) Must be at least the applicable Minimum Borrowing Amount.

(4) Must be a Business Day.

(5) Must be the Base Currency or an Alternative Currency.

(6) Applicable only to LIBOR Loans or EURIBOR Loans.

(ii) all representations and warranties made by any Credit Party contained in the Credit Agreement or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the Borrowing (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of said earlier date).

[KASLION ACQUISITION B.V./ NXP B.V./NXP FUNDING LLC] (7)

By: _____
Name:
Title:

(7) Delete as appropriate.

EXHIBIT C

LETTER OF CREDIT REQUEST

Morgan Stanley Senior Funding, Inc.
20 Cabot Square
Canary Wharf
London E14 4QW
Attention: [ ]

Date: [ ]

This Letter of Credit Request is delivered pursuant to the Credit Agreement dated as of September 29, 2006 (as amended, the "Credit Agreement") among KASLION ACQUISITION B.V. ("Holdings"), NXP B.V. (the "Company"), NXP FUNDING LLC, (the "Co-Borrower"), the lenders from time to time parties thereto (each a "Lender" and, collectively, the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent (in such capacity, the "Administrative Agent"). All capitalized terms used but not defined herein shall have the meanings given in the Credit Agreement.

[KASLION ACQUISITION B.V./NXP B.V./NXP FUNDING LLC](8), (the "Borrower") hereby irrevocably requests the issuance of a Letter of Credit as follows:

1. Requested Date of Issuance: [ ] (9)

2. Initial Stated Amount and currency: **[ ]** (10),(11)

3. Expiration Date: [ ] (12)

The Borrower certifies that on and as of the date of the proposed Credit Event and after giving effect thereto:

(i) no Default or Event of Default shall have occurred and be continuing; and

(ii) all representations and warranties made by any Credit Party contained in the Credit Agreement or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the Credit Event (except where such representations and warranties

(8) Delete as appropriate.

(9) Must be a Business Day.

(10) Must be at least the applicable minimum Borrowing Amount.

(11) Must be the Base Currency or an Alternative Currency.

(12) Must be not more than 12 months after the issue date.

expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of said earlier date).

[KASLION ACQUISITION B.V./ NXP B.V./NXP FUNDING LLC](13)

By: _____
Name:
Title:

(13) Delete as appropriate.

EXHIBIT D-l

SEPTEMBER 29, 2006
[Insert Name of Company]
OFFICER'S CERTIFICATE

I, , hereby certify that I am the duly elected, qualified and acting [*President/Vice President/Secretary/Assistant Secretary*] of [Insert Name of Company] (the "Company"), and am authorized to execute this Certificate on behalf of the Company. Reference is made to the Secured Revolving Credit Agreement (the "Credit Agreement"), dated as of September 29, 2006, among KASLION ACQUISITION B.V., PHILIPS SEMICONDUCTORS INTERNATIONAL B.V, NXP FUNDING LLC, MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Global Collateral Agent, MORGAN STANLEY BANK INTERNATIONAL LIMITED, DEUTSCHE BANK AG, LONDON BRANCH and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Joint Lead Arrangers and Joint Bookrunners, DEUTSCHE BANK AG, LONDON BRANCH as Syndication Agent, MERRILL LYNCH CAPITAL CORPORATION, as Documentation Agent and the Lenders party thereto. All capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement.

Solely in my capacity as [*President/Vice President/Secretary/Assistant Secretary*] of the Company, I hereby certify that:

1. Attached as Annex A hereto is a true, correct, and complete copy of the organizational documents of the Company.

2. Attached as Annex B hereto is a true, correct, and complete copy of the bylaws or equivalent of the Company, including all amendments, as in effect on the date hereof, and, to the extent required, an extract of the trade register of the Company.

3. Attached as Annex C hereto are true, correct, and complete copies of resolutions duly adopted by the Board of Directors of the Company authorizing the execution, delivery and performance of the Credit Documents (and any agreements relating thereto) to which it is a party. Such resolutions have not been modified or rescinded and remain in full force and effect as of the date hereof.

4. Attached as Annex D hereto are true, correct, and complete copies of resolutions duly adopted by the Shareholders of the Company authorizing the execution, delivery and performance of the Credit Documents (and any agreements relating thereto) to which it is a party. Such resolutions have not been modified or rescinded and remain in full force and effect as of the date hereof.

5. Attached as Annex E hereto is a copy of the [Certificate of Good Standing] for the Company certified by [relevant authority].

6. The persons whose names appear on Annex F attached hereto are duly elected, qualified and acting officers of the Company occupying the offices set forth below their respective names on Annex F, and the signatures set forth above their respective names are their true signatures, and each such officer is duly authorized to execute and deliver on behalf of the Company the Credit Documents and any other document delivered prior to the date hereof in connection with the Credit Documents and to act as an Authorized Officer on behalf of the Company under such Credit Documents.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

[Company]

By: _____
Name:
Title:

The undersigned, being the duly elected and qualified[*President/Vice President/Secretary/Assistant Secretary*]of the Company, hereby certifies that [name] is the duly elected and qualified [*President/Vice President/Secretary/Assistant Secretary*] of the Company and that the foregoing signature appearing above his name is his genuine signature.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Corporations as of the date first written above.

By: _____
Name:
Title:

Annex A

Annex B

Annex C

Annex D

Annex E

Annex F

EXHIBIT D-2

SEPTEMBER 29, 2006
NXP B.V.
OFFICER'S CERTIFICATE

I, , hereby certify that I am the duly elected, qualified and acting [*Authorized Officer*] of NXP B.V. (the "Company"), and am authorized to execute this Certificate on behalf of the Company. Reference is made to the Secured Revolving Credit Agreement (the "Credit Agreement"), dated as of September 29, 2006, among KASLION ACQUISITION B.V., NXP B.V, NXP FUNDING LLC, MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Global Collateral Agent, MORGAN STANLEY BANK INTERNATIONAL LIMITED, DEUTSCHE BANK AG, LONDON BRANCH and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Joint Lead Arrangers and Joint Bookrunners,

DEUTSCHE BANK AG, LONDON BRANCH as Syndication Agent, MERRILL LYNCH CAPITAL CORPORATION, as Documentation Agent and the Lenders party thereto. All capitalized terms used herein and not otherwise defined are used as defined in the Credit Agreement.

Solely in my capacity as [*Authorized Officer*] of the Company, I hereby certify that:

1. No Indebtedness or financing preferred stock of Holdings or its Subsidiaries to third parties will be outstanding following the Closing Date.

2. No shareholder loans have been made without the consent of the Joint Lead Arrangers, other than (i) Indebtedness pursuant to Credit Agreement, (ii) the Bridge Facilities, (iii) the Senior Notes, (iv) Indebtedness outstanding on August 3, 2006, and (v) other Indebtedness not exceeding €50,000,000.

3. I have reviewed the audited financial statements of the Company and as at December 31, 2005 and the unaudited consolidated balance sheets of the Company and the semiconductors business of the Seller as at June 30, 2006 referred to in Section 8.9(a) and 8.9(b) respectively of the Credit Agreement (the "Financial Statements"). I am familiar with the financial performance and prospects of the Company and hereby confirm that as of the date hereof, after giving effect to the transactions contemplated by the Credit Documents:

   i. The fair value of the assets of Holdings and its Subsidiaries on a consolidated basis, at a fair valuation, exceeds the debts and liabilities, direct, subordinated, contingent or otherwise, of Holdings and its Subsidiaries on a consolidated basis, respectively.

   ii. The present fair saleable value of the property of Holdings and its Subsidiaries on a consolidated basis is greater than the amount that is required to pay the probable liability of Holdings and its Subsidiaries on a consolidated basis on their debts

and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured.

   iii. Holdings and its Subsidiaries on a consolidated basis are able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured.

   iv. Holdings and its Subsidiaries on a consolidated basis do not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the Closing Date.

   v. Each Credit Party has not ceased, and does not expect that it will cease, making payments on its liabilities when due.

   vi. Each Credit Party can, and expects that it can, obtain credit in the ordinary course of business.

   vii. No Credit Party intends to, and does not believe that it or any of the Restricted Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing and amounts of cash to be received by it or any such Subsidiary and the timing and amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first written above.

NXP B.V.

By: _____
Name:
Title:

EXHIBIT E

FORM OF PROMISSORY NOTE

$,

FOR VALUE RECEIVED, the undersigned (the "Borrower") hereby promises to pay to the order of [LENDER] (the "Lender"), on the Maturity Date (as defined in the Credit Agreement referred to below) the principal amount of , or such lesser principal amount of Loans (as defined in such Credit Agreement) due and payable by the Borrower to the Lender on the Maturity Date under that certain Credit Agreement dated as of September 29, 2006 (as amended, the "Credit Agreement") among KASLION ACQUISITION B.V. ("Holdings"), NXP B.V. (the "Company"), NXP FUNDING LLC (the "Co-Borrower"), the lending institutions from time to time parties thereto (each a "Lender" and, collectively, the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent (the terms defined therein being used herein as therein defined).

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates, in the currency, in the manner and at such times as are specified in the Credit Agreement. All payments of principal and interest shall

be made to the Lender in immediately available funds at the Lender's lending office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is the promissory note referred to in Section 13.7(d) of the Credit Agreement, and is a "Credit Document" for the purposes of the Credit Agreement and entitled to the benefits thereof and is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement. This Note is also entitled to the benefits of the Guaranty. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of the Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[BORROWER]

By _____
Name _____
Title _____

EXECUTION VERSION

AMENDMENT NO. 1 TO SECURED REVOLVING CREDIT AGREEMENT

AMENDMENT dated as of October 12, 2006 (the "Amendment") among KASLION ACQUISITION B.V. with its corporate seat in Amsterdam, the Netherlands ("Holdings"), NXP B.V. with its corporate seat in Eindhoven, the Netherlands (the "Company"), NXP FUNDING LLC (the "Co-Borrower"), the Lenders party hereto and MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent (in such capacity, the "Administrative Agent").

WHEREAS, the Borrowers, the Lenders, the Administrative Agent, Morgan Stanley Senior Funding, Inc., as Global Collateral Agent, Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Joint Bookrunners, Deutsche Bank AG, London Branch, as Syndication Agent and Merrill Lynch Capital Corporation, as Documentation Agent, are parties to the Secured Revolving Credit Agreement dated as of September 29, 2006 (the "Credit Agreement"); and

WHEREAS, the Borrowers and the Lenders have agreed to amend the Credit Agreement with effect on and from the Effective Date subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

Section 1. Definitions and Interpretations. Unless the context requires otherwise, terms used herein have the respective meanings given in the Credit Agreement.

Section 2. Amendments to Section 1.1 of the Credit Agreement. (a) Clause (h) of the definition of "Asset Disposition" in Section 1.1 of the Credit Agreement is hereby amended by inserting the words "other than sales of securities or indebtedness of SSMC so long as it is not a Restricted Subsidiary" after the words "asset sales".

(b) Clause (n) of the definition of "Asset Disposition" in Section 1.1 of the Credit Agreement is hereby amended by inserting "(x) SSMC and (y)" after the words "with the exception of".

(c) Clause (a) of the definition of "Board of Directors" in Section 1.1 of the Credit Agreement is hereby amended by inserting "(x) for the purposes of the definition of Change of Control only, its managing board or supervisory board and (y) for all other purposes," after the words "laws of the Netherlands,".

(d) Clause (a) of the definition of "Consolidated Net Income" in Section 1.1 of the Credit Agreement is hereby amended by inserting the words "(except in the case of SSMC so long as it is not a Restricted Subsidiary, but this exception shall only apply for the purpose of

determining the amount available for Restricted Payments (other than Restricted Investments) under Section 10.2(c)(i))" after the words "return on investment or".

(e) The definition of "SSMC" in Section 1.1 of the Credit Agreement is hereby amended by adding the following sentence immediately after the end of the first sentence:

"For purposes of Section 10.2 and the definition of "Asset Disposition", references to SSMC shall also refer to any Unrestricted Subsidiary (x) any Capital Stock or debt of which is owned directly or indirectly by SSMC or (y) which has received a cash distribution or dividend from SSMC."

Section 3. Amendments to Section 10.2 of the Credit Agreement. (a) Section 10.2(a)(iv)(C)(4)(b) of the Credit Agreement is hereby amended by (i) inserting the words "(other than SSMC)" after the words "redesignation of Unrestricted Subsidiaries" and (ii) inserting the words "referred to in the first sentence of this sub-clause (C)" after the words "the amount of Restricted Payments".

(b) Section 10.2(a)(iv)(C)(5) of the Credit Agreement is hereby amended by (i) in sub-paragraph (a), inserting the words "(other than SSMC)" after the words "Unrestricted Subsidiary of the Company", (ii) in sub-paragraph (b), inserting the words "(other than SSMC)" after the words "Unrestricted Subsidiary or Affiliate", and (iii) in the proviso, inserting the words "referred to in the first sentence of this sub-clause (C)" after the words "the amount of Restricted Payments".

(c) Section 10.2(c)(xviii) of the Credit Agreement is hereby amended by inserting the words "other than SSMC" after the words "Capital Stock of Unrestricted Subsidiaries".

(d) Section 10.2 of the Credit Agreement is hereby amended by inserting new clause (e) as follows:

"(e) In addition to the foregoing, it will be a breach of this Section 10.2 if any of the Initial Investors receives directly or indirectly from SSMC payments that would, if made by the Company, constitute Restricted Payments of the types described in clauses (a)(i) to (iii) above (inclusive), other than through distributions and dividends (x) to the Company and the making of such payments by the Company in a manner permitted by the covenant set forth above or (y) on a pro rata basis (proportionate to its ownership of SSMC) to another portfolio company of any Initial Investor, or, in the case of the Seller, another operating subsidiary, engaged in an active business that owns Capital Stock of SSMC at such time."

Section 4. Amendments to Section 13.7 of the Credit Agreement. Section 13.7(b)(i)(B) of the Credit Agreement is hereby deleted and replaced with the following:

"(B) the Administrative Agent and the Letter of Credit Issuers (in each case, which consent shall not be unreasonably withheld or delayed), provided that

no consent of the Administrative Agent or any Letter of Credit Issuer shall be required for (x) an assignment of any Commitment to an assignee that is a Lender, except for the consent of each Specified LC Issuer (such consent not to be unreasonably withheld or delayed) unless the assignee Lender of such Commitment has a corporate rating of at least "A+" from S&P or a corporate family rating of at least "Al" from Moody's or has its obligations unconditionally and irrevocably guaranteed by an entity with such rating or (y) any Loan to a Lender, an Affiliate of a Lender, an Agent or an Affiliate of an Agent or an Approved Fund. As used in this sub-clause (B), "Specified LC Issuer" means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. or any of its Affiliates that may from time to time be a Letter of Credit Issuer hereunder.

Section 5. Representations of Borrowers. Each Borrower represents and warrants that (a) the representations and warranties of such Borrower set forth in Section 8 of the Credit Agreement are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the Effective Date and (b) no Default or Event of Default shall have occurred and be continuing on and as of the Effective Date.

Section 6. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Effective Date") on which the Administrative Agent shall have received from each of the Borrowers and the Required Lenders a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Administrative Agent) that such party has signed a counterpart hereof. The Administrative Agent shall promptly notify the Lenders and the Company of the occurrence of the Effective Date.

Section 7. Miscellaneous. (a) Except to the extent expressly amended hereby, the Credit Agreement and each of the other Credit Documents remain in full force and effect and are hereby ratified and affirmed.

(b) This Amendment shall be limited precisely as written and shall not be deemed (i) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement, any other Credit Document or any of the instruments or agreements referred to therein or (ii) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement, any other Credit Document or any of the instruments or agreements referred to therein.

(c) On and from the Effective Date whenever the "Agreement" or the "Credit Agreement" is referred to in the Credit Agreement, any other Credit Document or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

Section 8. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND

CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWERS

KASLION ACQUISITION B.V.

By: /s/ Illegible
Name: Illegible
Title:

NXP B.V.

By: /s/ Illegible
Name:
Title:

NXP FUNDING LLC

By: /s/ Illegible
Name:
Title:

ADMINISTRATIVE AGENT

MORGAN STANLEY SENIOR
FUNDING, INC.,
as Administrative Agent

By: /s/ Mathias Blumschein
Name:
Title:

MORGAN STANLEY SENIOR
FUNDING, INC.

By: /s/ Illegible
Name:
Title:

LENDERS

MERRILL LYNCH CAPITAL
CORPORATION

By: /s/ Stephanie Vallillo
Name: Stephanie Vallillo

Title: Vice President

DEUTSCHE BANK AG, LONDON
BRANCH

By: /s/ N Jansa
Name: N JANSA
Title: MD

By: /s/ Illegible
Name: [Illegible]
Title: Managing Director

MIZUHO CORPORATE BANK, LTD.

By: /s/ Illegible
Name: [Illegible]
Title: Director

BANK OF AMERICA, N.A.

By: /s/ J.E. Fowler
Name: J.E. FOWLER
Title: VICE PRESIDENT

ABN AMRO BANK N.V.

By: /s/ Edwin Ezinga
Name: EDWIN EZINGA
Title: ASSISTANT DIRECTOR

BNP PARIBAS, AMSTERDAM
BRANCH

By: /s/ J.A.C. Niessen /s/ P. van der Velden
Name: J.A.C. NIESSEN P. van der VELDEN
Title: [Illegible]

HSBC BANK PLC

By: /s/ Illegible
Name: [Illegible]
Title: Global Relationship Manager

COÖPERATIEVE CENTRALE
RAIFFEISEN-
BOERENLEENBANK B.A.

By: /s/ Illegible /s/ Illegible
Name: [Illegible] [Illegible]
Title:

Signature Page to Amendment No. 1 to the Secured Revolving Credit Agreement

Exhibit 10.2

Execution Version

SHAREHOLDERS AGREEMENT

among

KASLION Holding B.V.,

Koninklijke Philips Electronics N.V.,

KASLION Acquisition B.V.,

Stichting Management Co-Investment NXP

and

NXP B.V.

Dated as of September 29, 2006

TABLE OF CONTENTS

This SHAREHOLDERS AGREEMENT is made as of the 29th day of September 2006 among KASLION Holding B.V., a limited liability company organized under the laws of The Netherlands ("Investor"), Koninklijke Philips Electronics N.V., a limited liability company organized under the laws of The Netherlands ("Philips"). KASLION Acquisition B.V., a limited liability company organized under the laws of The Netherlands ("Newco"), Stichting Management Co-Investment NXP, a foundation organized under the laws of The Netherlands (the "Stichting Management"), and NXP B. V., a limited liability company organized under the laws of The Netherlands ("NXP").

WHEREAS, Newco is a limited liability company duly organized under the laws of The Netherlands which, prior to the closing of the Subscription Agreement (as defined below), has an issued share capital of 18 ordinary shares, par value €1,000 per share;

WHEREAS, Philips, NXP and Newco have entered into a Stock Purchase Agreement, dated as of September 28, 2006 (the "Stock Purchase Agreement"), pursuant to which Newco will acquire all of the common equity of NXP from Philips;

WHEREAS, Newco, Philips, Investor and Stichting Management have entered into a Subscription Agreement, dated as of September 28, 2006 (the "Subscription Agreement"), pursuant to which Philips, Investor and Stichting Management will make capital contributions to Newco in connection with Newco's acquisition of all of the outstanding shares of NXP from Philips;

WHEREAS, following the amendment of Newco's Articles of Associations and the funding of the capital contributions pursuant to the Subscription Agreement, Investor, Philips and Stichting Management shall become the shareholders of Newco (the "Shareholders"), with Investor owning 70.488% of the then-outstanding ordinary Shares and 80.1% of the Company's then-outstanding cumulative preferred Shares, Philips owning 17.512% of the then-outstanding ordinary Shares and 19.9% of the then-outstanding cumulative preferred shares and Stichting Management owning 12.0% of the then-outstanding ordinary Shares; and

WHEREAS, Stichting Management may from time to time sell and transfer Shares to one or more appropriate vehicles designated by Investor and managed by one or more representatives of Investor or certain directors or employees of NXP or its Subsidiaries for the benefit of certain of the directors, officers and employees of NXP and its Subsidiaries, which, upon execution of a copy of Schedule 1 and receipt of such Shares, would become Parties to this Agreement (together with Stichting Management, the "Management Trusts"); and

WHEREAS, the Shareholders, Newco, NXP and the Management Trust desire to enter into certain agreements relating to the Shares, Newco and NXP;

NOW, THEREFORE, in consideration of the foregoing, and the mutual rights and obligations set forth below, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Additional Securities" means Equity Securities of Newco other than Equity Securities issued in connection with the IPO.

"Advisors" has the meaning set forth in Section 7.3(a)(vi).

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and '"under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliate Transaction" means a transaction between Newco, NXP or any of their respective Subsidiaries, on the one hand, and Investor or an Investor Affiliate, on the other hand, except for routine commercial transactions entered into on an arm's length basis in the ordinary course of business with an Investor Affiliate (which routine commercial transactions, for the avoidance of doubt, shall include the payment of any customary and reasonable management or similar fees not exceeding in total EUR 2 million per annum by Newco, NXP and any of their respective Subsidiaries to all Investor Affiliates, provided a separate annual payment is made to Philips in an amount equal to the amount of any such management and similar fees multiplied by a fraction the numerator of which is Philips's then percentage of ownership of Shares and the denominator of which is the then percentage of the Investor's ownership of Shares.

"AFM" means the Stichting Autoriteit Financiele Markten of The Netherlands or such other regulator as shall be serving as competent authority of The Netherlands for purposes of the Prospectus Directive.

"Agreement" means this Shareholders Agreement, including all Schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Applicable Regulatory Requirements" has the meaning set forth in Section 5.1 (a).

"Blackout Period" has the meaning set forth in Section 7.1 (e)(i).

"Board" means board of directors, management board or supervisory board, or such other governing body, committee or position, such as manager or trustee, that entails responsibility for management and direction of any Person.

"Cash Equivalents" shall mean any of the following: (a) direct obligations of the United States of America, the United Kingdom or the European Union, or obligations of any governmental agency of the United States of America, the United Kingdom or the European Union, with a maturity of one year or less; (b) commercial paper having a rating from S&P, of at least A-l or from Moody's of at least P-l; (c) certificates of deposit and other time deposits issued by any bank or trust company having capital surplus and undivided profits of at least $500 million, and whose long-term unsecured indebtedness is rated at least A- by S&P or at least A3 by Moody's; and (d) repurchase agreements with respect to (and secured by a pledge of) securities described in clause (a) above and entered into with any commercial bank that meets the requirements set out in clause (c) above or any securities broker-dealer of national standing in the United States of America or in any member state of the European Union.

"Cause" has the meaning set forth in Section 2.3(c).

"Chairman" has the meaning set forth in Section 2.1.

"Chosen Courts" has the meaning set forth in Section 8.8.

"Closing" has the meaning given to it in the Stock Purchase Agreement.

"Closing Date" has the meaning given to it in the Stock Purchase Agreement.

"Confidential Information" has the meaning set forth in Section 6.1.

"Demand Request" has the meaning set forth in Section 7.1 (a).

"Demanding Shareholder" has the meaning set forth in Section 7.1 (a).

"Disputes" has the meaning set forth in Section 8.7.

"EB1TDA" means consolidated net income plus, to the extent that they have been deducted in arriving at consolidated net income, (a) depreciation and amortization expenses, (b) non-recurring restructuring expenses, charges and losses, (c) financial expenses, (d) income tax expense, (e) losses relating to unconsolidated companies, (f) minority interests, (g) loss from discontinued operations, (h) loss from the cumulative effect of changes in accounting principles (net of tax) and (i) loss from extraordinary items minus, to the extent they have been added in arriving at consolidated net income, (a) financial income, (b) any credit for income taxes, (c) results relating to unconsolidated companies (including any net dilution gains), (d) minority interests, (e) discontinued operations, (f) the cumulative effect of changes in accounting principles (net of tax), (g) gains from extraordinary items and (h) any aggregate net gain (but not any aggregate net loss) from the sale, exchange or other disposition of capital assets.

"Equity Securities" means any shares of any class or series or any securities (including debt securities) convertible into or exercisable or exchangeable for shares of any class or series of capital stock of any Person (or which are convertible into

or exercisable or exchangeable for another security which is, in turn, convertible into or exercisable or exchangeable for shares of any class or series of capital stock, of such Person), whether now authorized or not.

"EU Prospectus" shall mean a prospectus with respect to a Public Offering within the European Union approved and published under the Prospectus Directive or a prospectus exempt from the approval requirements of the Prospectus Directive pursuant to the national implementing legislation of the IPO Entity's Home Member State, in each case as amended or supplemented by any supplement thereto and including all material incorporated therein.

"Executive Period" has the meaning set forth in Section 8.7(d).

"Facilities" means the Debt Financing as defined in the Stock Purchase Agreement and NXP's senior revolving credit facility that is in effect on the Closing Date.

"Fixed Charge Coverage Ratio" means, as of any date, the ratio of (a)EBITDA for the four consecutive fiscal quarters immediately preceding such date divided by (b) Fixed Charges for the current fiscal quarter and three consecutive fiscal quarters immediately succeeding such date.

"Fixed Charges" means, for any period, the sum (without duplication) of (a) consolidated cash interest expense, including pro forma cash interest expense of any debt or other obligation to be incurred, and (b) scheduled amortization payments of principal in respect of consolidated total debt, excluding any final payment of principal at maturity of any such debt, minus (c) consolidated cash interest income.

"Governmental Authority" means any federal, state or local court, administrative body or other governmental or quasi-governmental entity with competent jurisdiction.

"Holdco" has the meaning set forth in Section 3.3 and Section 3.4.

"Home Member State" means the home member state of the IPO Entity, as determined under the Prospectus Directive with respect to a Public Offering.

"Indemnified Party" has the meaning set forth in Section 7.5(d).

"Indemnifying Party" has the meaning set forth in Section 7.5(d).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged

communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Initial Chairman" has the meaning set forth in Section 2.2.

"Initial Directors" has the meaning set forth in Section 2.2.

"Initial Managers" has the meaning set forth in Section 2.2.

"Initial Meeting" has the meaning set forth in Section 2.2.

"Initial Members" has the meaning set forth in Section 2.2.

"Initiating Notice" has the meaning set forth in Section 8.7(a).

"Initiator" has the meaning set forth in Section 8.7.

"IFRS" means International Financial Reporting Standards.

"Investor Affiliate" means any Affiliate of Investor or of a direct or indirect shareholder of Investor, including limited and general partners, investment managers and any of their respective Affiliates.

"Investor" has the meaning set forth in the Preamble.

"Investor Equity Commitment Letters" has the meaning set forth in the Stock Purchase Agreement.

"Investor Representative" means Johannes Huth or a successor designated in a written notice to Philips, Newco, NXP and the Management Trust signed by Investor.

"IPO" means the Public Offering, if any, pursuant to which the IPO Entity first becomes a Public Company.

"IPO Entity" means Newco or any other Person that the Parties mutually agree to be the IPO Entity, provided that such other Person agrees to be bound by the provisions of Article VII hereof. At any time that the IPO Entity is a Person other than Newco, Newco shall not be bound by the provisions of Article VII hereof.

"IRC" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus within the meaning of Rule 433(h) under the Securities Act prepared by or on behalf of the IPO Entity or used or referred to by the IPO Entity.

"Law" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a Governmental Authority or Self-Regulatory Organization.

"Losses" has the meaning set forth in Section 7.5(a).

"Management Trust" has the meaning set forth in the Preamble.

"Management Trust Drag-Along Sale" has the meaning set forth in Section 3.3(e).

"Management Trust Tag-Along Notice" has the meaning set forth in Section 3.4(g).

"Management Trust Tag-Along Offer" has the meaning set forth in Section 3.4(g).

"Management Trust Tag-Along Sale" has the meaning set forth in Section 3.4(a).

"Management Trust Tag-Along Shares" has the meaning set forth in Section 3.4(g).

"Maximum Number" has the meaning set forth in Section 7. l(e)(iv).

"Moody's" means Moody's Investor Service, Inc.

"NASD" means National Association of Securities Dealers, Inc.

"Net Debt" means, as of any date (and without duplication), (a) the sum of the following items, calculated on a consolidated basis (whether or not then due and payable): (i) all outstanding indebtedness (A) for borrowed money, (B) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or, without duplication, reimbursement agreements in respect thereof) or (C) representing the deferred and unpaid balance of the purchase price of any property (including capitalized leased obligations), except any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business, and (ii) accrued interest payable with respect to indebtedness referred to in clause (i) minus (b) cash and cash equivalents (net of all overdrafts), calculated on a consolidated basis.

"Net Debt Leverage Ratio" means, as of any date, the ratio of (a) Net Debt as of such date divided by (b) EBITDA for the four consecutive fiscal quarters immediately preceding such date.

"Newco" has the meaning set forth in the Preamble.

"Newco Auditor" has the meaning set forth in Section 5.2(a).

"Newco Group" means Newco and its Subsidiaries, taken as a whole.

"Nomination Notice" has the meaning set forth in Section 2.3.

"NXP" has the meaning set forth in the Preamble.

"Offer" has the meaning set forth in Section 3.2.

"Offer Document" shall mean an EU Prospectus and/or a Registration Statement, as the context may require.

"Organizational Documents" means with respect to any corporation, its articles or certificate of incorporation and by-laws, and with respect to any other type of entity, its organizational documents.

"Override Notice" has the meaning set forth in Section 7.2(a).

"Parties" means each of NXP, Newco, the IPO Entity, the Shareholders and any other parties to this Agreement from time to time.

"Participation Request" has the meaning set forth in Section 7.1(b).

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a Governmental Authority, a trust or any other entity or organization.

"Philips" has the meaning set forth in the Preamble.

"Philips Auditor" has the meaning set forth in Section 5.2(b).

"Philips Director" has the meaning set forth in Section 2.3(d).

"Philips Drag-Along Notice" has the meaning set forth in Section 3.3(b).

"Philips Drag-Along Sale" has the meaning set forth in Section 3.3(a).

"Philips Group" means Philips and its Subsidiaries, taken as a whole.

"Philips Minimum Percentage" means 10%.

"Philips Nominee" has the meaning set forth in Section 2.3.

"Philips Tag-Alone Notice" has the meaning set forth in Section 3.4(a).

"Philips Tag-Along Offer" has the meaning set forth in Section 3.4(a).

"Philips Tag-Along Sale" has the meaning set forth in Section 3.4(a).

"Philips Tag-Along Shares" has the meaning set forth in Section 3.4(a).

"Philips Transferee Minimum Percentage" means 15%.

"Priority Period" has the meaning set forth in Section 7.2(c).

"Proceeds" has the meaning set forth in Section 2.4(d).

"Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, or any EU directive, regulation or other legislation then in effect which has replaced such statute, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such replacement directive, regulation or other legislation.

"Public Company" means a Person if, as of any date of determination, ten percent (10%) of its then outstanding Equity Securities have been sold in one or more Public Offerings.

"Public Offering" means a public offering of Subject Securities.

"Qualification" means (a) in the case of an EU Prospectus required to be approved by the competent authority of the Home Member State, the approval of such EU Prospectus by such competent authority and publication thereof under the terms of the Prospectus Directive, (b) in the case of any other EU Prospectus, the publication thereof in accordance with applicable Law and regulation and (c) in the case of a Registration Statement, the declaration of effectiveness thereof by the SEC.

"Qualified Public Offering" means a Public Offering of an amount of Subject Securities which, immediately following the closing of such Public Offering, equals or exceeds 10% of the IPO Entity's then issued and outstanding Equity Securities, provided that (a) immediately after the closing of such Public Offering, the IPO Entity's Equity Securities are traded on a national securities exchange or through the Nasdaq National Market, the London Stock Exchange, or are otherwise actively traded over-the-counter and (b) the aggregate gross proceeds of such Public Offering (net of underwriting discounts and commissions) equal or exceed €1,000,000,000 (or the equivalent in other currencies).

"Records" has the meaning set forth in Section 7.3(a)(vi).

"Registration Statement" means any registration statement under the Securities Act that covers Subject Securities, including the prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Regulator" means, in the case of a Public Offering made in the European Union, the AFM or any other applicable securities regulator, or, in the case a Public Offering made in the United States, the SEC.

"Reporting Period" means any financial reporting period for which Philips accounts or reasonably expects to account for its interest in the Newco Group in its consolidated financial statements.

"Respondent" has the meaning set forth in Section 8.7.

"S&P" means Standard & Poor's, a division of The McGraw Hill Companies, Inc.

"Sale" means any sale, assignment, transfer, pledge, creation of a usufruct, distribution or other disposition of a security or of a participation or other rights therein, whether voluntarily or by operation of law. The terms "Sell" and "Sold" have corresponding meanings.

"SEC" means the U.S. Securities and Exchange Commission.

"SEC Required Period" shall mean with respect to a "shelf registration" requested pursuant to Section 7.1 two years following the first day of effectiveness of such Registration Statement, and with respect to any other Registration Statement, 90 days following the first day of effectiveness of such

Registration Statement.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the SEC's rules and regulations thereunder.

"Self-Regulatory Organization" means the National Association of Securities Dealers, Inc., the American Stock Exchange, the National Futures Association, the Chicago Board of Trade, the New York Stock Exchange, any national securities exchange (as defined in the Exchange Act), any other securities exchange, futures exchange, contract market, any other exchange or corporation or similar self-regulatory body or organization.

"Selling Shareholder" has the meaning set forth in Section 7.3(a)(i).

"Shareholders" means Investor, Philips, the Management Trust and any other Persons that may from time to time own Shares and become Parties to this Agreement.

"Shares" means the issued and outstanding Equity Securities of Newco from time to time.

"Stichting Management" has the meaning set forth in the Preamble.

"Stock Purchase Agreement" has the meaning set forth in the Preamble.

"Subject Securities" means Equity Securities of the IPO Entity.

"Subscription Agreement" has the meaning set forth in the Preamble.

"Subsidiary" means with respect to any Person (other than a natural person) any other Person of which (i) the first mentioned Person or any Subsidiary thereof is a general partner, (ii) voting power to elect a majority of the Board or others performing similar functions with respect to such other Person is held by the first mentioned Person and/or by any one or more of its Subsidiaries, or (iii) at least 50% of the equity interests of such other Person is, directly or indirectly, owned or controlled by such first mentioned Person and/or by any one or more of its Subsidiaries.

"Third Party" means, with respect to any Shareholder, any Person other than an Affiliate of such Shareholder.

"Underwriters" has the meaning set forth in Section 7.3(a)(i).

"U.S. GAAP" means generally accepted accounting principles in the United States.

"U.S. Prospectus" means a prospectus with respect to the Public Offering within the European Union included in any Registration Statement (including a prospectus that includes any information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Subject Securities covered by such Registration Statement, and by all other amendments and supplements to the U.S. Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such U.S. Prospectus.

Section 1.2. Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

Section 1.3. Other Definitional Provisions. Unless the express context otherwise requires:

(a) Unless otherwise specifically indicate, the word "day" means "calendar day";

(b) the words "hereof, "herein", "hereunder" and "hereby" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(c) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa;

(d) the terms "Dollars" and "$" mean U.S. Dollars;

(e) the terms "euros" and "€" mean Euros;

(f) references in this Agreement to a specific Section, Subsection or Schedule shall refer, respectively, to Sections, Subsections or Schedules of this Agreement;

(g) wherever the word "include," "includes," or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation"; and

(h) references in this Agreement to any gender include each other gender.

ARTICLE II
CORPORATE GOVERNANCE

Section 2.1. Corporate Governance Principles. The Parties agree that (a) the Organizational Documents of Newco shall at all times provide that Newco shall have (i) a supervisory board comprised of at least three and no more than ten directors and (ii) a management board comprised of at least three and no more than seven directors, (b) the Organizational Documents of NXP shall at all times provide that NXP shall have (i) a supervisory board comprised of at least three and no more than ten directors and (ii) a management board comprised of at least three and no more than seven directors, (c) the chairman of the supervisory board of NXP (the "Chairman") shall at all times be a director mutually acceptable to Investor and Philips and not affiliated with any of the Shareholders, it being understood that the Chairman shall not have any special rights or authority, other than as specified in Section 2.4(b), (d) the composition of the supervisory board of Newco shall at all times be identical to that of the supervisory board of NXP, except that the Chairman shall not be a member of the supervisory board of Newco, (e) Investor shall have the right to appoint a majority of the members of the management board of Newco, a majority of the members of the supervisory board of Newco and a majority of the members of the supervisory board of NXP, (f) all of the rights provided for in this Article II shall exist for only so long as Philips holds a percentage of the outstanding Shares that equals or exceeds the Philips Minimum Percentage and (g) no Shareholder shall take any action that is inconsistent with these principles.

Section 2.2. Initial Composition of Newco and NXP Boards: Board Committees. The supervisory board of NXP shall initially be comprised of eight directors, six of whom shall be designated by Investor and one of whom shall be designated by Philips, plus an additional director not affiliated with any of the Shareholders and having the necessary qualifications that would be appropriate for an independent, unaffiliated director serving on an audit committee of a public company comparable in size to NXP, who shall be designated jointly by Investor and Philips based on the selection by Philips from a list of at least five potential candidates meeting such qualifications submitted to Philips in good faith by the Investor, and who shall serve as the chairman of the management board of Newco and the supervisory board of NXP. The initial designees of Investor shall be Johannes Huth, Adam Clammer, Michel Plantevin, Ian Loring, Egon Durban and Christian Reitberger and the initial designee of Philips shall be Eric Coutinho (collectively, the "Initial Members"), and the initial chairman shall be

Sir Peter Bonfield (the "Initial Chairman" and, together with the Initial Members, the "Initial Directors"). The management board of NXP shall initially be comprised of the following four directors: Frans van Houten (CEO), Peter van Bommel (CFO), Theo Claasen and Hein van der Zeeuw (the "Initial Managers"). Each Shareholder agrees to vote its Shares in favor of the election of each of the Initial Members as a member of the supervisory board of Newco. In addition, each of Newco and each Shareholder agrees to use its best efforts to cause each of the Initial Directors to be elected as a member of the supervisory board of NXP, the Initial Chairman appointed as chairman of the supervisory board of NXP and each of the Initial Managers to be elected as a member of the management board of NXP. The management board and supervisory board of Newco and the supervisory board of NXP shall have such committees as shall from time to time be determined by such boards. The Philips Director shall not be a member of any such committees but shall have full observation and information rights with respect to any committee meetings with full power of substitution in the event the Philips Director is unable to participate in any such committee meeting.

Section 2.3. Philips Ongoing Rights with Respect to Newco and NXP Boards. (a) For so long as Philips holds a percentage of the outstanding Shares that equals or exceeds the Philips Minimum Percentage, (i) Philips shall have the right at any time and from time to time to cause each of Newco and NXP to convene a shareholders meeting for the purpose of electing directors to the supervisory board of Newco or the supervisory board of NXP, as the case may be and (ii) in connection with each shareholders meeting of Newco or NXP at which directors are to be considered for election to the supervisory board of Newco or the supervisory board of NXP, respectively, Philips shall have the right to nominate for election from among its current and former employees one director (the "Philips Nominee") by giving written notice (the "Nomination Notice") of the Philips Nominee to the other Shareholders at least fifteen (15) days in advance of the relevant shareholders meeting (or within five (5) days of the date that notice is given of any such meeting if scheduled less than fifteen (15) days following the date of such notice).

(b) For so long as Philips has the right to nominate a Philips Nominee pursuant to Section 2.3, each Shareholder agrees (i) to vote its Shares at each regular or special shareholders meeting of Newco called for the purpose of filling positions on the supervisory board of Newco and use its best efforts to cause the directors of Newco to vote the Equity Securities of NXP held by Newco at each regular or special shareholders meeting of NXP called for the purpose of filling positions on the supervisory board of NXP, and (ii) if action is to be taken with respect to Newco, to vote its Shares in favor of the election as a member of the supervisory board of Newco of the Philips Nominee, and in each case to take all other necessary and appropriate actions in its capacity as a Shareholder to cause the aforesaid results to occur and not to take any action that is inconsistent with these results. In addition, for so long as Philips has the right to nominate a Philips Nominee pursuant to Section 2.3, each of Newco and each Shareholder agrees, if action is to be taken with respect to NXP, to use its best efforts to cause the directors of Newco to cause the Philips Nominee to be elected as a member of the supervisory board of NXP and an individual agreed to by Investor and Philips to be

the Chairman in accordance with the provisions of Section 2.2 to be elected as a member of the supervisory board of NXP and appointed as Chairman.

(c) Notwithstanding anything to the contrary in this Section 2.3, each Shareholder shall have the right to call for the removal of any member of the supervisory board or management board of Newco or the supervisory board or management board of NXP for Cause. "Cause" means (i) any act of fraud, misappropriation or willful misconduct by a director, (ii) a director's conviction for, or the entering of a guilty plea or plea of nolo contendere with respect to, a felony, the equivalent thereof, any other crime with respect to which imprisonment is a possible punishment or which is expected to result in significant economic or reputational injury to Newco or NXP or (iii) the disclosure by a director of confidential information of Newco, NXP or any Shareholder to the detriment of Newco, NXP or any such Shareholder (except pursuant to customary confidentiality arrangements in a form approved by the board of which the relevant individual is a director).

(d) For so long as Philips has the right to nominate a Philips Nominee pursuant to Section 2.3, Philips may at any time request that a director nominated by it (a "Philips Director") be removed from the supervisory board of Newco or the supervisory board of NXP. Each Shareholder agrees to vote its Shares in favor of the removal from the supervisory board of Newco of any Philips Director whom Philips requests be removed pursuant to the preceding sentence, and take all other necessary and appropriate actions in its capacity as a Shareholder to cause the aforesaid results to occur and not to take any action that is inconsistent with these results. In addition, each of Newco and each Shareholder agrees to use its best efforts to cause the removal from the supervisory board of NXP of any Philips Director whom Philips requests be removed pursuant to the preceding sentence. For so long as Philips has the right to nominate a Philips Director pursuant to Section 2.3, Philips shall have the right to nominate a replacement director in accordance with this Section 2.3.

(e) Philips agrees, at any time Philips holds a percentage of the outstanding Shares that is less than the Philips Minimum Percentage, upon the request of Investor, to use its best efforts cause the Philips Director to resign from the board of Newco and the supervisory board of NXP.

Section 2.4. Governance Rights. (a) Philips Approval Rights. For so long as Philips has the right to nominate a Philips Nominee pursuant to Section 2.3, neither Newco nor NXP, nor any of their respective Subsidiaries, shall take any of the following actions without the approval of both the majority of the management board of Newco and, if applicable, the supervisory board of NXP, and the approval of the Philips Director:

(i) amend its Organizational Documents with respect to any matter, if such amendment would adversely affect or interfere with Philips's rights as a Shareholder or its rights under this Agreement;

(ii) engage in, or permit any of its Subsidiaries to engage in, an Affiliate Transaction;

(iii) in the case of Newco, modify or waive the preemptive rights attaching to the Shares, engage in a legal merger, demerger or liquidation of Newco, redeem or repurchase any Shares other than on a pro rata basis, redeems or repurchases other Equity Securities, preferred securities and shareholder loans other than on a basis that treats Philips and Investor equally on a pro rata basis, or issue to any Third Party any debt or preferred securities other than customary indebtedness for the purpose of funding the normal operations of Newco. For the avoidance of doubt Philips and the Investor hereby waive and agree to waive their pre-emption rights in relation to any issuance by Newco of Equity Securities in connection with an IPO or to one or more appropriate vehicles designated by Investor and managed by one or more representatives of Investor or certain directors or employees of NXP or its Subsidiaries for the benefit of certain of the directors, officers and employees of NXP and its Subsidiaries, provided that, as a precondition to such issuance, such vehicles shall agree to become Parties to this Agreement and Philips shall receive a copy of Schedule 1 executed by such vehicle and acknowledged and agreed to by each other Shareholder and upon such receipt, the vehicles shall become part of the Management Trust for purposes of this Agreement;

(iv) in the case of Newco, acquire or make an investment in any entity other than NXP; and

(v) sell Equity Securities and/or assets representing all or substantially all of NXP's assets in exchange for Equity Securities of a Person that is not active in the semiconductor industry.

(b) NXP Chairman Rights. NXP shall not take any of the following actions without, in addition to approval by the supervisory board of NXP, the written approval of the Chairman:

(i) except if and to the extent permitted under the terms of the Facilities, incur or permit any of its Subsidiaries to incur, any indebtedness, or issue any debt securities or assume, guarantee or endorse any material obligations of any other Person, if following such incurrence, issuance, assumption, guarantee or endorsement (i) NXP's Fixed Charge Coverage Ratio would be less than 2.5:1.00 or (ii) NXP's Net Debt Leverage Ratio would exceed 3.91:1.00;(1) or

(1) The Parties agree that the ratio 3.9:1 is an estimate. The final ratio will be set equal to the Company's and Company's Subsidiaries actual consolidated Net Debt Leverage Ratio as of the Closing Date (as defined in the Stock Purchase Agreement). Following the preparation of the Closing Date Financial Statements (as defined in the Stock Purchase Agreement), the Parties shall in good faith determine that ratio and amend this Shareholders' Agreement to reflect that final ratio.

(ii) except to the extent required to enable Newco to pay to Philips any Adjustment Amount (as defined in the Stock Purchase Agreement) and then only in an amount equal to the lesser of (A) the Adjustment Amount (as defined in the Stock Purchase Agreement) and (B) the difference between the Closing Date Net Cash Position (as defined in the Stock Purchase Agreement) and the Reference Net Cash Position (as defined in the Stock Purchase Agreement) (in which case Newco hereby agrees to use such funds to make the required payment to Philips pursuant to Section 2.7 of the Stock Purchase Agreement), pay dividends or make other distributions with respect to its Equity Securities, redeem or repurchase any Equity Securities or make any loans to Newco, other than loans for the purpose of funding the normal operations of Newco if, after taking into account NXP's free cash flow, its liquidity situation generally and its short- and medium-term prospects, in each case at the time of the proposed dividend or distribution, NXP would not have, in the reasonable judgment of the Chairman, sufficient and available liquidity for its foreseeable needs.

(c) Other Rights. For so long as Philips holds a percentage of the outstanding Shares that equals or exceeds 5% but does not equal or exceed the Philips Minimum Percentage or the Management Trust holds a percentage of the outstanding ordinary Shares that equals or exceeds 5%, the Shareholders shall not take any of the following actions without the approval of Philips or the Management Trust, as the case may be:

(i) amend the Articles of Association of Newco with respect to any matter, if such amendment would disproportionately and adversely affect or interfere with the rights of Philips or the Management Trust, as the case may be, as a Shareholder or its rights under this Agreement;

(ii) in the case of Newco, modify or waive the preemptive rights attaching to the Shares held by Philips or the Management Trust, as the case may be, unless doing so would affect all Shareholders of that class on a pro rata basis, it being understood that Philips and the Management Trust hereby waive and agree to waive their respective pre-emption rights in relation to any issuance by Newco of Equity Securities pursuant to this Section 2.4(c)(ii): (i) in connection with an IPO or other Public Offering; (ii) to any Person in connection with and as consideration or to raise the requisite consideration for Newco's direct or indirect acquisition by merger, other business combination or otherwise of any Person, business or assets; or (iii) to one or more appropriate vehicles designated by Investor and managed by one or more representatives of Investor or certain directors or employees of NXP or its Subsidiaries for the benefit of certain of the directors, officers and employees of NXP and its Subsidiaries, provided that, as a precondition to such issuance, such vehicles shall agree to become Parties to this Agreement and Philips shall receive a copy of Schedule 1 executed by such vehicle and acknowledged and agreed to by each other Shareholder and upon such receipt, the vehicles shall become part of the Management Trust for purposes of this Agreement; and

(iii) engage in a legal merger, demerger or liquidation of Newco, unless the proposed transaction would have substantially the same effect on all holders of Shares of the class held by Philips or the Management Trust, as the case may be.

(d) Sale of NXP for Cash. In the event that Newco (i) Sells Equity Securities of NXP or (ii) causes NXP or any of its Subsidiaries, in one or a series of transactions to dispose of stock and/or assets representing substantially all of the business of NXP and its Subsidiaries, in each case for cash and/or Cash Equivalents net of related expenses including taxes (the "Proceeds"), Newco shall, immediately following completion of such Sale (y) if Newco was not the recipient of the Proceeds, cause the Proceeds to be distributed to Newco and (z) distribute an amount of cash equal to the Proceeds to the Shareholders on a pro rata basis in a manner that is reasonably intended to be the most tax efficient to the Shareholders.

Section 2.5. Organizational Documents. The Parties agree, and shall use their best efforts to procure, that (a) as of the Closing the Articles of Association of Newco and NXP will be in the form set forth in Schedule 2 and (b) for the duration of this Agreement, notwithstanding anything to the contrary in this Article 11, the Organizational Documents of Newco shall not be amended with respect to any matter in any way which based on the number of Shares held by each Shareholder would have a disproportionate effect on Philips's position as a Shareholder. The Parties agree that, whenever there is a conflict between any provision of this Agreement and any provision of the Organizational Documents of Newco, NXP or any of their respective Subsidiaries, the provisions of this Agreement shall prevail. Further, each Party undertakes to vote its Shares at each regular or special shareholders meeting of Newco in a way that it is not inconsistent with this Agreement.

ARTICLE III
TRANSFER OF SHARES

Section3.1. Transfer Restrictions. Except as otherwise provided herein, no Shareholder shall Sell directly or indirectly any Shares or any interest therein. The Shares are to be treated as a stapled strip and, accordingly, no Shareholder shall transfer any class of Share without at the same time transferring a pro rata portion of every other class of Share held by that Shareholder immediately prior to such transfer.

Section 3.2. Permitted Transfers. Notwithstanding Section 3.1,

(a) Investor may Sell directly or indirectly Shares in accordance with Section 3.3 and Section 3.4, provided that, as a precondition to such Sale, the Person to whom such Sale is made shall agree to become a Party to this Agreement on terms reasonably satisfactory to Philips, unless in connection with such Sale Philips ceases to hold a percentage of the outstanding Shares that equals or exceeds the Philips Minimum Percentage,

(b) notwithstanding sub-section (a), Section 3.3 and Section 3.4, Investor may in one or more transactions in the period up to the date that falls three (3) months after the Closing Sell Shares together with proportionally related capital contributions to Newco, provided that (i) following such Sale, Investor, together with one or more Investor Affiliates, shall continue to own or control (as such term is used in the definition of Affiliate) a number of Shares equal to at least 50% of the Shares held by Investor as of the Closing, (ii)any such Sale or any agreement to Sell such Shares at or before the Closing shall be disregarded in determining the extent of Investor's liability for obligations under or breaches of this Agreement or the Investor Equity Commitment Letters prior to the Closing, (iii) as a precondition to such Sale, the Person to whom such Sale is made shall agree to become a Party to this Agreement on the same terms as Investor and (iv) to the extent that, prior to any such Sales, Investor provides to Philips written notice of the identities of the proposed purchasers and the number of Shares to be purchased,

(c) Philips may Sell Shares to any Person other than to a direct competitor of NXP provided that (i) Philips shall (A) first give written notice to Investor of its intention to Sell such Shares, (B) Investor shall have the right, by written notice to Philips within fifteen (15) days after receipt of such notice, to offer to purchase all, but not a portion of, such Shares (the "Offer") and (C) in the event that Philips accepts the terms and conditions stipulated in the Offer, it shall Sell such Shares to Investor within fifteen (15) days of Philips's receipt of the notice given pursuant to (B) and (ii) in the event that Philips does not accept the terms and conditions stipulated in the Offer, it may within ninety (90) days following the expiration of the period set forth under (i)(B) proceed with such Sale to such Person, provided that (A) the price per Share shall be no less than that stipulated in the Offer and the other terms and conditions of such Sale shall be no less favorable to Philips than those stipulated in the Offer and (B) as a precondition to such Sale, such Person shall agree to become, and NXP, Newco, Investor and the Management Trust hereby agree to such Person becoming, a Party to this Agreement on the same terms as Philips, except that, in lieu of the rights provided by Article II, for so long as such Person holds a percentage of the outstanding Shares that equals or exceeds the Philips Transferee Minimum Percentage (l) such Person shall have the right at any shareholders meeting of Newco or NXP convened for the purpose of electing directors to the management board of Newco or the supervisory board of NXP, respectively, to nominate for election from among its current and former employees one director, (2) if necessary, the size of the management board of Newco and of the supervisory board of NXP shall be increased to accommodate such director and (3) each Shareholder hereby agrees to vote its Shares and to take all other necessary and appropriate actions in its capacity as a Shareholder to cause the results described under (1) and (2) to occur and not to take any action that is inconsistent with these results;

(d) In addition, any Shareholder that is not a natural Person may transfer Shares to a wholly-owned Subsidiary and Investor may transfer Shares to an Investor Affiliate, provided that such wholly-owned Subsidiary or Investor Affiliate, as the case may be, agrees in writing to be bound by this Agreement; and

(e) notwithstanding anything to the contrary in this Section 3.2, Section 3.3 and Section 3.4, (i) Investor may Sell depositary receipts (or similar equity instruments) for Shares issued or sold to the Management Trust to the directors, officers and employees of NXP and its Subsidiaries, and (ii) if Investor approves, the Management Trust may directly or indirectly Sell Shares to any other vehicle Management Trust, provided that, as a precondition to such Sale, such vehicle shall agree to become a Party to this Agreement and Philips shall receive a copy of Schedule I executed by such vehicle and acknowledged and agreed to by each other Shareholder and upon such receipt, the vehicle shall become part of the Management Trust for purposes of this Agreement,

Section 3.3. "Drag-Along" Rights. (a) If Investor, prior to a Qualified Public Offering, proposes in a transaction or series of related transactions, directly or indirectly, to Sell to a Third Party a number of Shares that equals or exceeds 90% of the Shares then held by Investor (a "Philips Drag-Along Sale"), Investor shall have the right to require Philips also to Sell all (but not less than all) of its Shares to such Third Party, and such Sale by Philips shall be made at the same price per Share and, subject to Section 3.3(c), on the same terms and conditions as the Sale made by Investor. Notwithstanding the foregoing, under no circumstances shall Philips be required to agree to accept any consideration not wholly consisting of a combination of cash, Cash Equivalents and/or Equity Securities listed or qualified for trading on a generally recognized and generally accepted stock exchange or quotation service in the United States or Europe.

(b) Investor shall, within ten (10) days after the later of agreeing definitive documentation with respect to, or consummating, a Philips Drag-Along Sale with respect to which Investor wishes to exercise its rights under this Section 3.3 provide to Philips written notice (the "Philips Drag-Along Notice") specifying the material terms and conditions of the Philips Drag-Along Sale, including the identity of the buyer to which the Philips Drag-Along Sale is proposed to be made and the price per Share to be paid. If the Philips Drag-Along Sale is not consummated within ninety (90) days from the date of the Philips Drag-Along Notice, Investor shall deliver another Philips Drag-Along Notice in order to be entitled to exercise their rights under this Section 3.3.

(c) Philips shall (i) make or agree to the same representations, covenants, indemnities (with respect to all matters other than Investor's ownership of Shares) and other agreements as Investor on a pro rata basis reflecting the number of Shares Sold by Philips, provided that (a) any such representations, covenants and other agreements shall be made or agreed severally and not jointly, and (b) Philips's representations, covenants and other agreements shall only survive the closing of the Sale if (x) Philips consents, which consent shall not be unreasonably withheld, and (y) if and to the extent that the Investor's representations, covenants and other agreements shall survive the closing of the Sale and (ii) take all such actions and exercise its voting rights with respect to its Shares or its right to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that the Philips Drag-Along Sale or Management Trust Drag-Along Sale is consummated. No action by Newco shall be required in connection with a Philips Drag-Along Sale or Management Trust Drag-Along

Sale, as the case may be, except for ministerial actions not requiring action on the part of the management board of Newco.

(d) At the closing of a Philips Drag-Along Sale, Investor shall remit to Philips, or procure the remittance to Philips of, Philips's share of the consideration for the Shares sold by Philips in the Philips Drag-Along Sale, it being understood that Philips shall bear its proportionate share of all third party transaction fees and expenses (and specifically excluding any transaction fees paid to any Investor Affiliate) in connection with the Philips Drag-Along Sale.

(e) If Investor, prior to a Qualified Public Offering, proposes, directly or indirectly, to Sell to a Third Party any Shares then held by Investor and which are of the same class as the Shares held by the Management Trust (a "Management Trust Drag-Along Sale"). Investor shall have the right to require the Management Trust also to Sell a pro rata portion if its Shares of the relevant class to such Third Party, and such Sale by the Management Trust shall be made at the same price per Share as the Sale made by Investor and otherwise on customary terms and conditions, which will include procuring that, to the extent reasonably requested by the Investor, the relevant directors, officers and employees of NXP and its Subsidiaries that are beneficiaries of the Management Trust make representations and warranties concerning the relevant underlying business, it being understood that the CEO of NXP shall be entitled to negotiate such representations and warranties on behalf of the relevant individuals, such individuals shall be entitled to make fair disclosure against such representations and warranties and, if and to the extent Investor, acting in its sole and unfettered discretion, decides to give similar representations and warranties, any indemnification or other liability thereunder shall be shared by the Investor and the relevant directors, officers and employees giving such representations and warranties pro rata according to the number of Shares held by them or for their benefit. The Management Trust shall take all such actions and exercise their respective voting rights with respect to their respective Shares or their respective rights to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that the Philips Drag-Along Sale or Management Trust Drag-Along Sale (as the case may be) is consummated.

(f) At the closing of a Management Trust Drag-Along Sale, investor shall remit to the relevant Management Trust, or procure the remittance to the relevant Management Trust of, that Management Trust's share of the consideration for the Shares sold by that Management Trust in the Management Trust Drag-Along Sale, it being understood the Management Trust shall bear its proportionate share of all third parry transaction fees and expenses in connection with the Management Trust Drag-Along Sale, such proportionate share being determined according to the gross proceeds to be received by each seller in the relevant sale.

(g) If the transaction giving rise to a Philips Drag-Along Sale or a Management Trust Drag-Along Sale is triggered by a proposed transaction to Sell Equity Securities of an entity that directly or indirectly owns 100% of the Equity Securities of Investor (each such entity, a "Holdco"), Investor shall have the right, instead of requiring Philips or the Management Trust, as the case may be, to Sell the Philips Drag-Along

Shares or the Management Trust Drag-A long Shares, as the case may be, to the relevant Third Party, to require Philips or the Management Trust, as the case may be, to either, at Investor's discretion, (i) contribute such Shares to Holdco (it being understood that such contribution may occur in several steps via contributions to Investor and any other wholly-owned intermediate entities) in exchange for Equity Securities issued by Holdco that are equivalent in terms of economics to such contributed Shares (taking into account the provisions of this Agreement) and then to effect a Sale of such Equity Securities to such Third Party as though such Sale were a Philips Drag-Along Sale or a Management Trust Drag-Along Sale, as the case may be or (ii) immediately prior to the time scheduled for the closing of such Sale, to transfer such Shares to Investor by way of a repurchase and cancellation, subject, in each case, to the conditions that (i) the Sale of such Equity Securities to such Third Party or such repurchase and cancellation actually occurs and (ii) as a result of such Sale or repurchase and cancellation, the net proceeds payable to Philips or the Management Trust, as the case may be, in respect of the Shares so contributed or repurchased and cancelled is not less than the net proceeds that would have been payable to Philips or the Management Trust, as the case may be, if such Shares had been Sold to such Third Party in a Philips Drag-Along Sale or Management Trust Drag-Along Sale, as the case may be.

Section 3.4. "Philips Tag-Along" Rights. (a) (i) If Investor, prior to a Qualified Public Offering, proposes to Sell (a "Philips Tag-Along Sale") Shares (the Shares proposed to be Sold in the Philips Tag-Along Sale being referred to as the "Philips Tag-Along Shares") to a Third Party, Investor shall (i) procure that the buyer to which the Philips Tag-Along Sale is proposed to be made makes a written offer to Philips to purchase from Philips up to a number of Shares equal to the portion of Philips's Shares representing the same percentage of the total number of Shares held by Philips as the portion of the Shares being Sold by Investor represents of the total number of Shares held by Investor immediately prior to the Philips Tag-Along Sale at the same price per Share and on

the same terms and conditions as offered to Investor (the "Philips Tag-Along Offer"), (ii) within ten (10) days of agreeing definitive documentation with respect to the Philips Tag-Along Sale provide to Philips written notice (the "Philips Tag-Along Notice") specifying the material terms and conditions of the Philips Tag-Along Sale, including the identity of the buyer to which the Philips Tag-Along Sale is proposed to be made, the price per Share to be paid and the maximum number of Shares that Philips may sell pursuant to the Philips Tag-Along Offer and (iii) in the event that Philips accepts the Philips Tag-Along Offer, condition the closing of the Philips Tag-Along Sale on the closing of Philips's Sale of Shares pursuant to the Philips Tag-Along Offer.

(b) Philips may accept a Philips Tag-Along Offer within thirty (30) days of receiving a Philips Tag-Along Notice by providing to Investor on the one hand and the proposed buyer on the other hand a written notice of acceptance, specifying the number of Shares that it wishes to Sell to the buyer pursuant to the Philips Tag-Along Offer.

(c) Upon acceptance by Philips of a Philips Tag-Along Offer, Philips shall be deemed to have agreed to Sell the number of Shares specified in the Philips Tag-Along Notice and shall (i) make or agree to the same representations, covenants,

indemnities (with respect to all matters other than Investor's ownership of Shares) and other agreements as Investor on a pro rata basis reflecting the number of Shares Sold by Philips, provided that any such representations, covenants, indemnities and other agreements shall be made or agreed severally and not jointly and (ii) take all such actions and exercise its voting rights with respect to its Shares or its right to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that the Philips Tag-Along Sale is consummated.

(d) Investor shall be under no obligation to Philips pursuant to this Section 3.4 as a result of any decision by Investor not to consummate a Philips Tag-Along Sale (it being understood that such decision shall be made by Investor in its sole discretion).

(e) Philips shall bear its proportionate share of all third party transaction fees and expenses (and specifically excluding any transaction fees paid to any Investor Affiliate) in connection with a Philips Tag-Along Sale.

(f) Philips shall take all such actions and exercise its voting rights with respect to its Shares or its right to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that a Management Trust Tag-Along Sale may be consummated.

(g) If Investor, prior to a Qualified Public Offering, proposes to Sell (a "Management Trust Tag-Along Sale") Shares which are of the same class as the Shares held by the Management Trust (the Shares proposed to be Sold in the Management Trust Tag-Along Sale being referred to as the "Management Trust Tag-Along Shares") to a Third Party, Investor shall (i) procure that the buyer to which the Management Trust Tag-Along Sale is proposed to be made makes a written offer to the Management Trust to purchase from that Management Trust up to a number of Shares of the relevant class equal to the portion of that Management Trust's Shares representing the same percentage of the total number of Shares held by that Management Trust as the portion of the Shares being Sold by Investor represents of the total number of Shares held by Investor immediately prior to the Management Trust Tag-Along Sale at the same price per Share and otherwise on customary terms and conditions, which will include procuring that, to the extent reasonably requested by the Investor, the relevant directors, officers and employees of NXP and its Subsidiaries that are beneficiaries of the Management Trust make representations and warranties concerning the relevant underlying business it being understood that the CEO of NXP shall be entitled to negotiate such representations and warranties on behalf of the relevant individuals, such individuals shall be entitled to make fair disclosure against such representations and warranties and, if and to the extent Investor, acting in its sole and unfettered discretion, decides to give similar representations and warranties, any indemnification or other liability thereunder shall be shared by the Investor and the relevant directors, officers and employees giving such representations and warranties pro rata according to the number of ordinary Shares held by them or for their benefit (the "Management Trust Tag-Along Offer"), (ii) within ten (10) days of agreeing definitive documentation with respect to the Management Trust Tag-Along Sale provide to the Management Trust written notice (the "Management Trust

Tag-Along Notice") specifying the material terms and conditions of the Management Trust Tag-Along Sale, including the identity of the buyer to which the Management Trust Tag-Along Sale is proposed to be made, the price per Share to be paid and the maximum number of Shares that the Management Trust may sell pursuant to the Management Trust Tag-Along Offer and (iii) in the event that the Management Trust accepts the Management Trust Tag-Along Offer, condition the closing of the Management Trust Tag-Along Sale on the closing of that Management Trust's Sale of Shares pursuant to the Management Trust Tag-Along Offer.

(h) The Management Trust may accept a Management Trust Tag-Along Offer within fifteen (15) days of receiving a Management Trust Tag-Along Notice by providing to Investor on the one hand and the proposed buyer on the other hand a written notice of acceptance, specifying the number of Shares that it wishes to Sell to the buyer pursuant to the Management Trust Tag-Along Offer.

(i) Upon acceptance by the Management Trust of a Management Trust Tag-Along Offer, that Management Trust shall be deemed to have agreed to Sell the number of Shares specified in the Management Trust Tag-Along Notice and shall take all such actions and exercise its voting rights with respect to its Shares or its right to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that the Management Trust Tag-Along Sale is consummated.

(j) Investor shall be under no obligation to the Management Trust pursuant to this Section 3.4 as a result of any decision by Investor not to consummate a Management Trust Tag-Along Sale (it being understood that such decision shall be made by Investor in its sole discretion).

(k) The Management Trust shall bear its proportionate share of all third party transaction fees and expenses (and specifically excluding any transaction fees paid to any Investor Affiliate) in connection with a Management Trust Tag-Along Sale, such proportionate share being determined according to the gross proceeds to be received by each seller in the relevant sale.

(l) The Management Trust shall take all such actions and exercise its voting rights with respect to its Shares or its right to act by written consent, as applicable, in such manner as may be necessary and appropriate to ensure that a Philips Tag-Along Sale may be consummated.

(m) If the transaction giving rise to a Philips Tag-Along Sale or a Management Trust Tag-Along Sale is triggered by a proposed transaction to Sell Equity Securities of a Holdco, Investor shall have the right, instead of having to procure that Philips or the Management Trust, as the case may be, may Sell the Philips Tag-Along Shares or the Management Trust Tag-Along Shares, as the case may be, to the relevant Third Party, to require Philips or the Management Trust, as the case may be, to either, at Investor's discretion, (i) contribute such Shares to Holdco (it being understood that such contribution may occur in several steps via contributions to Investor and any other wholly-owned intermediate entities) in exchange for Equity Securities issued by Holdco

that are equivalent in terms of economics to such contributed Shares (taking into account the provisions of this Agreement) and then to effect a Sale of such Equity Securities to such Third Party as though such Sale were a Philips Tag-Along Sale or a Management Trust Tag-Along Sale, as the case may be or (ii) immediately prior to the time scheduled for the closing of such Sale, to transfer such Shares to Investor by way of a repurchase and cancellation, subject, in each case, to the conditions that (i) the Sale of such Equity Securities to such Third Party or such repurchase and cancellation actually occurs and (ii) as a result of such Sale or repurchase and cancellation, the net proceeds payable to Philips or the Management Trust, as the case may be, in respect of the Shares so contributed or repurchased and cancelled is not less than the net proceeds that would have been payable to Philips or the Management Trust, as the case may be, if such Shares had been Sold to such Third Party in a Philips Tag-Along Sale or Management Trust Tag-Along Sale, as the case may be.

Section 3.5. Excluded Transactions. Notwithstanding anything to the contrary herein, the restrictions set forth in this Article III shall not prohibit any issuance or Sale of Shares for cancellation in exchange for other securities of Newco pursuant to a recapitalization of Newco approved by the Board, it being understood that the provisions of this Agreement shall apply to any securities received by Shareholders pursuant to such recapitalization.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1. Power and Authority; Valid and Binding Obligations; No Conflict or Violation. Each Shareholder represents and warrants that:

(a) Such Shareholder has full corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder.

(b) This Agreement has been duly authorized, executed and delivered by such Shareholder and constitutes a valid and legally binding agreement of such Shareholder, enforceable in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Neither the execution and delivery of this Agreement by such Shareholder nor the performance by such Shareholder of its obligations hereunder, will (i) violate any provision of the Organizational Documents of such Shareholder or (ii) violate or result in a breach of or constitute a default under any Law to which such Shareholder is subject.

ARTICLE V
FINANCIAL REPORTING AND ACCOUNTING

Only for so long as Philips holds a percentage of the outstanding Shares that equals or exceeds the Philips Minimum Percentage:

Section 5.1. Provision of Information by Newco to Philips. (a) Newco agrees to provide, or cause to be provided, to Philips or its designee(s), as promptly as reasonably practicable upon written request therefor, any Information in the possession or under the control of any member of the Newco Group that Philips reasonably requires (i) to comply with reporting, disclosure, filing or other requirements imposed on any member of the Philips Group by a Governmental Authority having jurisdiction over such member, including under applicable securities or tax laws, including the Sarbanes-Oxley Act of 2002 and the rules and regulations thereunder, or applicable rules of any Self-Regulatory Organization (collectively, the "Applicable Regulatory Requirements"), (ii) for use in any judicial, regulatory, administrative, tax or other proceeding or (iii) in order to satisfy any audit, accounting, claims, regulatory, litigation, tax or other similar requirements, provided that in the event that Newco determines in its reasonable discretion that any such provision of Information would result in a violation of any statute or any order, rule or regulation of any Governmental Authority having jurisdiction over Newco or any of its Subsidiaries, the Parties shall take reasonable measures to permit Newco to comply with this Section 5.1(a) in a manner that avoids any such violation.

(b) Disclosure Controls and Procedures and Internal Controls over Financial Reporting. During any Reporting Period, Newco shall maintain, at its own cost and expense, systems of disclosure controls and procedures and internal controls over financial reporting sufficient to enable Philips to satisfy its reporting, accounting, audit and other obligations, including under the Sarbanes-Oxley Act of 2002 and the rules and regulations thereunder, and to provide reasonable assurance of the adequacy of such controls and procedures to Philips on an annual basis or more frequently, if requested, in such form and detail as shall enable Philips to satisfy such obligations, including to the effect that (i) records are maintained that in reasonable detail accurately and fairly reflect transactions and dispositions of assets, (ii) transactions are executed in accordance with management's general or specific authorizations, (iii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iv) access to assets is permitted only in accordance with management's general or specific authorization and (v) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(c) Philips Compliance Matters. During any Reporting Period, Newco shall maintain accounting records and prepare financial statements in compliance with U.S. GAAP and IFRS in such detail as is necessary in order for Philips to comply with the Applicable Regulatory Requirements, and in each case respond to requests from Philips for any such Information as soon as reasonably practicable upon written request therefor.

(d) Record Retention. To facilitate the delivery of Information pursuant to this 0, Newco agrees to use its reasonable commercial efforts to retain all Information in its possession or control on the Closing Date substantially in accordance with Newco's policies as in effect on the Closing Date and as may be reasonably amended from time to time, provided that such policies, as amended, are consistent with those practices customarily adopted and implemented by listed public companies.

(e) Production of Witnesses; Records; Cooperation. Newco shall use its reasonable commercial efforts to make available to Philips, upon written request, at Philips's cost and expense, Newco's former, current and future officers, employees, other personnel and agents as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available to the extent that any such person (giving consideration to business demands of such officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any legal, regulatory, administrative or other proceedings in which Philips may from time to time become involved.

(f) Ownership of Information. Any Information owned by Newco that is provided to Philips pursuant to this Article V shall remain the property of Newco. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in respect of any such Information.

(g) Other Agreements Providing For Delivery of Information. All of Philips's rights and Newco's obligations set forth in this Section 5.1 are subject to Section 6.1.

Section 5.2. Auditors and Audits; Annual and Quarterly Statements and Accounting.

(a) Auditors. Unless Philips otherwise consents, for the purpose of auditing its consolidated financial statements and providing an audit opinion thereon with respect to any Reporting Period, Newco shall engage one of Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers for the purpose of auditing its consolidated financial statements and providing an audit opinion thereon, provided that Newco shall have the right to select a different accounting firm to the extent the audit committee of Newco reasonably determines that it would be in Newco's best interests to select a different accounting firm and such selection would not cause Philips to violate with the Applicable Regulatory Requirements and provided that with respect to any Reporting Period, Newco shall, and shall cause its auditor from time to time (the "Newco Auditor") to, comply with Philips's auditors independence policies with respect to the Philips Group, as amended from time to time.

(b) Annual and Quarterly Financial Statements. Newco shall provide, and shall cause the Newco Auditor to provide, to Philips (and each other Shareholder) on a timely basis all such Information as Philips may require to meet its schedule for the preparation, printing, filing, and public dissemination of its consolidated annual and quarterly financial statements for any Reporting Period. Without limiting the generality of the foregoing, Newco shall on a timely basis provide to the Newco Auditor sufficiently detailed Information with respect to Newco and its Subsidiaries to permit the Newco Auditor to take such steps and perform such reviews, and shall provide such assistance to Philips's auditor (the "Philips Auditor"), as may be required by Philips in connection with the preparation of its consolidated annual and quarterly financial statements for any Reporting Period. Newco shall use its reasonable commercial efforts to make its

quarterly and annual results announcements no later than the time at which Philips shall make its corresponding quarterly and annual results announcements, provided that Newco shall not be required to incur any additional costs or expenses in connection with such efforts.

(c) Identity of Personnel Performing Annual Audit and Quarterly Reviews. Newco shall authorize the Newco Auditor to make available to the Philips Auditors both the personnel who performed or are performing the annual audits and quarterly reviews of Newco's consolidated financial statements and work papers related to such audits and reviews, in all cases within a reasonable time prior to the date of the Newco Auditor's opinion or report thereon so that the Philips Auditor is able to perform all procedures it considers necessary to take responsibility for the work of the Newco Auditors as it relates to any opinion or report to be issued by the Philips Auditor on Philips's consolidated financial statements, all within sufficient time to enable Philips to meet its schedule for the preparation, printing, filing and public dissemination of Philips's consolidated annual and quarterly financial statements for any Reporting Period.

(d) Changes to Accounting Principles and Restatements or Revisions of Financial Statements. Newco shall give Philips as much prior notice as reasonably practicable of any proposed changes in its critical accounting policies or significant accounting principles or any proposed restatement or revision to Newco's financial statements, if any such change, restatement or revision could affect Philips's consolidated annual or quarterly financial statements for any Reporting Period. If requested by Philips, Newco will consult with Philips and the Philips Auditor, and permit Philips and the Philips Auditor to consult with the Newco Auditor for a reasonable period of time, with respect to any such change, restatement or revision. Without the prior written approval of Philips, Newco shall not (i) make any change to any of its accounting policies or principles or (ii) restate or revise its consolidated financial statements with respect to any prior Reporting Periods, in each case if such restatement, revision or change could affect, or could require Philips to restate, revise or change, Philips's consolidated financial statements or its future consolidated financial statements, provided that if in the opinion of the Newco Auditor, Newco's failure to make any such restatement, revision or change would cause Newco's consolidated financial statements not to be in compliance, in any material respect, with applicable accounting principles, Newco may make any such restatement, revision or change after (A) providing Philips with as much prior notice thereof as reasonably practicable and (B) consulting with Philips and the Philips Auditor, and permitting Philips and the Philips Auditor to consult with the Newco Auditor for a reasonable period of time, regarding such change, restatement or revision.

ARTICLE VI
CONFIDENTIALITY

Section 6.1. Confidentiality. Each Shareholder agrees that it will not at any time disclose or use any Confidential Information (as defined below) of which such Shareholder is or becomes aware, whether or not such information is developed by such Shareholder, except to the extent that such disclosure or use is directly related to and required by such Shareholder's performance of duties, if any, assigned to such

Shareholder by Newco, or such Shareholder's holding, managing or disposing of Shares, or the reporting requirements from time to time of the Investor or the Investor's direct or indirect shareholders, provided that, prior to any such disclosure of Confidential Information as permitted hereby, such Shareholder shall inform the person to whom such disclosure is to be made of the confidential nature of such information and obtain the agreement of such person to be bound

by the provisions of this Section 6.1 if substantially equivalent confidentiality obligations do not otherwise exist. As used in this Agreement, the term "Confidential Information" means any and all information (in any form or media) concerning Newco's or its Affiliates' customers, prospective customers (including lists of customers and prospective customers), methods of operation, manufacturing processes, trade secrets, research and development activities, know-how, designs, computer software, business or financial plans, contracts, distributors, distribution channels, pricing information, billing rates or procedures, suppliers, vendor lists, business methods, management, employees, employee compensation, acquisition opportunities, books and records, or any other business information relating to Newco or its Affiliates (whether constituting a trade secret or proprietary or otherwise) that has value to Newco or its Affiliates and is treated by Newco or its Affiliates as being confidential, provided that Confidential Information shall not include any information that has been published (through no breach by any Shareholder of its obligations hereunder) in a form generally available to the public prior to the date a Shareholder proposes to disclose or use such information, that is required to be disclosed by Law or that is disclosed by Newco or its Affiliates to a Third Party that is under no obligation to keep such information confidential.

Section 6.2. Information. Subject only to Section 6.1, nothing in this Agreement will limit the principle that all information will be made available to the Investor and Philips on the basis of full transparency and that Newco shall procure that the members of the Newco Group and their auditors or other relevant advisers supply Investor and each Investor Director and Philips and each Philips Director with such financial or management information relating to the Newco Group, its activities, affairs, plans and prospects as the Investor or Philips may require, within such timeframe as Investor or Philips may reasonably require.

Section 6.3. CFC. Newco shall provide, and shall use all reasonable endeavors to procure that NXP and its Subsidiaries provide, to Investor or any Investor Affiliate, as the case maybe, such information as Investor or such Investor Affiliate may reasonably request at any time or from time to time in order to permit Investor or such Investor Affiliate, (a) to determine whether any member of Newco's group is a "controlled foreign corporation" (or a corporation having a similar status) for the purposes of the IRC, (b) to determine the consequences to the Investor or Investor Affiliate (as relevant) of such status and (c) any other information that may be reasonably necessary for Investor or such Investor Affiliate to duly complete and file any income tax returns.

ARTICLE VII
REGISTRATION OF SUBJECT SECURITIES

Section 7.1. Demand Registration Rights. (a) Prior to a Qualified Public Offering, Shareholders who, collectively, hold more than 50% of the Shares and, following a Qualified Public Offering, each Shareholder (each such Shareholder, the "Demanding Shareholder") shall have the right, at any time and from time to time on or after the third anniversary of the date hereof, to demand that the IPO Entity publish an EU Prospectus and/or file and have declared effective by the SEC a Registration Statement for one or more Public Offerings of all or part of the Demanding Shareholder's Subject Securities, by giving written notice to the IPO Entity specifying the number of Subject Securities to be covered by such EU Prospectus or Registration Statement and the intended method of distribution thereof (the "Demand Request"). In the event a Demand Request is made prior to a Qualified Public Offering, the Demanding Shareholder shall forward such Demand Request to the other Shareholders. In the case of an EU Prospectus, the Demanding Shareholder may specify that such prospectus shall be in the form of a registration document, an offering supplement and a summary or such other form as the AFM or other relevant competent authority may from time to time accept to facilitate delayed or continuous offerings of securities. In the case of a Registration Statement, the Demanding Shareholder may specify that such registration statement shall be in the form of a "shelf" registration statement, providing for the offer and sale of Subject Securities by the Demanding Shareholder on a delayed or continuous basis as permitted by the Securities Act, in which case the intended method of distribution contained in the Demand Request may be general in nature or contemplate multiple methods of distribution. Any Demanding Shareholder wishing to deliver a Demand Request shall notify the IPO Entity of its intention to do so at least fourteen (14) days prior to its intended date of delivery, and the IPO Entity shall forthwith negotiate in good faith to determine the timing of the Demand Request and the number of Subject Securities to be specified therein. If the Demanding Shareholder and the IPO Entity shall agree such matters within the 14-day consultation period, the Demand Request shall reflect such agreement; if the Demanding Shareholder and the IPO Entity fail to agree such matters within the 14-day consultation period, the Demanding Shareholder shall be entitled to deliver the Demand Request on such terms as the Demanding Shareholder, in its sole discretion, sees fit.

(b) Each Shareholder shall have the right, within twenty (20) days of receiving a Demand Request by a Demanding Shareholder prior to a Qualified Public Offering, or within such lesser period of time as specified in the Demand Request which shall in any event be at least five (5) Business Days if the Public Offering is reasonably required to occur on an accelarated timetable, to request that the IPO Entity include in the Offer Document all or a portion of the Subject Securities held by such other Shareholder (a "Participation Request").

(c) Upon receipt of a Demand Request, the IPO Entity shall as promptly as practicable file with each applicable Regulator an Offer Document and shall use its best efforts to obtain the Qualification of such Offer Document, covering the Subject Securities included in the Demand Request and, if applicable, the Subject

Securities included in any Participation Request, for disposition in accordance with the intended method of disposition stated in the Demand Request.

(d) The IPO Entity shall use reasonable efforts to keep a Registration Statement that has become effective as contemplated by Section 7.1 (a) continuously effective and not subject to any stop order, injunction or other similar order or requirement of the SEC, until the earlier of (i) the expiration of the SEC Required Period and (ii) the date on which all Subject Securities covered by the Registration Statement (A) have been disposed of pursuant to such Registration Statement or (B) cease to be subject to the registration requirements of the Securities Act, provided that in no event will such period expire prior to the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 promulgated thereunder. In the event of any stop order, injunction or other similar order or requirement of the SEC relating to the Registration Statement, the SEC Required Period shall be extended by the number of days during which such stop order, injunction or similar order or requirement remains in effect.

(e) The IPO Entity's obligations under subsections (a) to (d) are subject to the following limitations:

(i) The IPO Entity shall not be required to comply with its obligations under subsections (a) to (d) during any period of time (not to exceed 90 days in the aggregate with respect to each request) with respect to which it has in good faith decided to proceed with a Public Offering for its own account and, in the good faith judgment of the managing underwriters thereof, the compliance with such obligations would have a material adverse effect on such Public Offering (any such period of time being hereinafter referred to as a "Blackout Period"); provided that (A) any such Blackout

Period shall terminate earlier upon the completion or abandonment of such Public Offering, (B) the IPO Entity shall furnish to each Shareholder a certificate of a member of its Board demonstrating that, prior to the commencement of the consultation period specified in Section 7.1 (a), it engaged an investment bank of international standing to conduct the Public Offering and (C) if during the Blackout Period a Demand Request is withdrawn, such request shall not be considered a Demand Request and such request shall be of no further effect.

(ii) The IPO Entity shall not be required to comply with its obligations under subsections (a) to (d) during any period of time (not to exceed 90 days in the aggregate with respect to each request) with respect to which in the good faith judgment of the Board of the IPO Entity it would be materially detrimental to the IPO Entity and its shareholders for any EU Prospectus or Registration Statement to be filed because such filing would (A) require disclosure of material nonpublic information, the disclosure of which would be reasonably likely to materially adversely affect the IPO Entity and its Subsidiaries taken as a whole or (B) adversely effect an existing or prospective material financing, acquisition, merger, disposition or other comparable transaction or negotiation involving the IPO Entity, provided that in any such case the IPO Entity shall have the right to

suspend the filing or use of but not the filing of, any EU Prospectus or Registration Statement and provided further that the IPO Entity shall not be entitled to exercise this right more than three times for a period of 90 days each time.

(iii) The minimum aggregate offering price of the Subject Securities in any Public Offering, as estimated in good faith by the managing underwriters thereof immediately prior to the time the Qualification of the relevant Offer Document becomes effective, shall be at least €250 million (or the equivalent in other currencies).

(iv) The number of Subject Securities to be offered and sold in any Public Offering shall not exceed the maximum number that the managing underwriter engaged for the Public Offering considers in good faith to be appropriate based on market conditions and other relevant factors, including pricing, the identity of the Shareholders and the proportion of the Subject Securities being offered and sold by the IPO Entity and the Shareholders (the "Maximum Number").

(v) If the number of Subject Securities to be offered and sold in a Public Offering following a Demand Request exceeds the Maximum Number, then the aggregate number of Subject Securities to be offered and sold shall be reduced to the Maximum Number and the IPO Entity shall include in the Offer Document up to the Maximum Number (A) first, all of the Subject Securities requested by the Demanding Shareholder and the other requesting Shareholders to be included in the Offer Document, allocated among them pro rata on the basis of the number of Subject Securities then held by them and (B) second, to the extent that the number of Subject Securities to be included in the Offer Document pursuant to (A) is less than the Maximum Number, any Subject Securities that the IPO Entity proposes to offer and sell for its own account.

(vi) The IPO Entity shall not be obligated to give effect to a Demand Request in the event that a registration pursuant to Section 7.2 has been available to any Shareholder within the ninety (90) days preceding the date of the Demand Request.

(vii) The IPO Entity shall not be obligated to give effect to more than two Demand Requests in any twelve-month period.

(f) A request by a Shareholder that the IPO Entity file an Offer Document shall not be considered a Demand Request if the Offer Document does not become Qualified.

Section 7.2. Piggyback Registration Rights. (a) If the IPO Entity proposes to seek Qualification of an Offer Document in respect of any authorized but unissued Subject Securities for purposes of a Public Offering of such Subject Securities, the IPO Entity shall give written notice to each Shareholder of such proposal at least

thirty (30) days before the commencement of preparations for such Public Offering. Such notice shall specify at a minimum the number of Subject Securities proposed to be included in the Offer Document, the proposed filing date of the Offer Document, the proposed method of distribution of the Subject Securities and the proposed managing underwriters, if any. If the IPO Entity intends to deliver such a notice, it shall notify each Shareholder of its intention to do so at least fourteen (14) days prior to its intended date of delivery, and the IPO Entity and the Shareholders shall forthwith negotiate in good faith to determine the timing of such notice, the type and amount of securities to be specified therein and the possibility for permitting the inclusion of each Shareholder's Subject Securities in the Offer Document. If the IPO Entity and the Shareholders shall agree such matters within the fourteen (14)-day consultation period, the notice given by the IPO Entity to the Shareholders shall reflect such agreement; if the IPO Entity and the Shareholders fail to agree such matters within the fourteen (14)-day consultation period; the IPO Entity shall be entitled to give such notice upon such terms as it, in its sole discretion, sees fit (any such notice hereinafter being referred to as an "Override Notice").

(b) If permitted by the notice given by the IPO Entity, each Shareholder shall be entitled to submit a written request within fifteen (15) days after receipt of such notice that all or a portion of the Subject Securities held by it shall be included in the Offer Document, and the IPO Entity shall use its best efforts to include in the Offer Document the Subject Securities referred to in such request, provided that any offer and sale of such Subject Securities shall be on substantially the same terms and conditions as the Subject Securities offered and sold by the IPO Entity and provided further that the number of Subject Securities to be included in the Offer Document shall not exceed the Maximum Number. If the number of Subject Securities to be offered and sold in a Public Offering pursuant to Section 7.2(a) exceeds the Maximum Number, the aggregate number of Subject Securities to be offered and sold shall be reduced to the Maximum Number and the IPO Entity shall include in the Offer Document up to the Maximum Number (A) first, all of the Subject Securities that the IPO Entity proposes to offer and sell for its own account and (B) second, to the extent that the number of Subject Securities to be included in the Offer Document pursuant to (A) is less than the Maximum Number, any Subject Securities requested by any requesting Shareholders to be included in the Offer Document, allocated among them pro rata on the basis of the number of Subject Securities then held by them. A Shareholder who has submitted a request to have Subject Securities included in the Offer Document pursuant to this Section 7.2(b) shall be entitled to withdraw this request by giving written notice to the IPO Entity of its election to do so at least five (5) days prior to the proposed date of Qualification of such Offer Document.

(c) In the event that the IPO Entity delivers an Override Notice to the Shareholders, then notwithstanding any other provision of this Agreement, for a period of six months following the later of the first day of trading of the Subject Securities specified in the Override Notice or the expiration

of any related lock-up period (the "Priority Period"):

(i) The IPO Entity may not deliver a notice pursuant to this Section 7.2 without first providing the Shareholders at least forty-five (45) days' advance notice thereof and an opportunity for the Shareholders to deliver a Demand Request, which shall have priority over any notice delivered by the IPO Entity during the Priority Period;

(ii) Any Demand Request delivered by a Shareholder during the Priority Period shall be deemed to have been delivered prior to any notice delivered by the IPO Entity pursuant to this Section 7.2 during the Priority Period.

(iii) The IPO Entity may not refuse to comply with any Demand Request delivered during the Priority Period on the ground that it has previously engaged an investment bank to conduct a Public Offering.

Section 7.3. Offer Procedures. If and whenever the IPO Entity is required by Section 7.1 or Section 7.2 to use its best efforts to obtain the Qualification of an Offer Document in respect of any Subject Securities, the following provisions shall apply:

(a) The IPO Entity shall:

(i) As promptly as practicable prepare and file with each applicable Regulator an Offer Document with respect to the Subject Securities and use its best efforts to cause such Offer Document to become and remain Qualified, provided that, before filing any Offer Document or any amendments or supplements thereto, the IPO Entity shall furnish to and afford each Shareholder holding Subject Securities covered by such Offer Document (a "Selling Shareholder"), its advisors and the managing underwriters (the "Underwriters"), if any, a reasonable opportunity to review and comment on copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed.

(ii) As promptly as practicable, prepare and file with each applicable Regulator such amendments and supplements to an Offer Document as may be necessary to keep the Qualification of the Offer Document current and effective and to comply with the provisions of applicable law with respect to the sale or disposition of the Subject Securities.

(iii) Promptly notify each Selling Shareholder (A) when an Offer Document or any amendment or supplement thereto has been filed and when it has become Qualified, (B) of any request by any applicable Regulator for amendments or supplements to an Offer Document or for additional information or (iii) of any order issued or threatened by any applicable Regulator suspending the Qualification of an Offer Document; the IPO Entity shall use its best efforts to prevent the issuance of any such order and, if any such order is issued, shall use its best efforts to obtain the withdrawal of such order at the earliest possible moment.

(iv) Immediately upon becoming aware thereof, notify each Selling Shareholder and the Underwriters, if any, at any time when a U.S. Prospectus or an EU Prospectus is required to be made available under applicable law or regulations, of the occurrence of an event requiring the preparation of a supplement or amendment to an Offer Document so that, as thereafter delivered to the purchasers of the Subject Securities, such Offer Document will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and promptly make available to each Selling Shareholder and the Underwriters, if any, any such supplement or amendment.

(v) Use its best efforts to register or qualify the Subject Securities under such securities or blue sky laws of such jurisdictions in the United States as the Selling Shareholders or the Underwriters, if any, shall reasonably request, and do any and all other acts and things that may be reasonably necessary to enable each participating Selling Shareholder or the Underwriters, if any, to consummate the disposition of the Subject Securities in such jurisdictions, provided that in no event shall the IPO Entity be required to qualify to do business as a foreign corporation in any jurisdiction where it is not so qualified, or to execute or file any general consent to service of process under the laws of any jurisdiction.

(vi) Make available upon reasonable advance notice for inspection by any Selling Shareholder, any Underwriters and any attorney, accountant or other professional retained by any such Selling Shareholder or Underwriter (collectively, the "Advisors"), all financial and other records, pertinent corporate documents and properties of the IPO Entity (collectively, the "Records") as shall be reasonably necessary to enable them to conduct a "reasonable" investigation for purposes of Section 11(a) of the Securities Act and other applicable antifraud and securities laws and cause the IPO Entity's directors, officers and employees to supply all information reasonably requested by any Advisors in connection with such Offer Document.

(vii) Use its best efforts to cause all Subject Securities covered by-an Offer Document to be listed or qualified for trading on any stock exchange or quotation service on which the IPO Entity's outstanding equity securities are listed or qualified for trading or, if none of the IPO Entity's outstanding equity securities are listed or qualified for trading on any stock exchange or quotation services, a generally recognized and generally accepted stock exchange or quotation service in the United States or Europe.

(viii) Furnish to each Selling Shareholder and each Underwriter, if any, such number of copies of an Offer Document, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein) and such other documents as such Selling Shareholder or Underwriter may reasonably request in order to facilitate the disposition of the Subject Securities owned by such Selling Shareholder.

(ix) In connection with an underwritten offering of Subject Securities, enter into an underwriting agreement in such form as is customary in underwritten offerings made by selling security holders and take all such other actions as are reasonably requested by the Underwriters in order to

expedite or facilitate the registration or the disposition of such Subject Securities, and in such connection (A) make such representations and warranties to the Underwriters with respect to the business of the IPO Entity and its Subsidiaries, and the relevant Offer Document and documents, if any, incorporated or deemed to be incorporated by reference therein, as are customarily made by issuers to underwriters in underwritten offerings made by selling security holders, and confirm the same on the settlement date for the offering, (B) cause opinions of counsel to the IPO Entity (which counsel and opinions shall be reasonably satisfactory to the managing underwriters) to be delivered to the Underwriters covering the matters customarily covered in opinions requested in underwritten offerings by selling security holders, (C) cause "cold comfort" letters and updates thereof (which letters and updates shall be reasonably satisfactory to the managing underwriters) from the independent certified public accountants of the IPO Entity (and, if necessary, any other independent certified public accountants of any Subsidiary or equity investee of the IPO Entity or of any business acquired or owned by the IPO Entity for which financial statements and financial data are, or are required to be, included in the Offer Document) to be delivered to the Underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings by selling security holders and (D) agree to customary indemnification and contribution provisions in favor of both the Selling Shareholders and the Underwriters or selling agents.

(x) Comply with all applicable rules and regulations of each applicable Regulator and, in the case of a U.S. Public Offering, make generally available to security holders earning statements satisfying the provisions of Section II (a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) not later than forty-five (45) days after the end of any 12-month period (or 90 days after the end of any twelve (12)-month period if such period is a fiscal year) (A) commencing at the end of any fiscal quarter in which Subject Securities are offered and sold in a Public Offering and (B) if not sold to underwriters in such an offering, commencing on the first day of the fiscal quarter of the IPO Entity after the effective date of a Registration Statement, which statements shall cover said twelve (12)-month period.

(xi) Cooperate with each Selling Shareholder and the Underwriters in connection with any filings required to be made with any Self-Regulatory Organization.

(xii) Use its best efforts to take all other steps reasonably necessary to effect the Qualification, offering and sale of the Subject Securities covered by an Offer Document and enter into any other customary agreements and take such

other actions, including participation in "road shows", as are reasonably required in order to expedite or facilitate the disposition of the Subject Securities.

(b) Each Selling Shareholder shall agree to any lock-up restrictions requested by the Underwriters prohibiting and/or restricting the transfer of Subject Securities and any hedging or other trading activities with respect to such securities, provided that the form of lock-up agreement agreed to by Investor and the Management Trust shall be substantially the same as that required of any other Selling Shareholder.

Section 7.4. Expenses, (a) All fees and expenses incident to the Qualification and offer and sale of the Subject Securities in a Public Offering pursuant to Section 7.1 or Section 7.2 shall be borne by the IPO Entity, including (a) all registration and filing fees (including (i) fees with respect to filings required to be made with any Self-Regulatory Organization and (ii) fees and expenses of compliance with state securities or blue sky laws (including fees and disbursements of counsel for the IPO Entity and the Underwriters in connection with such matters)), (b) printing expenses (including any costs of printing certificates for Subject Securities in a form eligible for deposit with clearing agencies, printing EU Prospectuses and U.S. Prospectuses, and printing or preparing any underwriting agreement, agreement among underwriters and related syndicate or selling group agreements, pricing agreements and blue sky memoranda), (c) the fees and expenses of any "qualified independent underwriter" or other independent appraiser participating in an offering pursuant to the conduct rules of the NASD, (d) the expenses and costs of any road show (including travel, meals, accommodation and other arrangements for investor presentations or meetings); (e) the fees, expenses and costs of any public relations, investor relations or other consultants retained in connection with any road show (including travel and other arrangements for any investor presentations or meetings); (f) fees and disbursements of counsel for the IPO Entity, (g) fees and disbursements of all independent certified public accountants for the IPO Entity (including the expenses of any "cold comfort" letters required by or incident to such performance) and (h) costs and expenses incurred in connection with the quotation or listing of the Subject Securities on any securities exchange or automated securities quotation system.

(b) Notwithstanding anything to the contrary in Section 7.4(a), the IPO Entity will bear all costs and expenses associated with any offering-related liability insurance, if the IPO Entity desires to obtain such insurance.

Section 7.5. Indemnification. (a) In connection with any Offer Document in respect of any Public Offering pursuant to this Article VII, the IPO Entity shall agree to indemnify and hold harmless each Selling Shareholder and each Underwriter, if any, and each of their respective officers, directors or employees, each Person, if any, who controls such Selling Shareholder or such Underwriter within the meaning of Section 15 of the Securities Act, Section 20 of the Exchange Act and each Person of which, under the laws of The Netherlands, such Selling Shareholder or such Underwriter, directly or indirectly, is a subsidiary *(dochtermaatschappij)* or group company *(groepsmaatschappij)*, from and against any and all losses, claims, damages and liabilities ("Losses") and any actions in respect thereof (including any legal or other

expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Offer Document, EU Prospectus, U.S. Prospectus, Issuer Free Writing Prospectus or form of prospectus (as amended or supplemented if the IPO Entity shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities or actions in respect thereof are caused by any such untrue statement or omission or alleged untrue statement or omission based upon (i) any information relating to any Selling Shareholder furnished to the IPO Entity by or on behalf of such Selling Shareholder expressly for use therein or (ii) any information relating to such Underwriter furnished to the IPO Entity by such Underwriter expressly for use therein.

(b) In connection with any Offer Document in respect of any Public Offering pursuant to Article VII in which a Shareholder is not participating, the IPO Entity shall indemnify and hold harmless such Shareholder and its officers, directors or employees, each Person, if any, who controls such Selling Shareholder within the meaning of Section 15 of the Securities Act, Section 20 of the Exchange Act and each Person of which, under the laws of

The Netherlands, such Shareholder, directly or indirectly, is a subsidiary *(dochtermaatschappij)* or group company *(groepsmaaischappij)*, from and against any and all losses, claims, damages and liabilities and any actions in respect thereof (including any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in an Offer Document, EU Prospectus, U.S. Prospectus, Issuer Free Writing Prospectus or form of prospectus (as amended or supplemented if the IPO Entity shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities or actions in respect thereof are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information provided by such Shareholder to the IPO Entity in writing expressly for use therein.

(c) Each Selling Shareholder shall agree to indemnify and hold harmless the IPO Entity and each Underwriter, if any, and each of their respective officers, directors or employees, each Person, if any, who controls any such Underwriter within the meaning of either Section 15 of the Securities Act, Section 20 of the Exchange Act and each Person of which, under the laws of The Netherlands, the IPO Entity or such Underwriter, directly or indirectly, is a subsidiary *(dochtermaatschatppij)* or group company *(groepsmaaischappij)*, from and against any and all losses, claims, damages and liabilities and any actions in respect thereof (including any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Offer Document or any amendment thereof, or any EU Prospectus, U.S. Prospectus or form of prospectus (as amended or supplemented if the IPO Entity shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission

to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with respect to any information relating to such Selling Shareholder furnished to the IPO Entity by or on behalf of such Selling Shareholder expressly for use therein.

(d) In the event a claim arises pursuant to subsection (a) through (c), any person in respect of which indemnification may be sought (the "Indemnified Party") shall notify the Party against whom the claim for indemnification is made of such claim and the facts constituting the basis for such claim in reasonable detail. The Party against whom the claim for indemnification is made is hereinafter referred to as the "Indemnifying Party". Failure to notify an Indemnifying Party shall not relieve such Indemnifying Party from its obligations hereunder to the extent it is not materially prejudiced as a result thereof.

(e) Counsel to the Indemnified Party shall be selected by the Indemnifying Party and shall be reasonably satisfactory to the Indemnified Party, provided that counsel to the Indemnified Party shall not (except with the consent of the relevant Indemnified Party) also be counsel to the Indemnifying Party. The Indemnifying Party may participate at its own expense in the defense of any claim arising pursuant to subsections (a) through (c) and, to the extent it shall wish and be legally permitted, assume the defense thereof, jointly with any other Indemnifying Party similarly notified, provided, however, that in the event the Indemnified Party shall have reasonably concluded that there may be defenses available to it that are different from or additional to those available to the Indemnifying Party, the Indemnifying Party shall not have the right to direct the defense of such action as it relates to such defenses on behalf of such Indemnified Party and the fees and expenses of separate counsel (selected by the Indemnified Party and reasonably satisfactory to the Indemnifying Party) relating to such defenses for such Indemnified Party shall be borne by the Indemnifying Party. After notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense of any such claim and after election of counsel to the Indemnified Party as set forth above, the Indemnifying Party shall not be liable for any legal expenses of other counsel (except for separate counsel, but not more than the costs of one such separate counsel for all Indemnified Parties, in the circumstances described above) subsequently incurred by such Indemnified Party. Except as provided in the preceding sentences, the Indemnifying Party shall not be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from its own counsel for all Indemnified Parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No Indemnifying Party shall, without the prior written consent of the Indemnified Parties, settle or compromise or consent to the entry of any judgment with respect to any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification could be sought under this Section 7.5 (whether or not the Indemnified Parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from all liability arising out of such litigation or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(f) If at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and disbursements of counsel, such Indemnifying Party agrees that it shall be liable for any settlement effected without its written consent if (i) such settlement is entered into more than forty-five (45) days after receipt by such Indemnifying Party of the aforesaid request, (ii) such Indemnifying Party shall have received notice of the terms of such settlement at least thirty (30) days prior to such settlement taking effect and (iii) such Indemnifying Party shall not have reimbursed such Indemnified Party in accordance with such request prior to the date of such settlement. Notwithstanding the immediately preceding sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and disbursements of counsel, an Indemnifying Party shall not be liable for any settlement effected without its consent if such Indemnifying Party (i) reimburses such Indemnified Party in accordance with such request to the extent it considers such request to be reasonable and (ii) provides written notice to the Indemnified Party substantiating the unpaid balance as unreasonable, in each case prior to the date of such settlement.

(g) The indemnity and reimbursement obligations under this Section 7.5 shall be in addition to any liability each Indemnifying Party may otherwise have and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party but may be modified as appropriate and agreed by the Parties in connection with entering any customary underwriting agreement which may, among other matters, provide for contribution arrangements.

(h) In the event of any conflict between the provisions set forth in this Section 7.5 and those set forth in any underwriting agreement entered pursuant to this Article VII, the underwriting agreement shall control.

Section 7.6. No Shareholder Consent Necessary to Conduct a Public Offering. Notwithstanding anything in this Agreement to the contrary, Philips shall not have the right to object to a Public Offering initiated by Newco, Investor or the Management Trust.

ARTICLE VIII
MISCELLANEOUS

Section 8.1. Termination. The provisions of Article II shall terminate on the date Philips no longer holds a percentage of the outstanding Shares that equals or exceeds the Philips Minimum Percentage. With respect to Philips, this Agreement shall terminate on the date that Philips ceases to owns any Shares of Newco. With respect to the Management Trust, this Agreement shall terminate on the date that the Management Trust ceases to owns any Shares of Newco. This Agreement shall also terminate, except for Article VI, on the date of consummation of a Qualified Public Offering,

Section 8.2. Additional Securities. Any Additional Securities shall be considered Shares for purposes of this Agreement and shall be subject to the provisions hereof.

Section 8.3. Notices. All notices and communications under this Agreement shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by telecopier or email, provided that the telecopy or email is promptly confirmed by telephone confirmation thereof, to the person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such person:

To Investor or the initial Investor Representative:

KASLION Holding B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Ann: Erik Thyssen

With a copy to:

Clifford Chance LLP
Droogbak IA
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens
London
SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Ann: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London WIJ 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
8l679 München
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

Alplnvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

To Philips:

Koninklijke Philips Electronics N.V.
Breitner Center,
Amstelplein 2,
1096 BC Amsterdam,
The Netherlands
Telephone: (31) 20 597-7232
Telecopy: (31) 20 597-7150
Email: eric.coutinho@philips.com
Attn: Eric Coutinho

With a copy to:

Sullivan & Cromwell LLP
I New Fetter Lane
London EC4A 1AN
United Kingdom
Telephone: (44) 20 7959-8900
Telecopy: (44) 20 7959-8950
Email: brayg@sullcrom.com
Attn: Garth W. Bray

and

De Brauw Blackstone Westbroek
Tripolis
Burgerweeshuispad 301
1076 HR Amsterdam
Telephone: (31) 20 577-1421
Telecopy: (31) 20 577-1874
Email: arne.grimme@debrauw.com
Attn: Arne Grimme

To Newco:

KASLION Acquisition B.V.
High Tech Campus 60
5656 AG Eindhoven
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

With a copy to:

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam

The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens
London
SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

To NXP:

NXP B.V.
High Tech Campus
Professor Holstlaan 4
Buidling HTC – 60
5656 AA Eindhoven
The Netherlands
Telephone: (31) 40 272-2041
Telecopy: (31) 40 272-4005
Email: guido.dierick@philips.com
Attn: Guido Dierick

To Stichting Management:

Stichting Management Co-Investment NXP
High Tech Campus 60
5656 AG Eindhoven

The Netherlands
Telephone: +31 (0) 40 272 3028
Telecopy: +31 (0) 40 272 3093
Email: frans.van.houten@philips.com
Attn: Frans van Houten

With a copy to:

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands
Telephone: (31) 20 711-9000
Telecopy: (31) 20 711-9999
Email: thijs.alexander@cliffordchance.com
Attn: Thijs Alexander

Kohlberg Kravis Roberts & Co. Ltd.
Stirling Square
7 Carlton Gardens
London
SW1Y 5AD
United Kingdom
Telephone: (44) 207 839-9800
Telecopy: (44) 207 839-9801
Email: huthj@kkr.com
Attn: Johannes Huth

Silver Lake Management Company, L.L.C.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
United States
Telephone: (650) 233-8158
Telecopy: (650) 233-8125
Email: karen.king@silverlake.com
Attn: Karen King, General Counsel

Bain Capital, Ltd.
Devonshire House
Mayfair Place
London W1J 8AJ
United Kingdom
Telephone: (44) 20 7514 5252
Telecopy: (44) 20 7514 5250
Email: mplantevin@baincapital.com
Attn: Michel Plantevin

Apax Partners Beteiligungsberatung GmbH
Possartstrasse 11
81679 Munchen
Germany
Telephone: (49) 89 998909 0
Telecopy: (49) 89 998909 33
Email: Christian.Reitberger@apax.de
Attn: Christian Reitberger

AlpInvest Partners CS Investments 2006 C.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands
Telephone: (31) 20 5407575
Telecopy: (31) 20 5407500
Email: erik.thyssen@alpinvest.com
Attn: Erik Thyssen

Each such notice, request or communication shall be effective when received or, if given by mail, when delivered at the address or addresses specified in this Section or on the fifth business day following the date on which such communication is posted, whichever occurs first.

Section 8.4. Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Investor and the Management Trust, on the one hand, and Philips, on the other hand, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies in this Agreement provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

Section 8.5. No Assignment or Benefit to Third Parties. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns. Except as permitted in Article III, no Party may assign any of its rights or delegate any of its obligations under this Agreement, by operation of Law or otherwise, without the prior written consent of the other Parties, except that any Shareholder who is not a natural Person may assign its rights and obligations under this Agreement to its wholly-owned subsidiary, and that Investor may assign its rights and obligations under this Agreement to an Investor Affiliate, in each case, without any such consent, provided that such wholly-owned subsidiary or Investor Affiliate, as the case may be, agrees in writing to be bound by this Agreement.

Section 8.6. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 8.7. Dispute Resolution. The Parties acknowledge and agree that it is their mutual desire and intention to work together to fulfill their respective obligations under this Agreement. Nevertheless, the Parties acknowledge that in the course of working together for such purpose, there may arise differences of opinion or conflicts as to the nature or extent of such obligations ("Disputes"). In the event that Investor or Philips, as the case may be (the "Initiator"), identifies a matter or matters that it believes have evolved to the status of a Dispute, Philips or Investor, as the case may be (the "Respondent"), agree to follow the procedure set forth below:

(a) Immediately following identification of a Dispute, the Initiator shall give the Respondent written notice (the "Initiating Notice") of the particulars of the Dispute and the Initiator's desire to resolve it. The Initiating Notice shall also provide (i) the names of one or more representatives of the Initiator designated to serve as contact persons for the Dispute and (ii) the proposed place, date and time of a meeting with the Respondent for the purpose of resolving the Dispute.

(b) Upon receipt of an Initiating Notice, the Respondent shall provide the names of one or more representatives of the Respondent designated to serve as contact persons for the Dispute.

(c) The representatives of the Initiator and the Respondent shall proceed to meet with each other at the place, date and time proposed by the Initiator or at such other place, date and time as the Initiator and the Respondent may agree (the "Initial Meeting"). In no event shall the Initial Meeting be held more than thirty (30) days after the date of the Initiating Notice.

(d) If the Dispute is not resolved to the satisfaction of the Initiator and Respondent at the Initial Meeting or within fourteen (14) days thereafter, Investor Representative and a designated officer of Philips shall for a period of thirty (30) days attempt to resolve the Dispute in good faith and in a reasonable manner, including by holding at least one meeting at which each of them is present in person (the "Executive Period").

(e) If, and only if, the Initiator and Philips have followed the procedure provided by this Section 8.7 and following the expiration of the Executive Period the Dispute is not resolved to the satisfaction of Investor and Philips, the Initiator or any other Party may bring an action or proceeding in a Chosen Court in accordance with Section 8.8.

Section 8.8. Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury. This Agreement and any agreements to be entered into pursuant to it, save as expressly otherwise provided therein, shall be governed by and

construed in accordance with the laws of The Netherlands. The Parties irrevocably agree that all disputes which may arise out of or in connection with this Agreement and the existence and validity thereof, shall be exclusively resolved by the district court of Amsterdam, The Netherlands.

Section 8.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section 8.10. Headings. The heading references in this Agreement and the table of contents hereof are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 8.11. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

NXP B.V.

By: /s/ Guido Dierick
Name: Guido Dierick
Title: General Counsel

KASLION Acquisition B.V.

By: _____
Name:
Title:

Koninklijke Philips Electronics N.V.

By: /s/ Eric Coutinho
Name: Eric Coutinho
Title: General Secretary

KASLION Holding B.V.

By: _____
Name:
Title:

Stichting Management Co-Investment NXP

By: _____
Name:
Title:

[Shareholders Agreement Signature Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

Philips Semiconductors International B.V.

By: _____
Name:
Title:

KASLION Acquisition B.V.

By: /s/ Illegible
Name: Illegible
Title: DIRECTOR

Koninklijke Philips Electronics N.V.

representing AlpInvest Partners N.V. in its turn
representing AlpInvest Partners 2006 B.V.

By: _____
Name:
Title:

KASLION Holding B.V.

By: /s/ Illegible
Name: Illegible

Title: MANAGER

Stichting Management Co-Investment NXP

By: _____
Name:
Title:

[Shareholders Agreement Signature Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

Philips Semiconductors International B.V.

By: _____
Name:
Title:

KASLION Acquisition B.V.

By: _____
Name:
Title:

Koninklijke Philips Electronics N.V.

By: _____
Name:
Title:

KASLION Holding B.V.

By: _____
Name:
Title:

Stichting Management Co-Investment NXP

By: /s/ Johannes Huth
Name: Johannes Huth
Title:

[Shareholders Agreement Signature Page]

The undersigned:

1. **PHILIPS ELECTRONICS NEDERLAND B.V.,** acting herein under the name **"EXPLOITATIEMAATSCHAPPIJ PHILIPS HIGH TECH CAMPUS,"** having a principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 100, Building HTC, for the purposes of this transaction represented by Mr. C.H.L. van der Linden and Mr. J. Wilkes in their capacity as managing directors of the company under its articles and in their capacity as special authorized representatives of this company,

hereinafter referred to as **"Lessor,"**

and

2. **PHILIPS SEMICONDUCTORS B.V., acting herein for the account and risk of Philips Semiconductors-SLE,** having its principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 4, for the purposes of this transaction represented by Mr. J. Lobbezoo and Mr. T. Claasen,

hereinafter referred to as **"Lessee,"**

whereas:

- Lessor wishes to lease the office/business premises referenced hereinafter to Lessee, and Lessee wishes to lease the office/business premises referenced hereinafter from Lessor;
- Lessor derives its authority to lease out said premises from a leasing agreement that it has entered into with Tetona Investments B.V., with registered office in Amsterdam;
- Unless context indicates otherwise, references in the present agreement to leasing between the parties shall be understood as denoting subleasing;
- The parties wish to set forth their arrangements concerning this leasing in writing.

do hereby agree to the following:

1. The Leased Property, Intended Purpose and Use

1.1 The present leasing agreement relates to the office/business premises with a leasable floor area ("v.v.o.") of 5,805 m^2, which has been constructed at Prof. Holstlaan in Eindhoven and is also referred to as "Building WDN," in both respects in accordance with the site plan and other plans attached as Annex 2, with which the parties are sufficiently acquainted, hereinafter referred to as "the leased property," with 130 parking spaces in a parking garage on the Philips High Tech Campus to be further specified.

1.2 The leased property may be used exclusively as office/business premises, research and/or development premises, or laboratories.

Initials
[initials]

Lessee's initials
[initials]

1.3 Lessee is not permitted, without the prior written content of Lessor, to use the leased property for any purpose other than as described in Sec. 1.2.

1.4 The maximum permitted load on the floor(s) of the leased property is 400 kilograms per square meter.

1.5 After consultation with Lessee, Lessor's site management is entitled to reduce the number of parking spaces allotted to Lessee, if a change in the expected number of parking spaces needed for the users of the Philips High Tech Campus constitutes reasonable cause to do so. The rental fee for the leased property shall in that case be lowered by €919 per parking space per year for each parking space by which Lessee's allotment is reduced. If at any time Lessee uses more or fewer parking spaces than the amount to which it is entitled under the terms of the present agreement ("actual overuse" or "actual underuse"), then it shall be charged an amount of €919 per actually overused parking space per year or be given a discount of €919 per actually underused parking space per year, or, if the actual overuse or actual underuse occurs for a period longer or shorter than one year, an amount prorated to the duration of the actual overuse or actual underuse, all as further stipulated in the regulations of the Philips High Tech Campus, to be approved by the Managing Board, on which one or more representatives of Lessor and one or more representatives of Lessee shall hold seats.

2. Terms and Conditions

2.1 The following are integral parts of the present agreement:

(i) the "General Stipulations of Leasing Agreements for Office Premises and Other Business Premises Not Subject to Article 7A (1624) of the Civil Code," filed at the Office of the District Court in The Hague on February 29, 1996 and registered there under No. 34/1996, hereinafter referred to as the "General Stipulations";

(ii) the appendix to the present agreement contained in Annex 6 to the present agreement, hereafter referred to as the "Appendix";

(iii) the annexes to the present agreement.

The parties are acquainted with the contents of the General Stipulations, the Appendix, and the annexes. Lessee has received a copy thereof and declares its acceptance thereof upon signing the present agreement.

2.2 The stipulations of Sec. 2.1 apply insofar as not provided otherwise in the present agreement or unless the application thereof with respect to the leased property is not possible.

3. Term, Duration, and Termination

3.1 The present agreement enters into force on June 21, 2002, hereinafter referred to as the "effective date." Notwithstanding the provisions of Stipulations 17.1-17.3 of the "General Stipulations," Lessee is obligated to accept leasing of the leased property and the appurtenant parking spaces effective from June 21, 2002, hereafter referred to as the "date of delivery," and Lessor is obligated, effective from the date of delivery, to provide leasing of the leased property and the

appurtenant parking spaces. If the leased property is not available on the date of delivery, Lessor shall, with due regard for Lessee's reasonable interests, set a new date that shall replace the date of delivery and shall also be referred to hereinafter as the "date of delivery."

3.2 The present agreement ends, without any notice requirement, on June 21, 2007 (hereinafter referred to as the "end date"), unless the agreement is extended or has been previously terminated pursuant to the terms of the present agreement. Lessor shall notify Lessee at least six months prior to the end date whether the agreement can be extended. If the present agreement has been extended pursuant to the terms of the agreement, it ends, without any notice requirement, on the last day of the extension period, unless the agreement is again extended or has been previously terminated pursuant to the terms of the present agreement.

3.3 If Lessor in any way obtains the authority to lease the leased property and the appurtenant parking spaces to Lessee after the end date, the present agreement shall, if so requested by Lessee, be extended for the duration of the period for which Lessor has obtained said authority. Both Lessor and Lessee can, however, limit said extension to a period of five years. In the event of any extension of the present agreement, Lessor and Lessee shall decide on a new rental fee by mutual consent, with said rental fee to be in conformity with market conditions. However, the rental fee shall in all instances be adequate to cover Lessor's reasonable costs arising from the acquisition, use, administration, and preservation of the aforesaid authority, said costs expressly including but not limited to the financing costs and/or rental fees incurred by Lessor with respect to the leased property and the appurtenant parking spaces. Lessor and Lessee shall enter into consultation concerning a further extension of the present agreement no later than six months prior to the end of the extension period.

Lessor shall make every commercially reasonable effort to obtain the authority referred to in the first sentence of this section under terms and conditions convenient to Lessor.

3.4 Lessor is entitled to effect premature termination of the present agreement, with notice:

(i) effective from the date on which its authority to lease the leased property and the appurtenant parking spaces to Lessee ends;

(ii) if a circumstance as specified in Stipulation 7 of the "General Stipulations" arises; or

(iii) if Lessee is no longer a subsidiary of Koninklijke Philips Electronics N.V. within the meaning of Article 24a, Book 2, of the Civil Code.

Premature termination of the present agreement by Lessee is not possible. Insofar as Lessor has granted its advance, written, express consent thereto, Lessee has the authority to substitute a third party in its stead, in whole or in part, with respect to the present agreement. Lessor shall not withhold its consent on unreasonable grounds nor attach unreasonable conditions to its consent to the substitution. At Lessee's request, Lessor shall make every commercially reasonable effort to find a third party for the aforesaid substitution. Any costs incurred through such efforts shall be

borne by Lessee, if approved in advance and in writing by Lessee.

3.5 Notice as referred to in Sec. 3.4 shall be effected by way of writ or by registered mail.

4. Payment Obligation, Payment Period

4.1 Lessee's payment obligation arising from the present agreement comprises:

- the rental fee (said fee being inclusive of the fee for leasing the parking spaces named in Sec. 1)
- the value-added tax owed on this rental fee or an amount corresponding thereto, in accordance with and with due regard for the provisions of Stipulations 15.2 and 15.3 of the General Stipulations, provided that the parties have agreed to a rental fee subject to value-added tax
- compensation for the user-specific investments as referred to in Sec. 9.6.

4.2 The annual rental fee is €1,049,316 (one million forty-nine thousand three hundred sixteen euros). This amount is derived as the total of €160.18 per square meter of v.v.o. per year for the leased property plus €919 per parking space per year.

4.3 The rental fee is adjusted one year after the effective date in the first instance, and subsequently as of February 1 of each year, in accordance with Stipulations 4.1 and 4.2 of the "General Stipulations," on the understanding that the consumer price index series CPI-Employees Low (1990=100) is replaced by the consumer price index series CPI-Employees Low (1995=100).

4.4 The fees for additional facilities and services are determined in accordance with Stipulation 12 of the "General Stipulations." Such fees shall be subject to a system of advance payments with settlement at a later date, as indicated there.

4.5 The payments to be made to Lessor by Lessee are due in lump sums payable in advance for successive payment period(s) as indicated in Sec. 4.6 and must be paid in full prior to or on the first day of the period to which the payments relate.

4.6 The rental fee per payment period of one calendar month is €87,443.00. The rental fee per year is €1,049,316.00. These amounts are exclusive of value-added tax.

4.7 In view of the effective date of the lease, the first payment period relates to the period from the date of delivery through the last day of the respective calendar month. The amount owed for that period shall be prorated according to the number of days in that period. Lessee shall pay that amount, plus any value-added tax owed thereon, prior to the date of delivery.

4.8 The leasable floor area named in Sec. 1.1 has been determined in accordance with the

Lessor's initials [initials] Lessee's initials [initials]

measurements indicated in the Measurement Certificate prepared in conformity with NEN 2580, Elta J. Class. Adjustments between Lessee and Lessor for under- or over-measurement of the leased property are barred.

5. Value-Added Tax

5.1 The parties agree that Lessor shall charge Lessee no value-added tax on the rental fee if they belong to the same VAT tax entity. If Lessor and Lessee cease to belong to the same VAT tax entity, Annex 5 shall apply immediately.

6. Facilities and Services

6.1 The Philips High Tech Campus shall offer a number of centrally provided additional facilities and services for all lessees. These are facilities and services that are of interest to all lessees and are not business-specific, such as catering, security, landscaping, etc. The Philips High Tech Campus site management and Lessee shall in due course enter into consultation concerning additional facilities and services to be utilized by Lessee by way of the consultation body established for this purpose, known as the "Managing Board."

6.2 If specific facilities and/or services on the so-called Central Strip of the Philips High Tech Campus are provided or offered, Lessee is immediately barred from (further) offering, directly or by way of third parties, these or comparable facilities and/or services on the High Tech Campus to its employees whose normal workplace is on the Philips High Tech Campus.

6.3 Lessee and the Philips High Tech Campus site management shall enter into further agreements concerning the terms and conditions of facilities and services as referred to in Sec. 6.1 and 6.2. The fees to be charged to Lessee shall be determined in conformity with market conditions.

7. Bank Guarantee

7.1 Contrary to Stipulation 8 of the "General Stipulations," Lessee is not obligated to furnish a bank guarantee to Lessor.

8. Coordination

8.1 Lessor designates as its agent for performance of the present agreement the Philips High Tech Campus site management, which shall act on its behalf.

9. Special Stipulations

9.1 Substantive alterations in the leased property require the advance written approval of Lessor.

Lessor's initials [initials] Lessee's initials [initials]

9.2 Notwithstanding the authorities to terminate the present agreement that Lessor may hold under the provisions of Sec. 3.4 (iii) of the agreement, the parties agree that if Lessee ceases to belong to the tax entity for value-added tax to which Lessor and Lessee belong at the time when the agreement is entered into, then they, if Lessor fails to exercise its authority to terminate the present agreement as described hereinabove, effective from the time at which Lessee ceases to belong to the tax entity as referred to hereinabove, shall enter into a new leasing agreement with respect to the leased property and the appurtenant parking spaces:

(i) in which it is stipulated that the rental fee shall be subject to value-added tax;
(ii) that shall incorporate the stipulations as attached to the present agreement as Annex 5;

(iii) whereby said agreement shall be substantively identical to the present agreement, except that Sec. 7 of the present agreement shall be replaced by a new Sec. 7 reading as follows: “The bank guarantee referred to in Stipulation 8.1 of the “General Stipulations” shall be in an amount equivalent to six times the rental fee for the leased property per month plus the costs of the additional facilities and services over that same period, as stipulated in the agreement that the present agreement replaces and at the time immediately preceding the time at which the present agreement replaces the previous agreement”; and

(iv) in which it is stipulated that the present agreement is terminated effective from the date on which the new agreement enters into force.

9.3 The October 1998 report by DNV B.V. concerning the exploratory soil study and the March 1999 report by Oranjewoud B.V. (Document No. 947051772) concerning the soil study are deemed the environmental study whose performance is required prior the start of the present agreement, as referred to in Stipulation 2.6.1 of the General Stipulations.

9.4 With the prior written consent of Lessor, Lessee has the right, with due regard for locally applicable ordinances and other regulations, to place advertising materials on, in, near, or alongside the leased property. Lessor shall not exercise its right to place advertising materials on and/or alongside the leased property as referred to in the “General Stipulations.”

Lessor shall grant or deny written consent in conformity with the policy pertaining thereto, to be established as appropriate by the steering committee.

9.5 The following elements of Stipulations 9.2.1 and 9.2.4 of the “General Stipulations” are considered altered:

(i) the following is added to the stipulation under 9.2.1 (c): “insofar as mounted on the interior of the leased property and subject to renovation owing to normal wear and tear”;

(ii) the following is added to the stipulation under 9.2.1 (d): “subject to renovation owing to normal wear and tear”;

(iii) in the stipulation under 9.2.1 (g), the parentheses around “and renovation of small components” are disregarded;

(iv) in the stipulation under 9.2.4, the phrase “and the cleaning of ventilation conduits is

disregarded.”

Costs of maintenance, repair, and renovation that are not borne by Lessee pursuant to the stipulations of (i) through (iv) shall be borne by Lessor.

9.6 Notwithstanding the provisions of Stipulation 5.1 of the “General Stipulations,” with respect to the so-called user-specific investments made by Lessor on behalf of Lessee as further specified in Annex 7 to the present agreement, the interest and repayment of principal on said user-specific investments shall be paid by Lessee in the form of an annual payment over the term of the present agreement, due each January 1, of €310,829.00, this being the annual annuity for interest and repayment of principal for said user-specific investments calculated with a term of 15 years and an interest rate of 7% per annum paid in arrears. At the end of the present leasing agreement, unless Lessor is at fault for termination, the cash value—calculated at an interest rate of 7% per annum paid in arrears—of the remaining annual annuities—over the period of 15 years after the date of delivery—shall be payable immediately and in full by Lessee to Lessor. If a subsequent owner or lessee wishes to retain user-specific investments in the leased property. Lessee’s obligation to remove user-specific investments at the end of the leasing agreement expires and any compensation paid for them by the subsequent owner or lessee shall be for the benefit of Lessee.

9.7 The present agreement supersedes all prior arrangements made between Lessee and Lessor with respect to the subject matter of the present agreement (including all appurtenant annexes).

Made and subscribed in duplicate

Place:
Date:

Philips Semiconductors B.V.

[signature]

J. Lobbezoo **T. Classen**

Place: *Eindhoven*
Date: *9-26-2002*

Philips Electronics Nederland B.V.

[signature]

J. Willed **C.H.L van der Linden**

Strijbosch Thunnissen

LEASE AGREEMENT

Bijsterhuizen 11-36
in Nijmegen

DYNAMIS

Copy:
0 Lessor
0 Lessee
0 Broker

[initials] Initials of lessee

[initials] Initials of lessor

ESSENTIALS	
Lessor	**:Spronsen Vastgoed [real estate] B.V.**
Lessee	**:Philips Semiconductors B.V.**
Property	**:Bijsterhuizen 1136 in Nijmegen**
Initial rental fee	**:NLG 250.00 per m(2) per year excluding VAT and excluding service costs and NLG 700.00 excluding VAT per parking space per year**
Lease period	**:April 01, 2001 or as much earlier as possible through March 31, 2006**
Option period	**:April 01, 2006 through March 31, 2011**

[initials] Initials of lessee

[initials] Initials of lessor

LEASE AGREEMENT FOR OFFICE PREMISES and other commercial space following Model ROZ

The undersigned **Spronsen Vastgoed B.V.,**

legally represented in this matter by its directors,
Ms. M. E. Malenstein and Mr. A. P. S. Malenstein

having its principal place of business in 6546 AS Nijmegen at Bijsterhuizen 11-38, telephone 024 —345 55 40, fax 024 — 345 55 04,

hereinafter called “the lessor”

and **Philips Semiconductors B.V.**

legally represented in this matter by
Mr. J. W. Ramaekers, Eng.,

with registered office in 5652 AH Eindhoven at Hurksestraat 19,
telephone 024 — 353 27 90, fax 024 — 353 31 01,

registered in the Commercial Register for Southeast Brabant
under number 70621

hereinafter called “the lessee,” the lessor and the lessee hereinafter also called “the parties,”
declare that they have agreed the following:

The leased property, intended purpose and use

1.1 The lease agreement relates to the office premises located on the first, the third, the fourth and the fifth floor as well as the cafeteria on the second floor and the share in the general spaces belonging to these spaces and 60 nearby parking spaces, hereinafter called “the leased property,” known locally as Bijsterhuizen 11-36 in Nijmegen, known cadastrally as the Municipality of Neerbosch, Section L, Number 264, and further indicated in yellow on the drawing of the leased property attached to this agreement and authenticated by the parties and sufficiently known to the parties that they desire no further description.

1.2 The leased property may only be used as office premises, *inter alia* for test setups which are coupled to test equipment and serve for the testing of whether the functionality of chips or parts of chips is correct. In this, no hazardous or risk–elevating substances shall be used.

1.3 It shall not be permitted to the lessee and/or user to use the leased property for any purpose other than that described in 1.2 without prior written permission from the lessor.

[initials] [initials]
Initials of lessee Initials of lessor

1.4 A difference between the floor space(s) of the leased property mentioned in this lease agreement and the actual floor space(s) shall not give to either of the parties any right of adjustment of the rental fee and/or the terms and conditions. The parties agree to the floor space calculation drawn up by Zegers Bouwbedrljf [construction company] attached to this agreement and authenticated.

1.5 The lessor agrees not to load the floor space in use greater than that which is technically permissible: 300 kg/m(2).

Terms and conditions

2.1 A part of this lease agreement shall be the general stipulations for a lease agreement for office premises not from Article 7A: 1624 of the Civil Code, deposited with the Clerk of the Court in The Hague on February 29, 1996 and registered there under number 34/1996, hereinafter called the “general stipulations.”

The content of these general stipulations is known to the parties. The lessee has received a copy of them, or they are attached to this lease agreement.

2.2 The provisions referred to in 2.1 shall be applicable except insofar as they are expressly deviated from in this lease agreement or application thereof with respect to the leased property is not possible.

Duration, extension and cancellation

3.1 This lease agreement shall be entered into for a period of 5 (five) years, starting on April 01, 2001 and running through March 31, 2006.

3.2 After the end of the period stated in 3.1, this lease agreement, unless cancellation by the lessee in accordance with 3.3 has taken place, shall be continued for a subsequent period of 5 (five) years, therefore through March 31, 2011. This agreement shall then be continued for subsequent periods each time of 12 (twelve) months unless the lease agreement is cancelled by one of the parties or by both parties, with observance of a notice period of at least 12 (twelve) months.

3.3 Termination of this agreement shall take place by cancellation toward the end of a lease period with observance of a notice period of at least 12 (twelve) months.

3.4 Cancellation should occur by means of a writ or by registered letter.

3.5 Interim termination of this lease agreement shall be possible in a circumstance as stated in Article 7 of the general stipulations, Art 10.3 of the lease agreement and with the observance of the applicable mandatory requirements.

[initials] [initials]
Initials of lessee Initials of lessor

Payment obligation, payment period

4.1 The payment obligation of the lessee consists of:

- the rental fee;
- compensation for any additional supplies and services mentioned under 6;
- the value-added tax on this rental fee and additional supplies and services or a corresponding amount in accordance with and taking into account Article 5 of this lease agreement, at least if the parties have agreed upon a lease subject to value-added tax.

4.2 The rental fee per quarter shall amount to NLG 186,187.50.
in words: – one hundred eighty-six thousand one hundred eighty-seven guilders and fifty cents–

4.3 The rental fee shall be adjusted annually on 01 April, for the first time on 01 April 2002 and then further in accordance with Articles 4.1 through 4.3 of the general stipulations.

4.4 Notwithstanding a rental fee adjustment on the basis of 4.3, each of the parties shall be entitled to request an adjustment of the rental fee based on market value. That adjustment can take place for the first time starting on April 01, 2006 and then each time after a period of at least 5 (five) years after the last rental fee adjustment to the market value. If a party wishes to make use of this entitlement, he shall notify the other party thereof by means of a registered letter with a return receipt, at the latest 6 (six) months before the date on which the revised rental fee must start.

If the parties have not come to an agreement about the rental fee adjustment within 2 (two) months after receipt of this notification, the rental fee shall be determined by three experts. The experts should receive the instruction to take into account all that has been agreed between the parties with respect to the leased property and the circumstances of the case, such as location, size, layout and quality of the leased property and the facilities in and around the leased property, as well as the mutually agreed or judicially determined rental fees of comparable commercial spaces.

Of these three experts, one will be designated by each of the parties within fourteen days after the request by one of the parties for that purpose has reached the other party.

An expert shall make known within eight days after the date of the assignment whether he accepts it.

The third expert shall be designated by these two experts within eight days after they both have accepted their designation. The judgment of the three experts shall be decisive in case of lack of agreement among the experts on the rental fee to be established. If one of the parties remains in default in designating an expert or if the experts designated by the parties cannot come to an agreement on the third expert, then the party taking the initiative can ask the Chairman of the Chamber of Commerce and Industry of the region in which the leased property is located to appoint the expert(s). A party shall bear the costs of the expert designated by that party. The costs of the third expert shall be divided in half between the two parties. The experts shall receive the instruction to issue their report within six weeks after their designation is firm.

[initials] [initials]
Initials of lessee Initials of lessor

After the rental fee has been adjusted to the market value, the next rental fee indexation shall take place on the date as agreed in 4.3 of the lease agreement with the understanding that that rental fee adjustment shall take place in proportion to the period that has passed since the date of the rental fee adjustment to the market value.

4.5 The compensation for any agreed additional supplies and services shall be determined in accordance with Article 12 of the general stipulations. A system of advance payments with later settlement shall be applied to this compensation as is indicated there.

4.6 The lessor shall see to it that an invoice is sent to the accounts payable department of the lessee with a statement of order number:

The lessee shall ensure payment in one amount within 30 calendar days after the date of the invoice provided the invoice is drawn up correctly according to agreement.

The dating of the invoice shall be a maximum of 30 calendar days prior to the first of each pay period and should be received by the lessee at the latest 5 days after date.

4.7 Per pay period of 1 (one) quarter, the amounts are:

• the rental fee	NLG	186,187.50
• the advance payment on the compensation for additional supplies and services	NLG	21,082.50
• Total	NLG	207,270.00

in words: – two hundred seven thousand two hundred seventy guilders–

to be increased by the value-added tax.

Value-added tax

5.1 All amounts mentioned in this lease agreement shall be exclusive of value-added tax (VAT). The parties agree that the lessor shall invoice the lessee value-added tax (VAT) on the rental fee and any agreed additional supplies and services.

The value-added tax (VAT) shall be invoiced by the lessor and should be paid at the same time as the rental fee and any agreed compensation for additional supplies and services, or the advance payment thereon.

[initials] [initials]
Initials of lessee Initials of lessor

5.2 The lessee and the lessor declare expressly that, in determining the rental fee, the assumption was that the lessee shall continue to use the leased property at least the minimum percentage established by law or to be established by law for activities which give the right to deduct value-added tax (VAT), such that they can opt for a lease subject to value-added tax.

5.3 The lessee and the lessor shall make use of the possibility on the basis of Notice 45, Decree of March 24 1999, Number VB 99/571, to waive the submission of a joint option request for a lease subject to value-added tax and to confine themselves to a statement to be completed and signed by the lessee, which statement shall be an integral part of the present lease agreement.

5.4 Before or at the latest at the signing of this lease agreement, the lessee shall submit to the lessor a statement completed and signed by the lessor, in accordance with a model made available to the lessee by the lessor, which shows that the lessee shall use the leased property for purposes for which a complete or almost complete right of deduction of value-added tax exists as laid down in Article 15 of the Value-added Tax Act of 1968.

5.5 The lessee herewith states that his fiscal year runs from January 01 through December 31.

5.6.a If the lessee is not/no longer using the leased property for activities which give the right to deduct value-added tax (VAT) and because of that the exception to the deduction of value-added tax (VAT) is ended, the lessee shall no longer owe value-added tax (VAT) on the rental fee to the lessor or his legal successor(s), but then the lessee, starting on the date on which that termination becomes effective, in addition to the rental fee less value-added tax (VAT), shall owe as a separate compensation to the lessor or his legal successor(s) and amount such that the latter shall be completely compensated for:

I The value-added tax (VAT) no longer deductible as a result of the ending of the option for the lessor or his legal successor(s) on the operating costs of the leased property or investments therein.

II The value-added tax (VAT) that the lessor or his legal successor(s) will have to pay to the tax authorities as a result of the ending of the option because of recalculation as referred to in Article 15, Paragraph 4, of the Value-added Tax Act of 1968 or revision as referred to in Articles 11 though 13 of the Value-added Tax implementation Decree of 1968.

III All other damage suffered by the lessor or his legal successor(s) because of the ending of the option.

5.6.b The damage as a result of the ending of the option for the lessor or his legal successor(s) of not/no longer being able to deduct value-added tax (VAT) as referred to in I under 5.6.a shall be established by the parties in advance at 9% of the (indexed) rental fee.

5.6.c The financial disadvantage suffered by the lessor or his legal successor(s) after the ending of the option because of the ending of the option shall be paid each time to the lessor or his legal successor(s) simultaneously with the periodic rental fee payments and shall be, with the exception of damage as referred to in I under 5.6.a, if possible by means of an annuity, equally distributed over the remaining duration of the current lease period, but can be immediately, completely and at one time be made due and payable from the lessee if this lease agreement is terminated in the interim for whatever reason.

[initials] [initials]
Initials of lessee Initials of lessor

5.7 That which is stated under 5.6.a shall not be applicable if, when entering into the present lease agreement, the revision period for the deduction of VAT already paid, with respect to the leased property has already passed.

5.8 That which is stated under 5.6 shall also be applicable if the lessee, upon entering into the lease agreement, does not complete, sign and has not given to the lessor a VAT declaration as referred to under 5.4. That which is stated in 15.2 of the general stipulations which are part of this agreement is therefore herewith expressly declared not applicable.

5.9 When a situation as referred to under 5.6 occurs, the lessor or his legal successor(s) shall notify the lessee what amounts must be paid by the lessor or his legal successor(s) to the tax authorities and give an insight into the other damage as referred to under 5.6, such with the exception of the damage determined in advance as referred to in I under 5.6.a. The lessor or his legal successor(s) shall provide his cooperation if the lessee wishes to verify the statement of the lessor or his legal successor(s) by an independent certified public accountant. The costs of this shall be for the lessee’s account.

5.10 In case in any fiscal year, the requirement of use for purposes as reflected under 5.2 is not met, the lessee shall notify the lessor or his legal successor(s) within four weeks after the end of the relevant fiscal year by means of a statement to that effect signed by the lessee. Within that same period, the lessee shall send a copy of that statement to the Inspector of Value-added Tax.

5.11 If the lessee does not satisfy the notification obligation as referred to under 5.4 or under 5.10 and/or does not satisfy the obligation for putting into use as referred to under 5.13, or it turns out afterwards that he made an incorrect assumption and the lessor or his legal successor(s) because of that, according to what turns out afterwards, erroneously invoiced value-added tax (VAT) on the rental fee, lessee shall be in default and the lessor or his legal successor(s) shall be entitled to claim the financial damage occurring therefrom from the lessee.

This damage shall concern the entire value-added tax (VAT) still owed to the tax authorities by the lessor or his legal successor(s), increased by interest, any increases, as well as further costs and damages. This article provides a damage compensation arrangement in case the option should be ended with retroactive effect, such in addition to the arrangement reflected under 5.6. The extra damage that arises for the lessor or his legal successor(s) from that retroactive effect shall be immediately, completely and at once due and payable by the lessee. The lessor or his legal successor(s) shall cooperate if the lessee wishes to verify the statement of the lessor or his legal successor(s) by an independent certified public accountant. The costs of this shall be for the lessee’s account.

5.12 That which is stated under 5.6, 5.9 and 5.11 shall likewise be applicable if the lessor or his legal successor(s) for the first time after termination, interim or not, of this lease agreement are confronted with damage because of the termination of the option valid for the parties, which damage then shall be Immediately, completely and at once due and payable to the lessor or his legal successor(s).

[initials] [initials]
Initials of lessee Initials of lessor

5.13 Without prejudice to the other provisions of this lease agreement, the lessee shall in any case put into use the leased property, with application of the option right, before the end of the fiscal year in which he leases the leased property.

Supplies and services

6.1 The parties agree on the following as additional supplies or services to be provided by or on behalf of the lessor:

- gas consumption, including standing charges, for the individual consumption of the lessee;
- electricity consumption, including standing charges, for the individual consumption of the lessee;
- electricity consumption, including standing charges, for the installation(s) and the lighting of the community areas;
- water consumption, including standing charges, for the individual consumption of the lessee;
- maintenance (not being replacement maintenance as referred to in Article 9.1 of the general stipulations) and periodic checks of heating and air conditioning installation(s):
- maintenance (not being replacement maintenance as referred to in Article 9.1 of the general stipulations) and periodic checks of the elevator installation(s);
- maintenance (not being replacement maintenance as referred to in Article 9.1 of the general stipulations) and periodic checks of fire alarm, building security, malfunction alarm and emergency power installation(s);
- cleaning costs of the community areas, elevators, glazing, outside glazing of the community areas, awnings, terraces, parking lot/basement;
- insurance premium for outside glazing and glazing of the community areas;
- administrative costs at NLG 1,000.00 excluding VAT per year to be indexed at the same time and in the same manner as the rental fee, on the above-named supplies and services.

For the above supplies and services, the lessor shall invoice the lessee for a cash advance to be settled later of NLG 30.00 per m^2 per year, to be increased by value-added tax. The actual consumption shall be determined on the basis of the readings from individual meters and for the other supplies and services which cannot be registered by means of individual meters, the total costs for the abovementioned supplies and services divided by the total surface area of the building multiplied by the leased surface area.

If, in the building of which the leased property is a part, there are one or more users who make relatively more use of the above-named supplies and services, the above-mentioned formula should possibly be adjusted.

Within a month after the effective date of the present lease agreement, the parties shall hold a consultation and make further agreements about the service levels of the service contracts to be entered into.

The parties have agreed that the lessee shall receive copies of the agreements entered into by the lessor with respect to the above supplies and services. The copies must be sent by the lessor to the lessee within a reasonable period after they have been entered into.

[initials] [initials]
Initials of lessee Initials of lessor

Bank guarantee

7.1 Contrary to Article 8 of the general stipulations, the parties have agreed that the lessee need not provide a bank guarantee.

Manager

8.1 Until the lessor announces otherwise, Malcon Beheer [management] B.V. shall act as manager for the leased property.

Annexes

9.1 The following annexes shall accompany this lease agreement:

- the general stipulations;
- the drawing of the leased property attached to this lease agreement and authenticated by the parties;
- the statement for taxed lease;
- surface area calculation from Zegers Bouwbedrijf.

Special provisions

10.1 The parties agree that the lessee shall have the right of substitution with respect to the leased property, in which the lessor reserves the right of approval of the successive lessee. The lessor shall only be able to withhold his approval of a candidate proposed by the lessee on the basis of reasonableness and fairness—by this is meant *inter alia* that the new lessee is creditworthy, shall continue to use the leased property at at least the minimum percentage established by law or to be established by law for activities which give the right to deduct value-added tax (VAT), such that they can opt for a lease subject to value-added tax or, if this is not done, that the lessor is completely compensated herefor and they are prepared to issue a rent guarantee of three months' payment obligation.

10.2 After consultation and written approval from the lessor and the responsible (government) agencies, the lessee may affix his name on or to the leased property.

10.3 The lessee shall have the right to end this lease agreement prematurely after the second year in the first option period and therefore only as of April 1, 2008 without legal intermediary with observance of a notice period of a minimum of 12 months. That is to say that cancellation must take place in

accordance with the provisions of Art. 3.3 and 3.4 and before April 1, 2007. If the lessee makes use of this right, the lessee shall owe a lump sum payment equal to a quarter of the annual rental fee applicable as of April 1, 2008 to the lessor.

[initials] Initials of lessee | [initials] Initials of lessor

10.4 Supplementary to the provisions of Art. 3.2, the parties have agreed that the lessor, with observance of a period of at least 14 (fourteen) months and therefore before or at the latest on January 1, 2005, shall indicate to the lessee that the lessee can have cancellation take place in accordance with Art. 3. If the lessor does not indicate, or indicates too late, that the lease cancellation can take place, the notice period and option period shall be correspondingly changed.

Thus drawn up and signed in triplicate,

Place	Date	Place	Date
Nijmegen	*April 2, 2001*	*Nijmegen*	*April 3, 01*
(lessee)		(lessor)	
[signature]		[signature] [signature]	

[initials] Initials of lessee | [initials] Initials of lessor

HOMBURG

RIDER I

To accompany the lease agreement dated April 1, 2001 with respect to the office premises located on the first, the third, the fourth, the fifth floor as well as the cafeteria on the second floor and part of the general area and 60 parking spaces located at Bijsterhuizen 11-36 in Nijmegen.

The undersigned:

N.V. Interpolis Onroerend Goed [real estate], legally represented by Interpolis Vastgoed B.V., with registered office in Zoetermeer, at Louis Braillelaan 100, 2700 AG, legally represented by Mr. G. T. J. Droge, Esq., and Mr. C. van Gent, as legal successor to Spronsen Vastgoed B.V.

hereinafter called “the lessor”

and

Philips Semiconductors B.V., with registered office in Eindhoven at Hurksestraat 19, 5652 AH, registered in the Commercial Register for Southeast Brabant under number 70621, represented in this matter by Mr. J. W. Ramaekers, Eng.,

hereinafter called “the lessee”

Considering that:

1. The lessee and the lessor entered into a lease agreement with respect to the office premises located on the first, the third, the fourth, the fifth floor as well as the cafeteria on the second floor and part of the general area and 60 parking spaces located at Bijsterhuizen 11-36 in Nijmegen.

2. The lessee and the lessor have agreed that, contrary to Article 3.2 of the lease agreement mentioned in the heading, the lease agreement, after the first lease period elapses, shall be continued through June 30, 2007.

3. Contrary to Article 10.3 of the lease agreement, the lessee and the lessor have agreed that the lessee shall make use of the lessee’s right to end the lease agreement in the first option period already on June 30, 2007, in which the lessee has already taken into account a notice period of a minimum of 12 months. In connection with this, the parties have agreed that the lessee owes the lessor a lump sum of EUR 55,000.00 (excluding VAT).

declare – in connection with or contrary to the above-named lease agreement dated April 1, 2001 to have agreed as follows:

A. contrary to Article 3.2, the lease agreement between the parties, after the end of the first lease period, shall be extended through June 30, 2007.

Homburg Vastgoed Management B.V.
[illegible]

B. the lease agreement between the parties shall legally end on June 30, 2007.

C. the lessee herewith makes use of its right to end the lease agreement prematurely in the first option period, however contrary to Article 10.3 on June 30, 2007, in which the lessee has already taken into account a notice period of a minimum of 12 months. Since the lessee is making use of this right of premature termination, the lessee, contrary to Article 10.3, shall on June 30, 2007 owe to lessor a lump sum of EUR 55,000.00 (excluding VAT).

D. all provisions of the lease agreement mentioned in the heading dated April 1, 2001 shall remain or shall be in full force insofar as not changed by the foregoing.

Thus drawn up in triplicate and signed at

, dated

N.V. Interpolis Onroerend Goed

[signature]

Mr. G. T. J. Droge, Esq.

[signature]

Mr. C. van Gent

Nijmegen, dated *Aug 19, 2005*

Philips Semiconductors B.V.

[signature]

Mr. J. W. Ramaekers, Eng.

Annex to contract **PHILIPS**

Philips Semiconductors

Gerstweg 2, 6534 AE Nijmegen, The Netherlands

Spronsen Vastgoed B.V.
Attn: Ms. Margriet Malenstein
Bijsterhuizen 11-38
6546 AS Nijmegen

Date : Nijmegen, April 3, 2001
Reference : RNB-B77/01-III-044
Re : Supplement to lease contract for Bijsterhuizen 11-34

Dear Ms. Malenstein,

[Initials]

By means of this letter, I confirm our agreement that, supplemental to what is written in the lease contract, the original condition as described in the contract shall be determined based on a final delivery after the end of the *alterations.

The condition applicable at that moment shall be considered as the original condition in which the building must again be delivered at the end of the contract. With the aid of photos, which are being provided by Mr. M. B. Honee of Strijbosch Thunissen brokers, a delivery file will be assembled which shall be signed by both parties.

We also confirm that, contrary to what is stated in the contract, the first invoice need not be provided with an order number. This invoice should be sent to the attention of Mr. S. J. Nagtegaal, Philips Nijmegen. Philips will ensure timely provision of the order number before the next invoice should be sent.

Signed in agreement by both parties:

April 3, 01

[signature]

Sietse Nagtegaal
Purchasing FBN
Philips Semiconductors BV Nijmegen

April 3, 01

[signature]

Spronsen Vastgoed BV
Nijmegen

** approved and agreed*

Purchasing Dept. FBN
Kme.FE 0.007
Tel 024-3532849/3534846
Fax 024-3536100

M-O-G

Vastgoed/Management B.V.

Lange Vlierstraat 365

P. O. Box 19060
2501 DB Utrecht
Telephone 030 232 69 99
Fax 030 232 69 70

Philips Semiconductors B.V.
c/o Hurkestraat 18
5652 AH EINDHOVEN

Utrecht, May 28, 2001
Reference: ES/DR
Handled by: Dick Roest
Re: Office premises at BIJSTERHUIZEN 11-36 in Nijmegen

Dear Sir/Madam,

Recently, the commercial complex “De Hanze” was purchased by N.V. Interpolis Onroerend Goed. The management of the relevant commercial space will be performed by M.O.G. Vastgoed/Management B.V. in Utrecht effective today.

With regard to the above-mentioned building, we call your attention to the following.

Lease payment

We request you to transfer (have transferred) the obligation owed monthly for the lease, effective April 1, 2001 and then at the latest on the first day of the calendar quarter to the provisional bank account number 30.00.29.780 in the name of **N.V. Interpolis Onroerend Goed** in Rotterdam.

With respect to the definitive bank account number, we will inform you as quickly as possible. The rent invoices, with respect to the second quarter of 2001, we will likewise send to you as soon as possible.

Below you will find some information for your own administration:

Owner:	**N.V. Interpolis Onroerend Goed**
VAT number:	**94 57 513 B.011030**
Address:	**P. O. Box 973**
	3000 AZ Rotterdam

Maintenance Matters

We request that you inform our office in Utrecht, to the attention of Mr. G. J. Bouts, regarding maintenance matters with respect to the leased property. For urgent cases, you can of course contact us by telephone at the emergency number 030-233 09 50. Outside of office hours, the answering machine will let you know what persons and telephone numbers you can reach for urgent matters.

Other matters

For all other matters, you can also contact our branch in Utrecht

Street address:	**Langevlierstraat 365**
Mailing address:	**P.O. Box 19060**
	3501 DB UTRECHT
Telephone number:	**030 — 232 66 99**
Fax number:	**030 — 232 69 70**
Emergency number:	**030 — 233 09 50**
Contact person:	**Mr. E. A. Schoonderwoerd, Esq.**
	Mr. G. J. Bouts (technical matters)

We trust that we have informed you sufficiently and hope for good cooperation.

With best regards,
M.O.G. Vastgoed/Management BV

[signature]

E. A. Schoonderwoerd, Esq.
Account Manager, Real Estate

-M.O.G.-
Vastgoed/Management BV

CORTONA

LEASE AGREEMENT

Oostkanaaldijk 110
in Nijmegen

Core Data of Leasing Agreement

• Premises/Leased Property	:	Oostkanaaldijk 110 in Nijmegen, with an area of approximately 3,000 m(2) business premises.
• Lessor	:	Cortona Estates B.V.
• Lessee	:	Philips Semiconductors Nijmegen B.V.
• Term of Lease	:	6 months.
• Effective Date of Lease	:	March, 15, 2004.
• First Rental Payment	:	March, 15, 2004.
• Renewal	:	Consecutive periods of 1 month each time.
• Term of Notice	:	Yes, 3 months.
• Initial Rental Fee	:	€ 84,000.00 per year.
• VAT on Rental Fee	:	Yes.
• Service Costs	:	€ 9,000.00 per year, to be increased with VAT.
• Payment Term	:	Monthly, in advance, ~~by means of automatic collection~~
• Market Rental Fee Adjustment	:	No.
• Indexing	:	Yes, annually as of March 15, on the basis of the "CPI for All Households" index figure (starting with the most recent base year).
• Bank Guaranty	:	No.
• Administrator	:	Lessor.
• Special Stipulations:	:	See Article 8.

Initials of Lessor:
[initials]

Initials of Lessee:
[initials]

LEASING AGREEMENT FOR OFFICE PREMISES
and other business premises within the meaning of Article 7:230A of the Civil Code

Model established by the Real Estate Board (ROZ) on July 30, 2003. Reference to this model and the use thereof shall be allowed only if the filled out, added or deviating text is clearly recognizable as such. Additions and deviations should preferably be incorporated under the heading "Special Stipulations." The ROZ precludes all liability for adverse consequences of the use of the model's text.

THE UNDERSIGNED

Cortona Estates B.V.
Based/residing in **Amsterdam (1007 KE), Postbus 70236 (Rubensstraat 66)**, hereinafter to be called "Lessor"
Registered in the Commercial Register under Number 33253796
Represented by **T.T.J. de Groot, Esq., MRE MRICS**

AND

Philips Semiconductors Nijmegen B.V.
Based/residing in **Nijmegen (6503 HK), Postbus 30008 (Gerstweg 2)**, hereinafter to be called "Lessee"
Registered in the Commercial Register under Number **17070621 0002**
Value-added tax Number *NL 005476604 B62*
Represented by **Mr. C. van Oosterhout**

HAVE AGREED AS FOLLOWS:

Intended Purpose of the Leased Property

1.1 Lessor shall lease to Lessee and Lessee shall lease from Lessor the business premises, hereinafter to be called "the Leased Property," located at **Oostkanaaldijk 110 in Nijmegen,** cadastral designation **Hatert F 1117**. These business premises are delineated in detail on the drawing initialed by the Parties and added to this Agreement as Annexes, which constitute an integral part thereof. They are further detailed in the Official Report of Delivery initialed by the Parties, which indicates which installations and other provisions belong to the Leased Property and which installations and other provisions do not. This Report also includes a description of the state of the Leased Property and may include photographs initialed by the Parties.

1.2 The intended purpose of the Leased Property by or on behalf of Lessee shall solely be **used as business premises for storage.**

1.3 Lessee shall not be allowed without prior written consent from Lessor to use the Leased Property for any purpose other than the purpose stipulated in 1.2.

1.4 The highest allowable load on the floors in the Leased Property shall be **2,500 kg/ m(2)**

Terms and Conditions

2.1 The "GENERAL STIPULATIONS OF THE LEASE AGREEMENT FOR OFFICE PREMISES and other business premises within the meaning of Article 7:230A of the Civil Code," filed with the Clerk of the Court at the Court of The Hague on July 11, 2003 and registered there under Number 72-2003, hereinafter to be called "General Stipulations," shall be an integral part of this Agreement. The contents of these General Stipulations is known to the Parties. Both Lessee and Lessor have received a copy of the General Stipulations.

Initials of Lessor: Initials of Lessee:
[initials] [initials]

2.2 The General Stipulations referred to in 2.1 shall apply except to the extent that there are explicit deviations therefrom in this Agreement or whenever it is impossible to apply the General Stipulations to the Leased Property.

Duration, Renewal and Notice

3.1 This Agreement has been concluded for the duration of **6 months**, effective from **March 15, 2004** and in effect through **September 15, 2004**.

3.2 Upon expiration of the period stated in 3.1, this Agreement shall be renewed for a consecutive period of **one month, that is**, through **October 15, 2004**. This Agreement shall subsequently be renewed for consecutive periods of **one month each time**.

3.3 *Termination of this Agreement shall take place, both by Lessee and Lessor, through notice before the 1st of each month and observing a term of at least three months, without stating any reasons.*

3.4 Notice must be given by way of a writ or **a ~~registered~~** communication.

Rental fee, Value-added tax, Rental Fee Adjustment, Obligation to Pay, Payment Period

4.1 The initial rental fee of the Leased Property shall be **E 84,000.00, that is eighty-four thousand Euros**, on an annual basis.

4.2 The Parties have agreed that Lessor will indeed charge value-added tax on the rental fee. If a lease unencumbered by value-added taxes is agreed upon, Lessee shall owe Lessor a separate fee in addition to the rental fee, as compensation for the loss which Lessor and/or his legal successor(s) may sustain because the value-added taxes on the investments and the operational costs of Lessor will not (no longer) be deductible. The stipulations of 19.1 through 19.9 of the General Stipulations shall not apply in that case.

4.3 If the Parties have agreed upon a lease encumbered by value-added taxes, Lessee and Lessor will take advantage of the possibility pursuant to Notification 45 in the Decree of March 24, 1999, No. VB 99/571, to renounce the filing of a joint option request for a lease encumbered by value-added taxes. Lessee states by signing the Lease Agreement, also for the benefit of the successor(s) of Lessor, that he will use the Leased Property on a continuing basis, or will have them used on a continuing basis, for purposes for which there exists a complete, or practically complete, right of deduction of value-added taxes pursuant to Article 15 of the 1968 Value-Added Tax Act.

4.4 Lessee's fiscal year shall run from through

4.5 The rental fee shall be adjusted annually as of **March 15**, effective for the first time as of **March 15, 2005**, in accordance with General Stipulations 9.1 through 9.4.

4.6 The fee which Lessee may owe for any additional deliveries and services to be provided by or on behalf of Lessor shall be determined in accordance with General Stipulation 16. As specified there, a system of advance payments with subsequent settlement shall be applied to this fee.

4.7.1 Lessee's payment obligation shall consist of:

- The rental fee:
- The separate fee if a lease unencumbered by value-added taxes is agreed upon:
- The value-added tax owed on the rental fee if the Parties have agreed upon a lease encumbered by value-added taxes:
- The advance on the fee for the additional deliveries and services to be provided by or on behalf of Lessor, together with the value-added tax owed thereon:

Initials of Lessor: Initials of Lessee:
[initials] [initials]

4.7.2 Lessee shall not owe any more value-added tax on the rental fee if the Leased Property may no longer be leased with value-added taxes, even though the Parties had agreed that it would be so leased. If this should be the case, the fees for the value-added tax specified in General Stipulations 19.3.A. shall be substituted and the fee specified in 19.3.A., Section I, shall be set in advance **at a more specifically to be determined %** of the present rental fee.

4.8 At the start of the Lease Agreement, the total per payment period of 1 calendar month(s) shall amount to:

• The rental fee	**€**	**7,000.00**
• The value-added tax owed on the rental fee	**€**	**1,330.00**
• The separate fee stated in 4.2 if a lease unencumbered by value-added taxes is agreed upon or	**€**	**—**
• The fee(s) stated in 4.7.2 if properties may no longer be leased with value-added taxes, even though the Parties had agreed on it	**€**	**—**
• The advance on the fee for additional deliveries and services to be provided by or on behalf of Lessor, together with the value-added tax owed thereon	**€**	**892.50**
Total	**€**	**9,222.50**

that is, **nine thousand two hundred twenty-two Euros and fifty Euro cents**.

4.9 In view of the effective date of the Lease, Lessee's first payment shall be for the period from **March 15, 2004** through **April 30, 2004**, and the amount owed for this first period shall be **E 13,833.75**. This amount includes value-added taxes, also the value-added tax on the rental fee, but only if Lessee owes value-added taxes on the rental fee. Lessee shall pay this amount before or on **March 15, 2004**.

4.10 The periodical payments to be made by Lessee to Lessor pursuant to this Lease Agreement, as specified in **4.8**, shall be due as a lump sum advance payment in Euros and they must be paid in entirety before or on the first day of the period to which the payments relate. *Lessee has Indicated that he cannot make the payments before or on the first day of the period, but no later than within 10 days after the expiration thereof.*

4.11 Except for any stipulations to the contrary, all amounts in this Lease Agreement and in the General Stipulations that are a part thereof shall be exclusive of value-added taxes.

Deliveries and Services

5. The Parties agree that the following shall constitute additional deliveries and services to be provided by or on behalf of Lessor: gas, electricity and daily maintenance.

~~**Bank Guaranty**~~

~~6. The amount of the bank guaranty specified in 12.1 of the General Stipulations shall hereby be set between the Parties at E.~~

Administrator

7.1 Until Lessor advises otherwise, Lessor shall act as administrator. The address information is as follows: Rubensstraat 66, Postbus 70236, 1007 KE Amsterdam, Telephone number 020-662 31 91, Fax number 020-679 83 41, e-mail info@cortona.nl.

7.2 Unless agreed otherwise in writing, Lessee must communicate with the administrator regarding the contents of and all other matters relating to this Lease Agreement.

Initials of Lessor: [initials] Initials of Lessee: [initials]

Special Stipulations

8.1 Lessor does not make any warranties as to the suitability of the Leased Property with respect to the use intended by Lessee. Lessee consequently accepts that all risks for the fact that the Leased Property may not be suitable for the use intended by him shall remain his risks.

8.2 Wherever Article 9.1 of the General Stipulations refers to monthly price index figure(s) and/or calendar month(s), it should be interpreted as annual price index figure(s) and/or calendar year. The adjusted rental fee shall be calculated in accordance with the following formula: the adjusted rental fee equals the current rental fee multiplied by the index figure for the calendar year prior to the year in which the adjusted rental fee becomes effective, divided by the index figure for the calendar year prior to the effective date of the current rental fee.

8.3 In cases where it has been agreed that value-added taxes will be charged on the rental fee, Lessee and Lessor state explicitly that in determining the rental fee it has been assumed that Lessee will use at least the minimum percentage of the Leased Property established by law, or to be more specifically established by law, on a continuing basis for performances that entail the right to deduction of VAT, in such a way that a lease encumbered by value-added taxes can be chosen.

8.4 Before or no later than at the signing of this Lease Agreement, Lessee shall submit to Lessor a statement, filled out and signed by Lessee in accordance with a model made available by Lessor to Lessee, which shows that Lessee uses the Leased Property or allows the Leased Property to be used for purposes for which there exists a complete, or practically complete, right of deduction of value-added taxes pursuant to Article 15 of the 1968 Value-Added Tax Act.

8.5 A. If Lessee does not (or no longer) use the Leased Property or allow it to be used for performances that entail the right to deduction of VAT and therefore the exception to the exemption from payment of value-added taxes is terminated, Lessee shall no longer owe Lessor and/or his legal successor(s) value-added tax on the rental fee. In this case, Lessee shall owe Lessor and/or his legal successor(s), effective from the date when this termination becomes effective and in addition to the rental fee exclusive of VAT, an amount as a separate fee such that Lessor will be completely compensated for:

I The VAT on the operating costs of the Leased Property or the investments therein which is not (no longer) deductible for Lessor and/or his legal successor(s) as a result of the termination of the option, as well as for the future loss of profits on the value-added taxes that were (previously) deductible by Lessor.

II The VAT which Lessor and/or his legal successor(s) must pay to the fiscal authorities as a result of the termination of the option due to recalculation as stipulated in Article 15, Section 4, of the 1968 Value-Added Tax Act or revision as stipulated in Articles 11 through 13 of the Implementation Decree of the 1968 Value-Added Tax Act, as well as for the future loss of profits on the amount to be paid to the fiscal authorities.

III All other losses sustained by Lessor and/or his legal successor(s) due to the termination of the option.

b. The VAT as defined in Item 1 of 8.5, Section A., which is not (no longer) deductible for Lessor and/or his legal successor(s) as a result of the termination of the option, as well as the future loss of profits on this deductible amount, shall be set between the Parties at a percentage of the (indexed) rental fee which will be more specifically determined.

Initials of Lessor: [initials] Initials of Lessee: [initials]

c. The financial loss to be sustained by Lessor and/or his legal successor(s) after termination of the option, as a result of that termination, shall be paid by Lessee to Lessor and/or his legal successor(s) each time simultaneously with the periodic rental fee payments. With the exception of the loss referred to in Item 1 of 8.5, Section A., the financial loss shall be divided equally over the remaining duration of the current rental period, by means of an annuity if possible. But the financial loss shall be claimable from Lessee on demand, in its entirety and as a lump sum, if the Lease Agreement for whatever reason is terminated in the interim.

8.6 The stipulation in Item II of 8.5, Section A., shall not apply if the revision period for the deduction of pretax with regard to the Leased Property has elapsed at the time when this Lease Agreement is entered into.

8.7 The stipulations in 8.5 shall also apply if Lessee has not filled out, signed and given to Lessor a “VAT statement” as defined in 9.4 at the time when this Lease Agreement is entered into.

8.8 When a situation as described in 8.5 occurs, Lessor and/or his legal successor(s) shall advise Lessee which amounts must be paid by Lessor and/or his legal successor(s) to the fiscal authorities and also provide an insight into the other losses as defined in 8.5, however, with the exception of the loss established in advance as defined in Item 1 of 8.5, Section A. Lessor and/or his legal successor(s) shall provide their cooperation if Lessee wants to have the report given by Lessor and/or his legal successor(s) verified by an independent auditor. The cost of this shall be born by Lessee.

8.9 In case in any fiscal year there has not been compliance with the usage of the Leased Property, or the allowed usage, for purposes as defined in 8.3, Lessee shall advise Lessor and/or his legal successor(s) about this within four weeks after the end of the fiscal year involved by means of a statement signed by him (Lessee). Within the same time period Lessee shall send a copy of this statement to the Inspector of Value-Added Taxes.

8.10 If Lessee does not meet the information obligation as defined in 8.4 or in 8.9 and/or does not meet the obligation for occupation as defined in 8.12, or if it is found later on that he has used an incorrect assumption and that as a consequence thereof Lessor and/or his legal successor(s) have erroneously charged VAT on the rental fee, as subsequently demonstrated, Lessee shall be in default while Lessor and/or his legal successor(s) shall be entitled to recover the resulting financial loss on Lessee. This loss shall entail the entire relevant VAT still owed to the fiscal authorities by Lessor and/or his legal successor(s), augmented by interest, any increases, as well as other costs and losses. The stipulations of this Section shall provide for an arrangement for compensation of damages in case the option should be terminated with retroactive effect, which would be in addition to the arrangement described in 8.5. The additional losses that derive for Lessor and/or his legal successor(s) from that retroactive effect shall be claimable from Lessee on demand, in their entirety and as a lump sum. Lessor and/or his legal successor(s) shall provide their cooperation if Lessee wants to have the report of these additional losses given by Lessor and/or his legal successor(s) verified by an independent auditor. The cost of this shall be born by Lessee.

8.11 The stipulations in 8.5, 8.8 and 8.10 shall also apply if Lessor and/or his legal successor(s) are faced with losses due to termination of the option in force for the Parties only after termination of the Lease Agreement, whether or not this termination is interim. These losses shall then be claimable by Lessor and/or his legal successor(s) on demand, in their entirety and as a lump sum.

8.12 With the relevant stipulations of this Lease Agreement otherwise remaining fully applicable, Lessee shall in any case occupy the Leased Property, or have it occupied, while applying the option right and he shall do so before the end of the fiscal year in which he took the lease for the Leased Property.

Initials of Lessor: [initials] Initials of Lessee: [initials]

~~8.13 Each of the parties shall be entitled to demand a revision of the rental fee each time after a period of five rental years, that is, for the first time N.A., by comparing the rental fee to the market rental value of the Leased Property. The market rental value shall be defined as the rental value of the Leased Property in proportion to the rental value of other comparable rental premises. The desire for a revision shall have to be communicated to the other party by means of a registered letter six months before the aforementioned date. However this revision shall never be allowed to result in a decrease in the rental fee below the level of the average of the rental fee that was in effect during the three rental years immediately preceding the point in time of the revision. If the Parties have not yet reached an agreement three months before the effective date of the rental fee that is to be revised, the market value shall be binding and shall be determined in the final instance by three experts who shall be charged to decide on their position within one month after their appointment.~~

~~Both Lessor and Lessee shall each designate one expert within fourteen days after it has been found that an agreement has not yet been reached. The experts thus appointed shall jointly have to designate a third expert within two weeks after they have both been appointed. If it turns out that the appointment of the experts has not happened within the time period indicated or if the experts have not decided on their position within the time period indicated, either party may submit the case for a decision to the Justice of the Peace in whose jurisdiction the Leased Property is located. The pronouncement of the joint experts shall be binding for Lessor and Lessee. If Lessee and Lessor are in agreement that one expert should be sufficient and if furthermore written agreement is reached regarding the appointment of this one expert, this one expert shall then in deviation from the above establish the rental fee with binding effect. The expert(s) or the Justice of the Peace shall also determine who will bear the costs of the procedure. The rental fee thus established anew shall also in the following period(s) be indexed and adjusted annually, as stated earlier.~~

~~8.14 Lessee shall hereby authorize Lessor to effect automatic collection of the rental amount and service costs owed per month, increased by VAT, and he shall commit to cooperate in this. The bank/giro account number of Lessee to be used by Lessor is …….~~

8.15 If upon termination of the Agreement Lessee fails in whatever manner and for whatever reason to deliver the premises to Lessor on time, he shall owe Lessor for each day for which he fails to do so a penalty of € 1,000.00, payable on demand and not subject to mitigation, without any summons or notice of default being required and without prejudice to Lessor's right to compensation of damages which he might sustain as a result of Lessee's omission. *These stipulations are reasonable and fair.*

8.16 In the framework of the prevention of Legionnaire's disease in tap water, Lessee must maintain the temperature of hot water at higher than 55 degrees Celsius, prevent water from remaining stagnant in the pipes for long periods of time, and follow other directions from Lessor or experts designated by him. Lessee must also allow Lessor to perform adaptations to the Leased Property in the framework of preventing Legionnaire's disease and Lessee may not demand any compensation of damages for this.

8.17 If a risk analysis of the water supply system must be made for the Leased Property and a management plan must be prepared as a result, all costs associated with these investigations and plans shall be applied to the service costs.

Initials of Lessor: [initials]

Initials of Lessee: [initials]

8.18 Lessee shall not be allowed to use the outside terrain that constitutes a part of the Leased Property as storage space (not even temporarily) or as a parking lot for trucks and/or trailers. In case of violation of this stipulation, Lessee shall owe Lessor a penalty of E 227.00 per day for each day that the violation continues. This penalty represents additional rental money due and as such it shall be claimable on demand by Lessor. Furthermore Lessor shall hold and/or make Lessee responsible at all times if losses are sustained due to this violation as a consequence of fire, vandalism, nuisance, and such. It must be noted here that all consequences deriving from this shall be at Lessee's risk and charged to his account.

8.19 Lessee may occupy the premises from the effective date of the lease and after this Lease Agreement has been signed, the first installment has been paid and the bank guaranty has been submitted.

8.20 *Lessor shall not make any structural adaptations in order to divide up the premises.*

8.21 *If Lessee wants to rent less than approximately 3,000 m^2 of business premises after 6 months, the following graduated calculation shall apply: for every 500 m^2 less which Lessee will use (up to a maximum of 1,500 m^2, Lessee shall pay €1.00/m^2 more in rent per year, to which VAT is to be added.*

8.22 *Article 18.2 of the General Stipulations may only be applied after the first ten days subsequent to the payment date have elapsed.*

Thus prepared and signed in duplicate,

Location, date:
Amsterdam, *5/24/04*

[signature]
(Signature of Lessor)
Cortona Estates B.V.

Location, date:
Nijmegen, *5/18/04*

[signature]
(Signature of Lessee)
Philips Semiconductors Nijmegen B.V.

Annexes:

- General Stipulations

- Drawing of the leased business premises
- Official Report of Delivery
- ~~Statement of service costs~~
- ~~Banks guarantee~~
- Statement for Encumbered Lease

Separate signature(s) of Lessee(s) for receipt of their own copy of the "GENERAL STIPULATIONS OF LEASE AGREEMENT FOR OFFICE PREMISES and other business premises within the meaning of Article 7:230A of the Civil Code" as described in 2.1.

Signature of Lessee(s):
[signature]

STATEMENT FOR ENCUMBERED LEASE

The undersigned	: *C. van Oosterhout*	
Name of Lessee	: *Philips Semiconductors B.V.*	
Address of Residence or Place of Business of Lessee	: *Nijmegen*	
Zip Code and Residence or Business Location	: *6534PE Nijmegen*	
Value-Added Tax Number	: *NL 005 47 6604 B62*	
Effective Date of Fiscal Year	: *2004*	
		Hereinafter called "Lessee"
Hereby states that he has leased from lessor, that is:	*CORTONA*	(Name of lessor)
	Rubensstraat 66	(Address of lesser)
	1007 KE Amsterdam	(Zip Code and City)
The following real estate/business premises		
	Hereinafter to be called "the Leased Property"	
Address of the Leased Property	: *Oostkanaaldijk 110*	
Zip Code and City of the Leased Property	: *Nijmegen*	
Effective Date of Lease Agreement	: *March 15, 2004*	

Lessee also states hereby, partly for the benefit of the legal successor(s) of Lessor:

- That he will use the Leased Property, or have it used, for purposes for which there exists a complete, or practically complete, right of deduction of taxes pursuant to Article 15 of the 1968 Value-Added Tax Act, that is:
- 1. 90% or more; specifically *100%*
- 2. Between 70% and 90%; specifically %, and that the following "industry" will be operated in the Leased Property: *storage of goods*
- That the starting date of the fiscal year of Lessee corresponds to the one stated above.

Signed in: *Nijmegen*

On: *4/14/04*

[signature] (Signature of Lessee)

[stamp:] PHILIPS SEMICONDUCTORS NIJMEGEN
C. van Oosterhout
Purchasing FBN-TB
Tel. 024 - 353 28 49

(Print name of the undersigned)

CORTONA

Philips Semiconductors Nijmegen B.V.
Attn.: Mr. M. Heitbrink
Postbus 30008
6503 HK NIJMEGEN

March 3, 2005
Ref. No.: IR/050346

Re: Oostkanaaldijk 110 in Nijmegen

Dear Mr. Heitbrink:

As you may have learned by now, the premises at Oostkanaaldijk in Nijmegen have been sold to EIRE CP No. 2 B.V. effective March 3, 2005.

The rent and service costs for the month of March 2005 have been settled at the time of the transport. The invoice for the month of April 2005 and/or the second quarter of 2005 will be prepared by the new owner.

We want to thank you for the extremely pleasant collaboration and we trust that your interests will be in good hands in the future as well.

Best regards and sincerely,
Cortona Estates B.V.

[signature]
A.Ph.J. de Haseth Möller
Director

[illegible]

HALVERTON
Rubensstraat 66
Postbus 75825
1070 AV Amsterdam
Tel.: 31 (0) 20 676 50 60
Fax: 31(0) 20 670 51 02
www.halverton.com

Philips Semiconductors Nijmegen B.V.
Attn.: Mr. M. Heitbrink
Postbus 30008
6503 HK NIJMEGEN

[illegible]

March 4, 2005
Ref. No.: IR/050000l

Re: Oostkanaaldik 110 in Nijmegen

Dear Mr. Heitbrink:

We would like to ask your attention for the following matter. Ownership of the premises at Oostkanaaldijk 110 in Nijmegen has been transferred to EIRE CP No. 2 B.V. effective March 3, 2005.

As of the same date, the management organization of Cortona Holdings B.V. has been taken over by Halverton Real Estate Investment Management LLP. Halverton will be responsible on behalf of the new owner for the complete administration of the premises rented by you. Our new address information is specified in the letterhead; we ask that you please make this change in your administrative system.

We trust that the collaboration will continue to be positive.

Best regards and sincerely,
Halverton Real Estate Investment Management LLP

[signature]
Taco T. J. de Groot, Esq., MRE MRICS
Director

HALVERTON

To:	Philips Semiconductors Nijmegen B.V.
Attn.:	Mr. M. Heitbrink
Fax Number:	024 35 16 100
From:	Halverton Real Estate Investment Management LLP Mrs. M. B. (Wieke) Hendricks
Date:	December 14, 2005
Re:	Oostkanaaldijk 110 in Amsterdam
Ref. No.:	WH/0501686
Number of Pages:	1

Dear Mr. Heitbrink:

In follow-up on our telephone communication this morning we hereby confirm the following regarding the premises specified above.

Lessor and Lessee state that they have agreed upon a renewal of the Leased Property on the following terms and conditions.

- The effective date of the lease renewal shall be January 1, 2006, and it will end on December 31, 2006. Upon expiration of the aforementioned lease renewal, this Lease Agreement shall not be continued.

- The rental fee shall remain unchanged during this renewal with the exception of annual indexations, for the first time as of March 1, 2006.

- Service costs shall be indexed, for the first time as of March 1, 2006.

Article 3.3 of the governing Lease Agreement shall be amended to: *Early cancellation of this Agreement shall take place, only by Lessor, through notice of termination before the 1st of each month while observing a term of at least two months, without stating any reasons.*

Article 8.21 of the governing Lease Agreement shall be amended to: *Lessee may take advantage of the possibility to rent less than approximately 4,500 m^2 of business premises three times, that is, as of April 1, 2006, as of July 1, 2006, and as of October 1, 2006. The following graduated calculation shall then apply: for every 500 m^2 less which Lessee will use (up to a maximum of 1,500 m^2). Lessee shall pay E.1.00/m^2 more in rent per year, to which VAT is to be added.*

Reservation: This lease renewal shall be on condition of approval from the EIRE CP No. 2 B.V. Management Board.

All stipulations and conditions of the prevailing Lease Agreement shall remain in force to the extent that there are no deviations therefrom specified above.

As confirmation of the above, we kindly ask that you sign a copy of this letter to express your agreement and return it to us. This letter signed by both parties to express agreement shall be inextricably bound up with the prevailing Lease Agreement.

We trust that we have sufficiently informed you with this letter and we look forward to your reply this afternoon, as agreed.

Best regards,
Halverton Real Estate Investment Management LLP

[signature]
Mrs. M. B. (Wieke) Hendricks

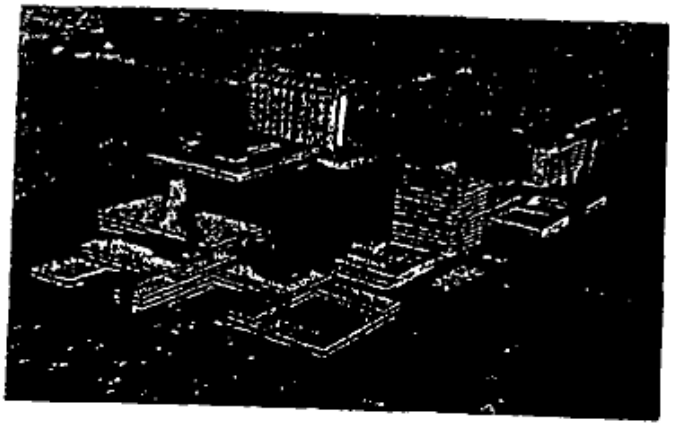
For agreement:

Philips Semiconductors Nijmegen B.V.
Mr. M. Heitbrink

Date:

[illegible]

Philips Business Park Eindhoven



“Workplace Agreement”

Introduction

The Philips Business Park in Eindhoven guarantees an optimal workplace with a wide range of different types of underlying services offered by or on behalf of the Site Management. The Site Management is responsible for the integrated supply of space and services and the quality of its services in the form of fully fitted-out, immediately usable workplaces.

The Workplace Agreement for the Philips Business Park is under development and constantly subject to amendment. This document has been written for the purpose of providing information for potential lessees regarding the makeup and structure of the Workplace Agreement.

The document can also be used as discussion material to enable supply and demand to be better matched, thereby further optimising the Workplace Agreement.

The document is divided into two parts.

In the first part the workplace management that will be conducted on the Philips Business Park Eindhoven is described in general terms.

The last part contains the customer-specific section of the Workplace Agreement and further develops the services covered earlier.

Contents

Workplace Agreement (customer-specific)

1. Rental agreement for flexible office space with services
2. Contract annexes

Workplace management

1. Introduction

The traditional view of office accommodation is no longer adequate in our present work environment. Social, economic and technological changes have greatly changed the work processes of organisation units and individual employees and the changes are taking place at an increasingly rapid pace. The workplace must be capable of developing quickly in line with the organisation as regards size, requirements and preferences. Work flexibilisation has resulted in more and more people working on the basis of new work patterns, in different work environments and in rapidly changing organisational units. The five-day working week in a permanent contract situation is no longer the only standard, so employees are not always in the office from nine till five. Deregulation and internationalisation result in increasing competition and are forcing organisations to be cost-efficient, including where the costs of the workplace are concerned. Cost-efficiency also means that the 'ample' size of European office buildings is being put under pressure. Higher quality requirements from the marketplace also make greater co-ordination necessary between functional work processes.

This means more project-based work, more teamwork and more consultation inside and outside the organisation. The relationship between individual work 'at the desk' and collaboration with others has been drastically changed. These radical changes in work processes mean that office spaces, as the 'workplace of the administrative organisation', must meet entirely new requirements.

2. What is workplace management?

The 'internal lessee' rents a variety of the number of required workplaces instead of buildings or building parts and is obliged to buy a number of 'standard services' linked to them and provided by the site/facility manager. The contents of the package of services and products are set out in clear policy lines and are made known via site-specific 'mandatories'. These standard products and services are primarily building-related and are directly connected to the valuation/value retention of the building, maintenance, economies of scale advantages or management aspects for the location in question.

3. What does workplace management do?

Workplace management ensures that all secondary matters are taken out of the hands of the business units concerned so that they can focus fully on their primary business processes.

The dedicated support organisation (the Site Management) focuses on standardisation, on optimum, on flexibility and on unambiguousness in the conduct of business. Services are offered to every user. In this way the core businesses have the minimum of concerns.

In addition, space is used intelligently, so that when a business unit is eventually ready to take a subsequent step there are sufficient possibilities for expansion or contraction and so the unit can stay where it is.

4 What is the advantage of workplace management?

Philips is striving worldwide for more synergy, efficiency and returns in the various functions so as to put itself in a better competitive position, supported by numerous elements, including the Philips TOP programme.

In line with this programming a more creative and more efficient approach than has (often) been the case in the past is also applicable to accommodation and related services.

A summary of the most important advantages:

- Creating a stimulating work environment with potential for synergy and co-operation by creating a transparent and flexible work environment which:
    - promotes communication and interaction,
    - optimally houses multidisciplinary project teams,
    - offers a high-quality IT structure,
    - integrates work and private life.
- Creating conditions for long-term accommodation for the organisation.
- Creating efficient accommodation that can pass the test of meeting market requirements.
- More efficient utilisation of the buildings by managing the space utilisation 'across' the boundaries of the individual organisational units, as a result of which vacancies are monitored centrally and managed, thus minimising overall vacancies.
- Flexibility: since vacancies are managed centrally, rental and associated service contracts can be concluded for shorter periods.

  As a result, organisational units can and will return spaces more quickly.

- Only a centrally set-up group of people will be involved with the site-specific facilities. This prevents fragmented knowledge and creates an efficient organisation, which will give rise to synergy in costs/quality.

- Professionalism and economies of scale advantages are achieved because several people are involved with the facility management aspects on a ‘dedicated’ basis. Subcontracted third parties (80-90% of FM turnover) are also managed in a more cost-conscious manner, which will provide returns in cost management, cost savings and organisational efficiency.

Workplace management is aimed at maintaining high quality in the work environment, grounds and buildings by organising their operation, management & maintenance collectively. It also offers the business units and their employees products and services that can be provided efficiently when purchased, organised and implemented collectively, but only with difficulty and at higher cost when these activities are performed individually.

The value added for the individual business units can be summarised as follows

- The focus remains on the core activities, since it is better and easier to leave secondary matters to others/third parties.
- Cost, quality and organisational advantages due to collective procurement, organisation and operation of the necessary and desired services.
- Greater flexibility to expand and contract thanks to the possibilities offered by the location.

Workplace Agreement (customer-specific)

This section stipulates the specific agreements for lessees (customers).

First the contents of the “rental agreement for flexible office space with services” (Workplace Agreement) are given.

An overview giving the description of the 'standard' services that are actually purchased and a cost structure for each workplace then follows, thus creating a transparent whole.

Rental agreement for flexible office space with services

(Workplace Agreement)

Building VS
Philips Semiconductors

Contents

The undersigned:

Philips Electronics Nederland B.V., “Site Management Vredeoord” department, domiciled at Eindhoven at Groenewoudseweg I, building VO-p, hereby legally represented by drs. C.H.L. van der Linden RA Vastgoed Beheer en Diensten hereinafter referred to as: ‘Site Management’.

and

Philips Semiconductors, domiciled at Eindhoven, hereby legally represented by drs. J.C. Lobbezoo, hereinafter referred to as “Lessee”.

With Site Management and Lessee hereinafter to be referred to jointly as ‘Parties’:

Whereas:

Parties have agreed that Lessee concludes a rental agreement relating to the use of 310 workplaces and associated facility management services (hereinafter referred to as: “Workplace Agreement”) on the Philips Business Park in Eindhoven (PBPE).

The facility management services on the PBPE are performed by third parties under the supervision of the Site Management.

Set out in this Workplace Agreement and accompanying annexes are the service levels, the (delivery) conditions and the method to be used for measuring the quality.

These service levels, (delivery) conditions, methods to be used for measuring the quality and other specific agreements shall in principle be stipulated for a full calendar year and shall be laid down anew for the following year not later than August 15 of every year.

Site Management is responsible for obtaining, keeping and administering the required licences and shall consequently act for or on behalf of the accommodated units.

Agree as follows:

Article 1 - Purpose

1.1 The purpose of this Workplace Agreement is to co-ordinate the demand for suitable workplaces and the associated services provided by the Site Management as closely as possible to the requirements of Lessee on the PBPE.

1.2 Specific agreements for each product/service shall also be stipulated for a period of a year, taking effect on 1 January of every year unless otherwise agreed. These agreements shall be laid down anew for the following calendar year by not later than August 15 of every calendar year.

1.3 Interim changes to the services that occur in the course of the calendar year may be agreed between Parties within the limits of the flexibility incorporated in the agreements between the Site Management and (partial) suppliers of facility management services.

1.4 Specific agreements for each product/service with an agreed validity of more than a year shall be set out in a separate annexe to this Workplace Agreement. As far as possible, account will be taken in these agreements of any initial investment obligations.

Article 2 - Period of validity and termination

2.1 The Agreement takes effect on October 13, 2003 and ends on October 13, 2006. This Workplace Agreement has been entered into for the office spaces, rents and costs as indicated in greater detail in annexes 1 and 2 and for a particular period of validity. This particular period of validity of the agreement is 36 months for newly constructed office spaces and 12 months for existing office spaces.

2.2 At the end of the period as referred to in section (1) of this Article this Workplace Agreement shall be continued for an indefinite period.

2.3 If at the end of the particular period this Workplace Agreement is continued for an indefinite period, this Workplace Agreement may be terminated by either of the parties in writing, with due observance of a period of notice of six months.

2.4 Termination shall be effected in units of at least 5 workplaces.

2.5 If expansion of workplaces in terms of volume or composition is formally requested by Lessee, the Site Management undertakes to make every effort to offer an acceptable solution. Timely notification increases the chances of this being successful.

2.6 If no acceptable solution can be reached in the current building, other solutions shall be sought in consultation with Lessee. Lessee’s preferences shall then be taken into account as much as possible.

Article 3 - Communication

3.1 Site Management has organised a Facility Management Desk for all occupants of the PBPE. This Facility Management Desk maintains contacts with the users at operational level (requests, malfunctions, complaints, orders, reservations, wishes, information requirements and advice).

3.2 Lessee and/or its employees is/are not entitled without prior consent from Site Management to contact the selected suppliers directly regarding the method of implementation or modification of services by such selected suppliers. Contacts regarding implementation or modification and complaints relating to all services performed on the PBPE that are carried out under the supervision of Site Management may only go through the Facility Management Desk.

3.3 Operational adjustments in the service delivery are only awarded to Site Management or their facility management agent/organisation (AA).

Structural adjustments need the approval of the Site Management Committee.

Article 4 - Quality and reporting

4.1 Unless agreed otherwise, once a quarter Site Management shall inform lessee on the basis of the agreed quality and service levels regarding the current situation (the structure of the quarterly report of this Workplace Agreement shall be agreed following negotiations).

4.2 By not later than mid-August of every year, Site Management shall discuss the quarterly reports with Lessee with regard to defining the agreements for the next calendar year. If so requested, further analyses or reports shall be provided based on a previously agreed number of hours x hourly rate.

4.3 For the purpose of quality management Site Management shall put together customer panels, with which discussions shall be held periodically. The results of all discussions shall be communicated to Lessee.

4.4 If so requested, in mid-August of every year Site Management shall give a budget indication based on the number of workplaces applicable at that time.

Article 5 - Confidentiality

5.1 Parties are not entitled to make available to third parties substantive information about this Workplace Agreement without prior written consent from the other party.

Article 6 - Ownership

6.1 All fixtures and fittings and resources pertaining to investments made by Site Management remain the property of Site Management. Lessee enjoys a right of use in this regard and shall deal with said items with due diligence.

Article 7 - Liability

7.1 Site Management is liable in respect of Lessee for any damage suffered directly by Lessee resulting from unlawful actions or imputable non-performance by Site Management, its employees or the third parties brought in by Site Management for the purpose of providing the facility management services on the PBPE.

7.2 The liability for damage as referred to in Article 7.1 is limited to:

a) The liability that Site Management has in respect of the third party brought in by Site Management.

b) The maximum amount placed with Site Management's insurance company as coverage and paid out by the insurance company for the event in question. (Site Management undertakes to arrange suitable insurance during the period of validity of this Agreement).

Article 8 - Invoicing and payment

8.1 Deviations relating to the method and frequency of invoicing for the various workplaces as stated in this article are stipulated in Annexe I to this Workplace Agreement. The (annual) budget breakdown is added as Annexe II.

8.2 Payment by Lessee of the amounts charged by Site Management as part of this Workplace Agreement shall be effected without discount or set-off within 30 days of invoice date.

8.3 If Lessee fails to pay the amounts owed to Site Management within the agreed payment period, Site Management shall charge Lessee the legal interest following a written reminder.

8.4 If Lessee continues to fail to pay the amount due after being declared to be in default by Site Management, the costs of collection - both inside and outside a court of law - shall be paid by Lessee, this with a minimum of 15% of the total amount due, without prejudice to Site Management's right to terminate this Workplace Agreement without recourse to a court of law and/or to claim full compensation.

8.5 All sums specified in this Workplace Agreement and the annexes are exclusive of VAT.

8.6 All sums specified in this Workplace Agreement and the annexes should, if needed, be indexed once a year. This will be done on 1 January, starting on 1 January 2005. This shall be done, when needed, in accordance with the movement of the consumer price index CPI (2000 = 100) or in accordance with the industry index for the service in question. The industry index shall prevail if demonstrable developments take place or have taken place in the industry in question that justify a higher indexation than the CPI.

8.7 Invoices relating to workplace usage (in accordance with the budget) shall be sent out approximately one month before the start of any month.

8.8 Other invoices relating to deliveries and services, including projects, variable offtake, etc., shall be sent out as soon as possible after the administrative details are known, with the aim being not more than one invoice per month.

Article 9 - Disputes

9.1 The law of the Netherlands is applicable to this Workplace Agreement. Disputes shall be submitted to the competent Dutch court.

Signature:
Thus agreed and signed in duplicate in Eindhoven on May 14, 2004

Philips Semiconductors
Directie

Philips Electronics Nederland BV
Vastgoed Beheer en Diensten
Site Management PBPE

Annexe I

Specific agreements per workplace

Code number: 1.1
Function: Accommodation
Item: Providing: building, grounds & parking garage.

Description of Standard Services:

This function relates to the 'basic' rent of space in office building VS, installation package, associated grounds facilities and parking (garage) facilities. The costs related to any 'lessee' investments (depreciation/interest) are also included in this.

The space in building VS is provided as complete and in accordance with NEN standard. For this purpose the installation package is provided (floor finishing, ceiling finishing, inside walls and fixtures such as pantries/counters), in short all interior fixtures.

The various workplace spaces are shown on the plan attached as an annexe.
The number of workplaces is stipulated when this agreement is entered into and specified in greater detail in the financial annexe.

Grounds facilities are allocated in proportion to the m^2 used and relate to:

- Metalled surfaces in the grounds, such as roads, pavements, parking facilities, etc.
- Greenery outside the building and in the grounds.
- Drains and sewers, cables, pipes and other underground and overground-infrastructure such as grounds lighting, fencing, benches, etc.
- Buildings and general technical facilities such as radio and aerial masts, illuminated advertising, gatehouses, barriers, gates, etc.

The parking facilities are located beneath building VS. 0.5 parking spaces per workplace are provided as standard. The parking spaces are not allocated by name: access to the parking garage is gained upon production of an authorised badge.

Description of Collective Services:

Extra space outside building VS, for example for temporary accommodation, may be necessary or desirable for the individual business. This can be provided if requested. In that case the associated costs are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Extra services outside building VS, for example for archiving or storage, may be necessary or desirable for the individual business. This can be provided if requested. In that case the associated costs are charged separately. If required, a quotation can be provided beforehand.

Code number: 1.2
Function: Accommodation
Item: Paying: taxes & charges.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and the co-ordination and processing of the 'accommodation'-related and 'location'-related taxes & charges linked to it.

Examples of taxes include VAT, etc.

This item also includes statutory consumption charges, such as sewage, connection & consumption charges, pollution tax, water charges, costs relating to waste materials, copyright charges, etc.

These taxes and charges are allocated in proportion to the m^2 used.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	1.3
Function:	Accommodation
Item:	Insuring: building carcass, installation package, fitting-out, building third-party liability insurance, storm damage, glass damage and grounds facilities.

Description of Standard Services:

This function relates to the use of workplace space in the office building VS and ‘accommodation’-related and ‘location’-related insurance policies linked to it.

Examples of this include insurance for:

Buildings: the building carcass and relevant grounds facilities.

The contents; the installation package, the fitting-out, storm damage and glass insurance (see 1.1).

Industrial liability; a third-party liability insurance for the building.

This also includes such matters as taking out and administering insurance policies.

These insurance policies are allocated in proportion to the m^2 used.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	1.4
Function:	Accommodation
Item:	Maintaining: building, grounds & parking garage.

Description of Standard Services:

This function relates to the use of workplace space in the office building VS and maintenance of the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include all activities, services and resources aimed at the scheduled maintenance (for the purpose of preventing a defect or malfunction from occurring) and the incidental maintenance (for the purpose of repairing a defect or malfunction) of buildings and general spaces. It includes:

- Owner maintenance: This is entirely for the account of owner/lessor.
- Lessee maintenance: The user costs for maintaining the building in accordance with the rental agreement, such as cleaning outside walls and outside windows.

These maintenance activities, services and resources are aimed at keeping the premises in such a condition that the usage options are assured.

- Maintaining building-related installations such as: central energy supply, drainage, lifts, ventilation/air-handling, lightning protection and the like.
- Maintaining user-related installations such as: minor repairs, maintenance of fixtures, installation package and fitting-out (see 1.1).
- Maintaining the grounds facilities such as: metalled surfaces, greenery, cable & pipes and other underground and overground infrastructure.
- Carrying out ‘handyman’ activities in support of the organization and its building users.

Maintenance is allocated in proportion to the m^2 used.

Description of Collective Services:

Not applicable.

Description of Optional Services:

These activities are aimed at maintaining the user-related (i.e. non-building-related) fittings or modifying them in line with user requirements. This can be provided if requested. In that case the associated costs are charged separately. If required, a quotation can be provided beforehand.

Code number:	1.5
Function:	Accommodation
Item:	Changing and rearranging: building, grounds & parking garage.

Description of Standard Services:

Not applicable.

Description of Collective Services:

This function relates to the use of workplace space in office building VS and changes and rearrangements to the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include scheduled changes and rearrangements to the building or grounds for the individual and general interest.

This involves radical changes to the grounds, building and associated installations arising from a renovation or major rearrangements for the purpose of bringing about functional improvements.

It also includes rearrangements arising from restructuring work in the primary process, such as moving the walls, modifying technical installations and the project management of these conversions and modifications to the grounds, building and installations.

These activities are not part of the ‘standard’ services and are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	1.6
Function:	Accommodation
Item:	Consuming: energy and water.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related energy linked to it.

Examples of this include energy and water for the building and the building installations and grounds installations for the individual and general interest.

These are both fixed and variable costs.

This items includes not only the technical and economic usage/consumption, but also energy management, including measuring, registering and reporting on the entire energy supply with regard to gas/heat, the supply and discharge of water and the electrical infrastructure.

Energy and water consumption is allocated in proportion to the m^2 used.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	1.7
Function:	Accommodation
Item:	Managing: building, grounds & parking garage.

Description of Standard Services:

This function relates to the management of office building VS and associated grounds facilities and parking (garage) facilities.

Examples of this include the activities aimed at acquiring, operating and disposing of the building. Since building VS is a rented building, these costs are discounted by the owner in the rent.

The management costs that are directly for account of the lessee are included in Item 5.1 ‘Facility Management’.

Management is allocated in proportion to the m^2 used.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	1.8
Function:	Accommodation
Item:	Paying and receiving: interest.

Description of Standard Services:

This function relates to the payment and receipt of interest in respect of office building VS, associated grounds facilities & parking (garage) facilities and fixtures.

Examples of this include the interest related to the building. Since building VS is a rented building, these costs are discounted by the owner in the rent.

The interest costs of the fixtures are allocated in accordance with corporate guidelines.

The management costs that are directly for account of the lessee are included in item 5.1. ‘Facility Management’.

The interest is allocated in proportion to the m^2 used.

Description of collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	1.9
Function:	Accommodation
Item:	Making available: other facilities.

Description of Standard Services:

Not applicable.

Description of Collective Services:

This function relates to the making available of other facilities connected to office building VS and associated grounds facilities and parking (garage) facilities.

Examples of this include facilities that directly meet certain requirements of employees in the organisation in the accommodation function category and that have not been dealt with so far.

These activities are not part of the ‘standard’ services and are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	2.1
Function:	Services and Resources
Item:	Providing: consumer services.

Description of Standard Services:

This function relates to the consumer services connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it. The costs related to any ‘lessee’ investments (depreciation/interest) are also included in this.

This includes all the catering activities, services and resources aimed at providing food and drink facilities to employees and guests, and in particular:

- Providing hot and cold meals and drinks that can be consumed in the restaurant.
- Having drinks and snacks available locally in and near workplaces by means of machines in coffee corners and the restaurant.

For this purpose the self-service restaurant, kitchen and associated storage area and a rinsing room in building VS are fully fitted out with equipment and serving furniture, along with the various coffee corners distributed around the building.

To this end a contract with catering and vending suppliers has been concluded in accordance with the catering concept agreed with the Management Committee and based on the following, inter alia:

- Subsidised basic range and non-subsidised luxury range.
- Restaurant opening times between 11.30 a.m. and 2 p.m. on working days.
- Purchases from restaurant by cash/chipper payment at cash desk.
- Free coffee served from machines in the coffee corners.

The agreed ‘standard package’ is provided at no additional charge.

Management reports shall be prepared in such a way that they provide specific information about private and business consumption patterns and usage in the various departments.

The ‘standard’ consumer services are allocated in proportion to the number of workplaces.

Description of Collective Services:

This includes all the catering activities, services and resources aimed at providing food and drink facilities to employees and guests, and in particular:

- Serving drinks, meals and snacks in the workplace and conference room,
- Arranging functions for which additional catering facilities need to be provided.

Collective services are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	2.2
Function:	Services and Resources
Item:	Risk management: monitoring, protecting and prevention.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and risk management of the ‘accommodation’-related and ‘location’-related items linked to it.

The costs related to any ‘lessee’ investments (depreciation/interest) are also included in this.

Examples of this include all activities, services and resources (including technology) that are aimed at monitoring/protecting the building, grounds, fixtures and fittings, the information system and the people and measures that prevent, limit or control the consequences of major incidents, such as:

- All physical protection and monitoring measures or the use of people,
- The supervision, observation and inspection activities in and around buildings and grounds that are aimed at keeping unauthorised persons away from the location (building, car park, grounds) and making sure that the organisation’s property is not removed, such as: gate security, policy for checking parked vehicles and follow-up action, inspection rounds in the building, connection to control room.
- All activities aimed at preventing or limiting/controlling major incidents, such as: detecting, registering and responding to alarms.
- The activities performed behind the reception desk, such as: assisting visitors, referral and badge issuing, with corresponding administrative measures.
- Organising, equipping, training and exercising as part of Corporate Emergency Response (CER).
- General safety and/or security studies for licence and/or insurance purposes that are or will be desired or necessary in general terms.

Risk management is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	2.3
Function:	Services and Resources
Item:	Cleaning: inside, interior windows and other items.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and to the regular (based on schedules) cleaning of the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include all activities, services and resources aimed at cleaning and keeping clean the building, parking garage, grounds and fittings of the general and specific workplaces, such as:

- All activities aimed at cleaning and keeping clean the inside of the building,
- All activities aimed at cleaning the inside of the windows in the outside walls and the separation windows in inside walls and doors.
- Carrying out periodic quality inspections.
- Changing/replenishing sanitary materials (soap, towels, toilet paper, etc.).
- Waste removal from the workplaces to a specially equipped collection point, except for paper, which is taken to the collection point by employees independently.
- Incidental cleaning operations on net curtains, window shades, vertical blinds, etc.
- Periodically cleaning pavements, roads, other metalled surfaces and car parks.

The cleaning work is carried out on the basis of cleaning schedules specifically drawn up for this purpose. These schedules are established by room, type and load and are objectively checked on the basis of the AQL values drawn up for this purpose for each room/building.

Cleaning is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	2.4
Function:	Services and Resources
Item:	Relocating: internal and external relocations.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and relocation in relation to the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include incidental internal relocations for the general interest (concentration of vacancies).

This means smaller relocations and removals, such as moving the contents of cabinets and drawers and loose fittings, as well as the project management, preparation and co-ordination of these relocations, minor conversion work and modifications to the building and fixtures as a result of these relocations.

The agreed ‘standard’ services are provided at no additional charge.

Relocating is allocated in proportion to the number of workplaces.

Description of Collective Services:

Examples of this include incidental internal relocations for individual and departmental interest.

This means smaller relocations and removals due to restructuring in the primary process, such as moving the contents of cabinets and drawers and loose fittings, as well as the project management, preparation and
co-ordination of these relocations, minor conversion work and modifications to the building and fixtures as a result of these relocations.

These ‘collective’ services are provided upon request and charged for separately.

If required, a quotation will be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	2.5
Function:	Services and Resources
Item:	Document management: creation, processing, reproduction and administration.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and document management in relation to the items linked to it.

Within the location the mail facility contains all postal procedures and courier services. This includes the (central) post room with its equipment and materials, reimbursements for such matters as franking and bringing round small items of post on an ad hoc basis, including the cost of the staff that do this.

The agreed ‘standard package’ provided at no additional charge contains only the mail facility product group. Other ‘extra’ activities are charged for separately. If required, a quotation can be provided beforehand.

N.B. The local and network printers and the local copiers come under ICTs service and are thus expressly excluded from the Facility Management cluster.

Reports/requests that apply to this will be passed on to the relevant helpdesk of the ICT Benelux department.

Document management is allocated in proportion to the number of workplaces.

Description of Collective Services:

Examples of this include activities, services and resources aimed at:

- Providing support in creating and laying out documents to be used for printed matter,
- Centrally processing documents, printing them and making illustrations,
- If so requested, transporting goods for the primary process.

This document and logistics service is centrally arranged within the location (VP basement). The package offered contains ‘extra’ activities that are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Examples of this include activities, services and resources aimed at:

- Administering, storing and archiving documents in dynamic or static archives.

Separate agreements can be made for this service. For this purpose more detailed agreements must be reached beforehand regarding the content and duration of the service to be provided. The service is then offered in ‘customised’ form and accompanied by an appropriate quotation.

Code number:	2.6
Function:	Services and Resources
Item:	Waste management: collection, removal and processing.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and the waste management of the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include all on-site activities that are aimed at the process of collecting, storing, removing and destroying all materials and items that no longer have any (usage) value to the organisation. Materials in this category are household, paper and (small) chemical waste.

This category also includes the activities aimed at removing waste from the grounds. These activities include periodically sweeping the grounds, roads and other [Illegible] surfaces, removing litter, etc., and removing the above-mentioned waste materials.

Collection is co-ordinated in close co-operation with the cleaning schedules established for this purpose. Various agreements and reports are also related to the on-site environmental management programme and the Philips ecovision programme.

The agreed ‘standard’ services are provided at no additional charge.

Extra services requested are however charged for separately.

If required, a quotation can be provided beforehand.

Waste management is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	2.7
Function:	Services and Resources
Item:	Issuing: fittings, materials and utensils.

Description of Standard Services:

This function relates to the use of workplace space in office building VS and the issuing of consumer goods such as fittings, materials and utensils of the ‘accommodation’-related and ‘location’-related items linked to it. The costs related to any ‘lessee’ investments (depreciation/interest) are also included in this.

This function relates to such items as fittings.

Fittings are:

- Workplace fittings such as desks, chairs, cabinets, hat stands, wastepaper baskets;
- Conference facilities, such as those present in the specially fitted-out rooms;
- Fittings in general areas, such as smoking rooms, sitting areas and display cases, and cabinets in general areas, hall, entrance:

This function also relates to the issuing of materials and utensils in an organisation. This means the following items:

- “indoor” greenery, such as plants throughout the building;
- objects with an artistic and cultural message for enhancing the building’s appearance in the form of posters, paintings, statues, etc.
- Signs giving directions in the building, such as name signs, department references and the like.

The agreed “standard” services are provided at no additional charge.

The issuing of the “standard” services and resources is allocated in proportion to the number of workplaces.

Description of Collective Services:

Examples of this include the issuing of consumer goods in an organisation.

This means office supplies and utensils such as consumer items, extension cords and the like.

These office supplies and utensils are charged for separately.

If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	2.9
Function:	Services and Resources
Item:	Making available: other services and resources.

Description of Standard Services:

Not applicable.

Description of Collective Services:

This function relates to the making available of other services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organisation in the services and resources function category and that have not been dealt with so far.

These activities, services and resources are not part of the “standard” services and are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	3.1
Function:	FCT (facilitarian communication technology)
Item:	Providing: external infrastructure, internal infrastructure, hardware and software.

Description of Standard Services:

This function relates to the provision of all facility management communication technology (not ICT Beneluxl) activities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it that are aimed at:

- external facilities relating to telecommunications and data communications; examples of this include central [Illigible] systems.
- specific facilities in the building aimed at carrying voice and data signals; these include both wired and wireless connections such as beepers, walkie-talkies and systems associated with them.
- making available the specific equipment needed for the relevant data communications and telecommunications, etc., such as the devices referred to above.
- all software-based resources aimed at making this hardware/equipment function.

The costs related to any “lessee” investments (depreciation/interest) are also included in this.

N.B. The communications and telecom equipment, both wired and wireless, falls entirely under ICT Benelux’s service and is therefore expressly excluded from the Facility Management cluster. Reports/requests that apply to this will be passed on to the relevant helpdesk of the ICT Benelux department.

The provision of the “standard” services as described above is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	3.2
Function:	FCT (facilitarian communication technology)
Item:	Providing support in: training, management, maintenance, advice, major incidents and services to support FCT.

Description of Standard Services:

This function relates to the provision of support for all facility management communication technology (not ICT Beneluxl) activities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it that are aimed at the following facility management functions:

- external facilities relating to telecommunications and data communications; examples of this include central aerial systems.
- specific facilities in the building aimed at carrying voice and data signals; these include both wired and wireless connections such as beepers, walkie-talkies and systems associated with them.
- making available the specific equipment needed for the relevant data communications and telecommunications, etc., such as the devices referred to above.
- all software-based resources aimed at making this hardware/equipment function.

The costs related to any ‘lessee’ investments (depreciation/interest) are also included in this.

N.B. The communications and telecom equipment, both wired and wireless, falls entirely under ICT Benelux’s service and is therefore expressly excluded from the Facility Management cluster. Reports/requests that apply to this will be passed on to the relevant helpdesk of the ICT Benelux department.

The provision of the ‘standard’ FCT services as described above is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:.	3.9
Function:	FCT (facilitarian communication technology)
Item:	Making available: other services and resources.

Description of Standard Services:

This function relates to the making available of all facility management communication technology (not ICT Beneluxl) activities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it that are aimed at the facility management functions.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organisation in the facility management communication technology (not ICT Beneluxl) function category and that have not been dealt with so far.

Parts of FCT services are currently provided at different locations by the “Communications Contact Person” (CCP). These services come under the competence of TCT Benelux. The substantive services are transferred in a site-by-site manner.

This involves the following services:

- Ordering and delivering mobile and other phones, fax equipment, teleconferencing equipment, etc.
- Managing phone and fax files.
- Carrying out repairs, remedying malfunctions.
- Co-ordinating small internal relocations.
- Updating the communication guide.

The costs related to any ‘lessee’ investments (depreciation/interest) are also included in this.

The issuing of the ‘standard’ services is allocated in proportion to the number of workplaces.

Description of Collective Services:

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organisation in the facility management FCT (not ICT Beneluxl) function category and that have not been dealt with so far.

These activities, services and resources are not part of the ‘standard’ services and are charged for separately. If required, a quotation can be provided beforehand.

Description of Optional Services:

Not applicable.

Code number:	4.1
Function:	External Facilities
Item:	Providing: external accommodation, external workplaces and meeting places and passenger transport.

Description of Standard Services:

Not applicable.

Description of Collective Services:

Not applicable.

Description of Optional Services:

This function relates to the provision of activities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related and items linked to it that are aimed at:

- temporary accommodation ‘outside’ the organisation,
- providing workplaces and meeting places ‘outside’ the organisation,
- transporting employees on an incidental basis.

N.B. External facilities fall primarily under the Travel Office’s service; they are therefore expressly excluded from the Facility Management cluster. Reports/requests that apply to this will be passed on to the relevant helpdesk of the Travel Office.

The activities, services and resources that are part of the ‘scope’ of Facility Management are charged separately. If required, a quotation can be provided beforehand.

Code number:	4.9
Function:	External Facilities
Item:	Making available: other facilities.

Description of Standard Services:

Not applicable.

Description of Collective Services:

Not applicable.

Description of Optional Services:

This function relates to the making available of all other external (facility management) facilities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organisation in the external facilities facility management function category and that have not been dealt with so far.

These activities, services and resources are charged separately. If required, a quotation can be provided beforehand.

Code number:	5.1
Function:	Facility Management
Item:	Providing: facility management.

Description of Standard Services:

This function relates to the provision of facility management facilities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include the general management function responsible (within the organisation’s central policy frameworks) for the facility as a result of the planning and co-ordination of support processes.

This includes all activities, services and resources aimed at:

- formulating philosophy, strategy and goals in the field of facility management,
- managing, advising on and operating the facilities,
- renewing, optimising and improving processes and services.

An SLA has been made with AA Facility Management BV regarding the products and services to be performed under its responsibility. In consultation with the on-site facility manager (Mr Hilbrand Postema), they have been translated into KPIs, which are regularly reported on and discussed. To this end a communication procedure and timetable will be drawn up that is agreed with each individual customer. Once a quarter, these KPIs will be centrally placed on the agenda of the PBPE Management Committee following interim consultation with the Site Management.

The issuing of these ‘standard’ services is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	5.2
Function:	Facility Management
Item:	Conducting: business services, environmental health & safety, risk, procurement, information and quality management.

Description of Standard Services:

This function relates to the conducting of support activities within facility management facilities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it.

This includes oil activities, services and resources aimed at:

- the administrative support of the facility manager in the organisation.
- fulfilling the statutory and corporate obligations in the field of environmental and sustainability reports,
- fulfilling the statutory obligations in the field of working conditions,
- formulating policy for the building, grounds and fixtures and fittings for protecting people and preventing, limiting or controlling the risk arising from major incidents.
- policy formulations and developments relating to the procurement process.
- policy formulations and developments for assuring or improving certain pre-defined performances of the output to be delivered by the facility management processes within the organisation.
- obtaining and administering licences for using building VS within the SLA described. Where this clashes with the primary process it is not provided and further discussions will be held in this regard.
- several auxiliary operational activities, such as: advising on lay-out designs of conversion work, switching fire alarm monitoring station on and off, granting permits for high-fire-risk activities, co-ordination of statutory inspections (e.g. hoists, etc.), supervising RIA audits, maintaining contacts with government departments, utility companies and environmental offices, support with designing plans for major incidents, etc.

An SLA has been made with AA Facility Management BV regarding the products and services performed under its responsibility. In consultation with the on-site facility manager (Mr Hilbrand Postema), they have been translated into KPIs, which are regularly reported on and discussed. To this end a communication procedure and timetable will be drawn up that is agreed with each individual customer. Once a quarter these KPIs will be centrally placed on the agenda of the PBPE Management Committee following interim consultation with the Site Management.

The issuing of these ‘standard’ services is allocated in proportion to the number of workplaces.

Description of Collective Services:

Not applicable.

Description of Optional Services:

Not applicable.

Code number:	5.9
Function:	Facility Management
Item:	Making available: other management.

Description of Standard Services:

Not applicable.

Description of Collective Services:

Not applicable.

Description of Optional Services:

This function relates to the making available of all other facility management activities, services and resources connected to the use of workplace space in office building VS and the ‘accommodation’-related and ‘location’-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organisation in the facility management category and that have not been dealt with so far.

(An example might be events, fitness, child care, etc.)

These activities, services and resources are charged for separately. If required, a quotation can be provided beforehand.

General and Specific Conditions relating to previous NEN/SLA numbers

Collective and Optional Services:

These relate to additional customer-specific Services that are purchased in addition to the binding ‘standard services’. These additional services are included in general terms in the SLA: in some cases reference is made to likely examples, without claiming to be exhaustive.

Questions relating to these services can be put directly to the Facility Management Office. Additional services are charged for separately in proportion to agreed offtake and price.

Order process:

Changes in the number of workplaces are adjusted for on the first day of the following month (in accordance with Article 2). Adjustments to the number of workplaces are not charged for with retroactive effect. For changes you can contact the Central Service Point (CSP);

Terms of delivery:

Invoicing takes place in accordance with the contractual conditions and in proportion to the workplace usage (based on m^2 used and/or the number of employees; see Annexe II).

If the efficiency of the building can be increased, a lessee can be compelled to co-operate on this. For this purpose Lessee can be requested to make one or more internal relocations (cost to be barred by perpetrator). If this is necessary Site Management will contact Lessee.

For each individual function/service, additional procedures/conditions may be stipulated which individual employees must observe in order to bring about the optimum price/performance ratio. The service activities guide and/or intranet page and/or service desk will provide this information as and when necessary.

Contact persons:

Facility Management Helpdesk: Vbd.servicedesk@philips.com: telephone number 82555

Facility Manager: Hilbrand Postema

Site Management a.i.: Rene van der Burgt MSc.

Management Information (KPIs):

Various KPIs are measured on-line and once a quarter a management report (VS) will appear which, if required, can be explained personally.

The site report will be discussed by the Management Committee once a quarter as an agenda point.

The most important KPIs relate to: customer satisfaction surveys, fulfilling the agreed service levels, improvement plans, service management, projects, energy and technical management, functioning of facility management helpdesk and on-site workers.

Annexe II

Annual budget breakdown

Werkplek kosten per jaar: VS 2003 – 2004

Gebouw VS (euro/werkplek)	**kosten per workplek per jaar**					
Tarrief opbouw per werkplek	**single XL**	**single**	**split**	**share**	**landing**	
	30 m^2	**21 m^2**	**12 m^2**	**10 m^2**	**8 m^2**	
1 Huisvesting	17.836	11.124	6.132	5.307	4.395	
2 Diensten en middelen	2.919	2.504	2.196	2.145	2.089	
3 ICT	443	443	443	443	443	
4 Externe voorzieningen	0	0	0	0	0	
5 Facility management	249	249	249	249	249	
sub totaal	21.447	14.321	9.021	8.144	7.176	
WPM support ICT/FM PBPE	63	63	63	63	63	
	263%	178%	111%	100%	88%	
Werkplek aantallen						**Sum**
Semiconductors	1	38	22	233	16	310
Philips Nederland	6	28	38	183	18	273
WPM support ICT/FM PBPE	0	1	0	10	0	11
Leegstands risico 2003-2004	0	0	0	0	0	0
Totaal	7	67	60	426	34	594
Werkplek kosten						**Sum**
Semiconductors	21.510	546.584	198.837	1.912.278	115.831	2.796.041
Philips Nederland	129.060	402.746	645.173	1.501.918	130.310	2.509.208
Leegstands risico 2003-2004	—	—	—	—	—	—
Totaal	150.570	949.330	545.010	3.414.197	246.142	5.305.249

Werkplek kosten per jaar: VS 2003 – 2004

Gebouw VS			kosten per workplek per jaar						
			single XL	single	split	share	handling	[Illegible]	[Illegible]
Tarrief opbouw per werkplek	**[Illegible]**	**in Euro per**	**30 m^2**	**21 m^2**	**12 m^2**	**10 m^2**	**8 m^2**	**[Illegible]**	**[Illegible]**
1 Huisvesting		**[Illegible]**	64.49	40.22	22.17	19.19	15.89	[Illegible]	[Illegible]
1.1. Voorzien in Gebouw, Terrain an stallingsploaten	m^2	232.88	15.019	8.367	5.184	4.489	3.701	[Illegible]	5.172.28
1.2. Afdragen[Illegible]	m^2	4.73	305	190	105	91	75	4.73	105.05
1.3. [Illegible]	m^2	2.00	191	110	68	57	47	2.96	65.74
1.4. [Illegible]	m^2	20.00	1.290	804	443	384	310	[Illegible]	444.20
1.5. [Illegible]	m^2	0.00	0	0	0	0	0	0.00	0.00
1.6. [Illegible]	m^2	10.00	1.032	644	358	307	254	[Illegible]	355.36
1.7. Daharan [Illegible]	m^2	0.00	0	0	0	0	0	0.00	0.00
1.8. [Illegible]	m^2	0.00	0	0	0	0	0	0.00	0.00
1.9. [Illegible]	m^2	0.00	0	0	0	0	0	0.00	0.00
sub total			17.036	11.124	0.132	5.307	4.385	276.57	6.142.62
2 Diensten en middelen			[Illegible]%	110%	119%	[Illegible]%	[Illegible]%		
2.1. Voorzien in consumption [Illegible]	workplek	462.00	462	462	462	462	462	20.80	[Illegible]
2.2. [Illegible]	workplek	[Illegible]	581	581	581	581	581	26.10	[Illegible]
2.3. [Illegible]	m^2	12.31	820	511	282	244	202	[Illegible]	282.31
2.4. [Illegible]	m^2	1.00	64	40	22	19	19	1.00	22.21
2.5. Document management	workplek	100.00	100	100	100	100	100	4.50	100.00
2.6. [Illegible]	m^2	[Illegible]	217	135	74	[Illegible]	53	3.36	74.00
2.7. [Illegible]	workplek	[Illegible]	675	675	675	675	675	30.36	[Illegible]
2.8. Boschlkbaar [Illegible]	workplek	0.00	0	0	0	0	0	0.00	0.00
sub total			2.919	2.504	2.198	2.145	2.059	98.92	2.195.95
3 ICT									
3.1. Voorzien in infrastructure, hardware an software	workplek	100.14	100	100	100	100	100	0.07	100.14
3.2. Order [Illegible]	workplek	44.26	44	44	44	44	44	1.99	44.25
3.3. [Illegible] station [Illegible]	workplek	100.10	199	199	199	199	199	0.97	199.14
sub total			443	443	443	443	443	10.93	[Illegible]
4 External voorxieningen.									
4.1. Voorzien[Illegible]	workplek	0.00	0	0	0	0	0	0.00	0.00
4.9. [Illegible]	workplek	0.00	0	0	0	0	0	0.00	0.00
sub total			0	0	0	0	0	0.00	0.00
5 Facility management									
5.1. Voorzien in Facility Management	workplek	[Illegible]	132	132	132	132	132	5.94	131.90
5.2. [Illegible]	workplek	117.03	117	117	117	117	117	0.29	117.43
5.3. [Illegible]	workplek	0.00	0	0	0	0	0	0.00	0.00
sub total			249	249	249	249	249	11.23	[Illegible]
	Total [Illegible] per workplek		21.447	14.221	0.021	0.144	[Illegible]	[Illegible]	[Illegible]
			[Illegible]%	[Illegible]%	111%	[Illegible]%	[Illegible]%		

Exhibit 10.7

WDB

High Tech Campus Eindhoven

[GRAPHIC]

"Workplace Agreement"

Version 0.3
March 9, 2005

High Tech Campus Eindhoven

Introduction

The High Tech Campus Eindhoven guarantees an optimal workplace with a wide range of different types of underlying services offered by or on behalf of the Site Management. The Site Management is responsible for the integrated supply of space and services and the quality of its services in the form of fully outfitted, immediately usable workplaces.

The Workplace Agreement for the High Tech Campus Eindhoven is under development and constantly subject to amendment. This document has been written for the purpose of providing information for (potential) lessees regarding the makeup and structure of the Workplace Agreement. The document can also be used as a discussion tool in order to better match supply and demand, thereby further optimizing the Workplace Agreement.

The workplace concept was introduced to meet the business needs for flexible space, and to match this with the attractive environment of the High Tech Campus Eindhoven. This is achieved through:

- A combined lease and services agreement (workplace agreement).
- Workplaces equipped with a large amount of services.
- A professional one-stop provider.
- Short duration of contract obligations that enable businesses to adapt the work environment to the current needs.
- Integrated workplace services take care of matters for the businesses that can now focus entirely on their core business.
- This standardized setup reduces service costs.
- Efficient and uniform workplace environment and use of space.
- Relocations are organized completely by facility management.

The services described in this document are offered through CSM, have been agreed with the Board and are set annually by the Board. For this purpose, the Board consists of representatives of all "major" inhabitants of HTC. The service offerings and the pricing is set in a uniform and transparent manner throughout HTC and is compared to the other comparable services in other locations (inside and outside of Philips).

A high level of customer satisfaction is essential to the success of workplace management and is assessed through periodic customer satisfaction surveys among the users.
To that end, CSM has planned periodic contact and consultation with users and suppliers to discuss the results of these surveys and then resolve any generic issues.

The document is divided into two parts.
In the first part the workplace management that will be applied on the Philips Business Park Eindhoven is described in general terms.
The last part contains the customer-specific section of the Workplace Agreement and further develops the *services* covered earlier.

Contents

Introduction Contents
Contents

Workplace management

1. Introduction

The traditional view of office accommodation is no longer adequate in our present work environment. Social, economic and technological changes have greatly changed the work processes of organization units and individual employees and the changes are taking place at an increasingly rapid pace. The workplace must be capable of adapting quickly in line with the organization as regards size, requirements and preferences. Work flexibilization has resulted in more and more people working on the basis of new work patterns, in different work environments and in rapidly changing organizational units. The five-day work week in a permanent employment situation is no longer the only standard, so employees are not always in the office from nine to five. Deregulation and internationalization result in increasing competition and are forcing organizations to be cost-efficient, including where the costs of the workplace are concerned. Cost-efficiency also means that the “ample” size of European office buildings is being put under pressure. Higher quality requirements from the marketplace also make greater coordination necessary between functional work processes.

This means more project-based work, more teamwork and more consultation inside and outside the organization. The relationship between individual work “at the desk” and collaboration with others has drastically changed. These radical changes in work processes mean that office spaces, as the “workplace of the administrative organization,” must meet entirely new requirements.

2. What is workplace management?

The “internal lessee” rents a variety of the number of required workplaces instead of buildings or building sections and is obliged to buy a number of “standard services” linked to them and provided by the site/facility manager. The contents of the package of services and products are set out in clear policy lines and are made known via site-specific “mandatories.” These standard products and services are primarily building-related and are directly connected to the valuation/value retention of the building, maintenance, economies of scale advantages or management aspects for the location in question.

2. What does workplace management do?

Workplace management ensures that all secondary matters are taken out of the hands of the business units concerned so that they can focus fully on their primary business processes.

The dedicated support organization (the Site Management) focuses on standardization, on optimum, on flexibility and on unambiguousness in the conduct of business. Services are offered to every user. In this way the core businesses have the minimum of concerns.

In addition, space is used intelligently, so that when a business unit is eventually ready to take a subsequent step there are sufficient possibilities for expansion or contraction and so the unit can stay where it is.

4 What is the advantage of workplace management?

Philips is striving worldwide for more synergy, efficiency and returns in the various functions so as to put itself in a better competitive position, supported by numerous elements, including the Philips TOP program.

In line with this programming, a more creative and more efficient approach than has (often) been the case in the past is also applicable to accommodation and related services.

A summary of the most important advantages:

- Creating a stimulating work environment with potential for synergy and co-operation by creating a transparent and flexible work environment which:
  - Promotes communication and interaction,
  - Optimally houses multidisciplinary project teams,
  - Offers a high-quality IT structure,
  - Integrates work and private life.
- Creating conditions for long-term accommodation for the organization.
- Creating efficient accommodation that can pass the test of meeting market conformity.
- More efficient occupation of the buildings by managing the space utilization “across” the boundaries of the individual organizational units, as a result of which vacancies are monitored centrally and managed, thus minimizing overall vacancies.
- Flexibility: since vacancies are managed centrally, rental and associated service contracts can be concluded for shorter periods. As a result, organizational units can and will return spaces more quickly.
- Only a centrally set-up group of people will be involved with the site-specific facilities. This prevents fragmented knowledge and creates an efficient organization, which will give rise to synergy in costs/quality.
- Professionalism and economies of scale advantages are achieved because several people are “dedicated” to the facility management aspects. Subcontracted third parties (80-90% of FM turnover) are also managed in a more cost-conscious manner, which will provide returns in cost management, cost savings and organizational efficiency.

Workplace management is aimed at maintaining high quality in the work environment, grounds and buildings by organizing their operation, management & maintenance collectively. It also offers the business units and their employees products and services that can be provided efficiently when purchased, organized

and implemented collectively, but only with difficulty and at higher cost when these activities are performed individually.

The value added to the individual business units can be summarized as follows:

- The focus remains on the core activities, since it is better and easier to leave secondary matters to others/third parties.
- Cost, quality and organizational advantages through collective procurement, organization and operation of the necessary and desired services.
- Greater flexibility to expand and contract thanks to the possibilities offered by the location.

Workplace Agreement (customer-specific)

This section stipulates the specific agreements for lessees (customers).
First the contents of the “lease agreement for flexible office space with services” (Workplace Agreement) are given.
An overview giving the description of the “standard” services that are actually purchased and a cost structure for each workplace then follows, thus creating a transparent whole.

Because of their nature, some services are mandatory. Here, a distinction is made between mandatory purchase and forced store trade. Beside the forced store trade which applies to the collective services, there is free store trade for the optional services. In order to prevent any ambiguity, the type of the various services is briefly explained below.

These service types are:
- Standard services
- Collective services
- Optional services

Standard services:
The standard services are the base for the organization of workplace services. This is a mandatory package of standard services to which everyone contributes. These pertain mainly to the property and maintenance of the grounds and buildings.

Collective services:
This is a collective offer which one can use as a lessee, but it is not mandatory. There is however forced store trade. This means that it is not allowed to obtain similar products and services from any other source than the Campus supplier. The reason for this is that, on one hand, this makes it possible to offer the collective services, in consultation with the lessees, at a low price (through volume discount). Another reason for this is that the Campus is seen as a whole, and it eliminates the proliferation of service providers. This would eliminate the essence of the Campus Model.

The collective services are paid for based on consumption. One of the main reasons to centrally organize the services is to guarantee the quality of the services. After all, the offer then is the responsibility of the Campus Site Management. This collective offer is set by the Board.

Optional services:
With regard to optional services, the lessee indicates which business specific services that do not appear in the SLA, he would like to receive from the facilities. These services are developed and offered, and tailored to individual needs. Individual business units can thus subcontract their need for secondary matters, while the employees can enjoy an increasing number of personal services. This is free store trade.

Lease agreement for flexible office space with Services

(Workplace Agreement)

Philips Softworks

Contents

Lease agreement for flexible office space with services

Annexes

The undersigned:

Philips Electronics Nederland B.V., “Site Management High Tech Campus Eindhoven” department, domiciled at Eindhoven at Professor Holstlaan 100, building HTC, hereby legally represented by drs. Jérôme Verhagen, hereinafter referred to as: “Site Management.”

and

Philips Software, domiciled at Eindhoven at Professor Holstlaan 4, building WCB, hereby legally represented by drs. Hans Streng, hereinafter referred to as “Lessee,”

With Site Management and Lessee hereinafter to be referred to jointly as “Parties;”

Whereas:

The parties have agreed that Lessee concludes a lease agreement relating to the use of 60 workplaces and associated facility management services (hereinafter referred to as: “Workplace Agreement”) on the High Tech Campus Eindhoven (HTC).

The facility management services on the HTC are performed by third parties under the supervision of the Site Management.

Set out in this Workplace Agreement and accompanying annexes are the service levels, the (delivery) conditions and the method for quality measurement.

These service levels, (delivery) conditions, methods for quality measurement and other specific agreements shall in principle be laid down for a full calendar year and shall, no later than August I5 of every year, be laid down anew for the following calendar year.

Site Management is responsible for obtaining, maintaining and administering the required licenses and shall consequently act for or on behalf of the accommodated units.

Agree as follows:

Article 1 – Purpose

1.1 The purpose of this Workplace Agreement is to coordinate the demand for suitable workplaces and the associated services provided by the Site Management as closely as possible to the requirements of Lessee on the HTC.

1.2 Specific agreements for each product/service shall also be stipulated for a period of one year, taking effect on January 1 of every year unless otherwise agreed. These agreements shall be laid down anew for the following calendar year no later than August 15 of every calendar year.

1.3 Interim changes to the services that occur in the course of the calendar year may be agreed between Parties within the limits of the flexibility incorporated in the agreements between the Site Management and (partial) suppliers of facility management services.

1.4 Specific agreements for each product/service with an agreed validity of more than a year shall be set out in a separate annex to this Workplace Agreement. In these agreements, any initial investment obligations will be taken into account, if applicable.

Article 2 – Period of validity and termination

2.1 The Agreement takes effect on January 1, 2005 and ends on December 31, 2006. This Workplace Agreement has been entered into for the office spaces, rents and costs as indicated in greater detail in annexes 1 and 2 and for a particular period of validity.

2.2 At the end of the period as referred to in section (1) of this Article, this Workplace Agreement shall be continued for an indefinite period.

2.3 If at the end of the particular period this Workplace Agreement is continued for an indefinite period, this Workplace Agreement may be terminated by either of the parties in writing, with due observance of a period of notice of six months.

2.4 Termination shall be effected in units of at least 5 workplaces.

2.5 If expansion of workplaces in terms of volume or composition is formally requested by Lessee, the Site Management undertakes to make every effort to offer an acceptable solution. Timely notification increases the chances of this being successful.

2.6 If no acceptable solution can be reached in the current building, other solutions shall be sought in consultation with Lessee. Lessee’s preferences shall then be taken into account as much as possible.

2.7 If there are vacancies shattered throughout the building in question which could be used by regrouping the existing Lessees, the Lessor will contact the Lessees, and the Lessees will cooperate if the regrouping proposals are reasonable and equitable. The costs of such regrouping are borne entirely by the Lessor.

Article 3 – Communication

3.1 Site Management has organized a Facility Management Desk for all occupants of the High Tech Campus. This Facility Management Desk maintains contacts with the users at operational level (requests, malfunctions, complaints, orders, reservations, wishes, information requirements and advice).

3.2 The Lessee and/or its employees is/are not entitled to directly contact the selected suppliers regarding the method of implementation or modification of services by such selected suppliers without prior consent from Site Management. Contacts regarding implementation or modifications and complaints relating to all services performed on the HTC that are carried out under the supervision of Site Management may only go through the Facility Management Desk.

3.3 Operational adjustments in the facility management services can only be made by Site Management or their facility management agent/organization (AAfm).

Structural adjustments need the approval of the Site Management Committee.

Article 4 – Quality and reporting

4.1 Unless agreed otherwise, Site Management shall inform Lessee every quarter regarding the current situation (the structure of the quarterly report of this Workplace Agreement shall be agreed following negotiations) based on the agreed quality and service levels.

4.2 No later than mid-August of every year, Site Management shall discuss the quarterly reports with Lessee with regard to defining the agreements for the next calendar year. If so requested, further analyses or reports shall be provided based on a previously agreed number of hours x hourly rate.

4.3 For the purpose of quality management, Site Management shall form customer panels, with which discussions shall be held periodically. The results of these discussions shall be communicated to Lessee.

4.4 If so requested, in mid-August of every year Site Management shall give a budget indication based on the number of workplaces applicable at that time.

Article 5 - Confidentiality

5.1 The parties are not entitled to make available to third parties substantive information about this Workplace Agreement without prior written consent from the other party.

Article 6 - Ownership

6.1 All fixtures and fittings and resources pertaining to investments made by Site Management remain the property of Site Management. Lessee enjoys a right of use in this regard and shall deal with said items with due diligence.

Article 7 - Liability

7.1 Site Management is liable toward Lessee for any damage suffered directly by Lessee resulting from unlawful actions or imputable non-performance by Site Management, its employees or the third parties brought in by Site Management for the purpose of providing the facility management services on the HTC.

7.2 The liability for damage as referred to in Article 7.1 is limited to:

a) The liability that Site Management has in respect of the third party brought in by Site Management.

b) The maximum amount placed with Site Management’s insurance company as coverage and paid out by the insurance company for the event in question. (Site Management undertakes to arrange suitable insurance during the period of validity of this Agreement).

Article 8 - Invoicing and payment

8.1 Deviations relating to the method and frequency of invoicing for the various workplaces as stated in this article are stipulated in Annex I to this Workplace Agreement. The (annual) budget breakdown is added as Annex II.

8.2 Payment by Lessee of the amounts charged by Site Management as part of this Workplace Agreement shall be effected without discount or set-off within 30 days of invoice date.

8.3 If Lessee fails to pay the amounts owed to Site Management within the agreed payment period, Site Management shall charge Lessee the legal interest following a written reminder.

8.4 If Lessee continues to fail to pay the amount due after having received notice of default by Site Management, the costs of collection—both inside and outside a court of law—shall be paid by Lessee, with a minimum of 15% of the total amount due, without prejudice to Site Management’s right to terminate this Workplace Agreement without recourse to a court of law and/or to claim full compensation.

8.5 All sums specified in this Workplace Agreement and the annexes are exclusive of VAT.

8.6 All sums specified in this Workplace Agreement and the annexes should, if needed, be indexed once a year. This will be done on January 1, starting on January 1, 2006. This shall be done, when needed, in accordance with the movement of the consumer price index CP1 (year 2000 = 100) or in accordance with the industry index for the service in question. The industry index shall prevail if demonstrable developments take place or have taken place in the industry in question that justify a higher indexation than the CPI.

8.7 Invoices relating to workplace usage (in accordance with the budget) shall be sent out approximately one month before the start of any month.

8.8 Other invoices relating to deliveries and services, including projects, variable purchase, etc., shall be sent out as soon as possible after the administrative details are known, with the aim being not more than one invoice per month.

Article 9 - Disputes

9.1 The law of the Netherlands is applicable to this Workplace Agreement. Disputes shall be submitted to the competent Dutch court.

Article 10 - Confidentiality and Non-compete clause

10.1 If a Lessee wishes to protect himself against another lessee in the same building with regard to confidentiality and/or competition, the Lessor will be informed thereof. The parties will then confer and take the necessary measures, which will not result in a cost increase for the Lessor.

Signature:
Thus agreed and signed in duplicate in Eindhoven on April 7, 2005

Philips Software	Philips Electronics Nederland BV
	Site Management High Tech Campus Eindhoven
[signature]	[signature]
Hans Streng, Vice President	Jérôme Verhagen, Site Manager

Annex I

Specific agreements per workplace

Code number: 1.1
Function: Accommodation
Item: Providing: building, grounds & parking garage(s).

Description of Standard Services:
This function relates to the “basic” rent of space in the office building, installation package, associated grounds facilities and parking (garage) facilities. The costs related to any “lessee” investments (depreciation/interest) are also included in this.

The space in the building is provided as complete and in accordance with NEN standards. For this purpose the installation package is provided (floor finishing, ceiling finishing, inside walls and fixtures such as pantries/counters), in short all interior fixtures.

The various workplace spaces are shown on the floor plan attached as an annex.
The number of workplaces is stipulated when this agreement is entered into and specified in greater detail in the financial annex.

Grounds facilities are allocated in proportion to the m^2 used and relate to:
- Hardened surfaces on the grounds, such as roads, pavements, parking facilities, etc.
- Landscaping outside the building and on the grounds.
- Drains, sewers, cables, pipes and other underground and above-ground infrastructure such as grounds lighting, fencing, benches, etc.
- Buildings and general technical facilities such as radio and antenna masts, illuminated advertising, gatehouses, barriers, gates, etc.

The parking facilities are located in specially designed parking garages. The standard workplace/parking place parking ratio has been set at 0.5 parking spaces per workplace. The parking spaces are not allocated by name: access to the parking garage is free. It is not allowed to use the reserved parking spaces in the garages.

Description of Collective Services:
Additional space outside the building, for example for temporary accommodation, may be necessary or desirable for the individual business. This can be provided if requested. In that case, the associated costs are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Additional services outside the building, for example for archiving or storage, may be necessary or desirable for the individual business. This can be provided if requested. In that case, the associated costs are charged separately. If required, a quotation can be provided beforehand.

Code number: 1.2
Function: Accommodation
Item: Paying: taxes & charges.

Description of Standard Services:
This function relates to the use of workplace space in the office building and the coordination and processing of the “accommodation”-related and “location”-related taxes & charges linked to it.

Examples of taxes include VAT, etc.
This item also includes statutory consumption charges, such as sewage, connection & consumption charges, pollution tax, water charges, costs relating to waste materials, copyright charges, etc.

These taxes and charges are allocated in proportion to the m^2 used.

Description of Collective Services: Not applicable.

Description of Optional Services:
Not applicable.

Code number: 1.3
Function: Accommodation
Item: Insuring: building structure, installation package, fitting-out, building third-party liability insurance, storm damage, glass damage and grounds facilities.

Description of Standard Services:
This function relates to the use of workplace space in the office building and “accommodation”-related and “location”-related insurance policies linked to it.

Examples of this include insurance for:
Buildings: the building structure and relevant grounds facilities.
The contents: the installation package, the fitting-out, storm damage and glass insurance (see 1.1).
Business liability: a third-party liability insurance for the building.
This also includes such matters as taking out and administering insurance policies.

These insurance policies are allocated in proportion to the m^2 used.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 1.4
Function: Accommodation
Item: Maintaining: building, grounds & parking garage.

Description of Standard Services:
This function relates to the use of workplace space in the office building and maintenance of the “accommodation”-related and “location”-related items linked to it.

Examples of this include all activities, services and resources aimed at the scheduled maintenance (for the purpose of preventing a defect or malfunction from occurring) and the incidental maintenance (for the purpose of repairing a defect or malfunction) of buildings and general spaces. This includes:
- Owner maintenance: This is entirely for the account of owner/lessor.
- Lessee maintenance: The user-costs for maintaining the building in accordance with the lease agreement, such as cleaning outside walls and outside glass.

These maintenance activities, services and resources are aimed at keeping the premises in such a condition that the usage options are assured by:
- Maintaining building-related installations such as: central energy supply, drainage, elevators, ventilation/air treatment, lightning protection and the like.
- Maintaining user-related installations such as: minor repairs, maintenance of fixtures, installation package and fitting-out (see 1.1).
- Maintaining the grounds facilities such as: hardened surfaces, landscaping, cable & pipes and other underground and above-ground infrastructure.
- Carrying out “handyman” activities in support of the organization and the users of its building.

Maintenance is allocated in proportion to the m^2 used.

Description of Collective Services:
This activity is aimed at installing/erecting or making changes to business (department) specific advertising, if any.
This advertising must explicitly comply with the Campus directions.

Description of Optional Services:
These activities are aimed at maintaining the user-related (i.e. non-building-related) fittings or modifying them in line with user requirements. This can be provided if requested. In that case, the associated costs are charged separately. If required, a quotation can be provided beforehand.

Code number: 1.5
Function: Accommodation
Item: Changing and rearranging: building, grounds & parking garage.

Description of Standard Services:
Not applicable.

Description of Collective Services:
This function relates to the use of workplace space in the office building and changes and rearrangements to the “accommodation”-related and “location”-related items linked to it.

Examples of this include scheduled changes and rearrangements to the building or grounds for the individual and general interest.

This involves radical changes to the grounds, building and associated installations arising from a renovation or major rearrangements for the purpose of bringing about functional improvements.

It also includes rearrangements arising from restructuring work in the primary process, such as moving the walls, modifying technical installations and the project management of these renovations and modifications to the grounds, building and installations.

These activities are not part of the “standard” services and are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 1.6
Function: Accommodation
Item: Consuming: energy and water.

Description of Standard Services:
This function relates to the use of workplace space in the office building and the “accommodation”-related and “location”-related energy linked to it.

Examples of this include energy and water for the building and the building installations and grounds installations for the individual and general interest. These are both fixed and variable costs.

This items includes not only the technical and economic usage/consumption, but also energy management, including measuring, registering and reporting on the entire energy supply with regard to gas/heat, the supply and discharge of water and the electrical infrastructure.

Energy and water consumption is allocated in proportion to the m^2 used.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 1.7
Function: Accommodation
Item: Managing: building, grounds & parking garage.

Description of Standard Services:
This function relates to the management of the office building and associated grounds facilities and parking (garage) facilities.

Examples of this include the activities aimed at acquiring, operating and disposing of the building. Since the building is a rented building, these costs are discounted by the owner in the rent.

The management costs that are directly for account of the lessee are included in item 5.1. “Facility Management.”

Management is allocated in proportion to the m^2 used.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 1.8
Function: Accommodation
Item: Paying and receiving: interest.

Description of Standard Services:
This function relates to the payment and receipt of interest in respect of office the building, associated grounds facilities & parking (garage) facilities and fixtures.

Examples of this include the interest related to the building. Since the building is a rented building, these costs are discounted by the owner in the rent. The interest costs of the fixtures are allocated in accordance with corporate guidelines.

The management costs that are directly for the account of the lessee are included in item 5.1, “Facility Management.”

The interest is allocated in proportion to the m* used.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 1.9
Function: Accommodation
Item: Making available: other facilities.

Description of Standard Services:
Not applicable.

Description of Collective Service:
This function relates to making available other facilities related to the office building and associated grounds facilities and parking (garage) facilities.

Examples of this include facilities that directly meet certain requirements of employees in the organization, that fall in the accommodation category and that have not been dealt with so far.

These activities are not part of the “standard” services and are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 2.1
Function: Services and Resources
Item: Providing: consumer services.

Description of Standard Services:
This function relates to the consumer services connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it. The costs related to any “lessee” investments (depreciation/interest) are also included in this.

This includes all the catering activities, services and resources aimed at providing food and drink facilities to employees and guests, and in particular:
- Providing hot and cold meals and drinks that can be consumed in the restaurants on the Strip.
- Having drinks and snacks available locally in and near workplaces by means of machines in coffee corners and the restaurant.

For this purpose the (self-service) restaurants, kitchens and associated storage areas and the rinsing rooms in the buildings are fully outfitted with equipment and serving furniture, along with the various coffee corners distributed throughout the building.

To this end, a contract with catering and vending suppliers has been concluded. The agreed catering concepts per restaurant are based on the following, *inter alia:*
- Subsidized basic range and non-subsidized luxury range.
- Large selection, and restaurant opening times vary per restaurant (see website).

- Purchases from restaurant by (electronic) payment at cash desk.
- Free coffee served from machines in the coffee corners.

Management reports shall be prepared in order to provide specific information about private and business consumption patterns and usage in the various departments.

The “standard” consumer services are allocated in proportion to the number of workplaces.

Description of Collective Services:
This includes all the catering activities, services and resources aimed at providing food and drink facilities to employees and guests, and in particular:
- Serving drinks, meals and snacks in the workplace and conference room,
- Arranging functions for which additional catering facilities need to be provided,
- Specific conference accommodations/auditorium for meetings and presentations.

Collective services are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 2.2
Function: Services and Resources
Item: Risk management: monitoring, protecting and prevention.

Description of Standard Services:
This function relates to the use of workplace space in the office building and risk management of the “accommodation”-related and “location”-related items linked to it.
The costs related to any “lessee” investments (depreciation/interest) are also included in this.

Examples of this include all activities, services and resources (including technology) that are aimed at monitoring/protecting the building, grounds, fixtures and fittings, the information system and the people, as well as measures that prevent, limit or control the consequences of disasters, such as:
- All physical security and monitoring measures or the deployment of people.
- The supervision, observation and inspection activities in and around buildings and grounds that ore aimed at keeping unauthorized persons away from the location (building, parking, grounds) and making sure that the organization’s property is not removed, such as: gate security, policy for checking parked vehicles and follow-up action, inspection rounds in the building, connection to control room.
- All activities aimed at preventing or limiting/controlling disasters, such as: detecting, registering and responding to alarms.
- The activities performed behind the reception desk, such as: assisting visitors, referral and badge issuing, with corresponding administrative measures.
- Organizing, equipping, training and exercising as part of Corporate Emergency Response (CER).
- General safety and/or security studies for license and/or insurance purposes that are or will be desired or necessary in general.

Risk management is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 2.3
Function: Services and Resources
Item: Cleaning: inside, interior windows and other items.

Description of Standard Services:
This function relates to the use of workplace space in the office building and to the regular (based on schedules) cleaning of the “accommodation”-related and “location”-related items linked to it.

Examples of this include all activities, services and resources aimed at cleaning and keeping clean the building, parking garage, grounds and fittings of the general and specific workplaces, such as:
- All activities aimed at cleaning and keeping clean the inside of the building.
- All activities aimed at cleaning the inside of the windows in the outside walls and the separation windows in inside walls and doors.
- Performing periodic quality controls.
- Changing/replenishing sanitary materials (soap, towels, toilet paper, etc.).
- Waste removal from the workplaces to a specially equipped collection point, except for paper, which is taken to the collection point by employees independently.
- Incidental cleaning operations on net curtains, window shades, vertical blinds, etc.
- Periodic cleaning of pavements, roads, other hardened surfaces and parking lots.

The cleaning work is carried out on the basis of cleaning schedules specifically drawn up for this purpose. These schedules are established by room, type and load and are objectively checked on the basis of the AQL values drawn up for this purpose for each room/object.

Cleaning is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 2.4
Function: Services and Resources
Item: Relocating: internal and external relocations.

Description of Standard Services:
This function relates to the use of workplace space in the office building and relocation in relation to the “accommodation”-related and “location”-related items linked to it.

Examples of this include incidental internal relocations for the general interest (concentration of vacancies).

This means smaller relocations and removals, such as moving the contents of cabinets and drawers and loose fittings, as well as the project management, preparation and coordination of these relocations, minor renovation work and modifications to the building and fixtures as a result of these relocations.

The agreed “standard” services are provided at no additional charge.

Relocating is allocated in proportion to the number of workplaces.

Description of Collective Services:
Examples of this include incidental internal relocations for individual and departmental interest.

This means smaller relocations and removals due to restructuring in the primary process, such as moving the contents of cabinets and drawers and loose fittings, as well as the project management, preparation and coordination of these relocations, minor conversion work and modifications to the building and fixtures as a result of these relocations.

These “collective” services are provided upon request and charged separately. If required, a quotation will be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 2.5
Function: Services and Resources
Item: Document management, creation, processing, reproduction and administration.

Description of Standard Services:
This function relates to the use of workplace space in the office building and document management in relation to the items linked to it.

Within the location, the mail facility contains all postal procedures and courier services. This includes the (central) mail room with equipment and materials, reimbursements for such matters as metering and bringing around small items of mail on an ad hoc basis, including the costs of the staff doing this.

The agreed “standard package” provided at no additional charge includes only the mail facility product group. Other “additional” activities are charged separately. If required, a quotation can be provided beforehand.

The multifunctional network printers/copiers come under the Facility Management cluster. Messages/requests that apply to this will be passed on to the relevant helpdesk of the appropriate service provider.

Document management is allocated in proportion to the number of workplaces.

Description of Collective Services:
Examples of this include activities, services and resources aimed at:
- Providing support in creating and laying out documents to be used for printed matter,
- Centrally processing documents, printing them and making illustrations,
- Transporting goods (if requested) for the primary process.

This documents and logistics service is centrally situated within the location.
The package offered contains “additional” activities that are charged separately.
If required, a quotation can be provided beforehand.

Description of Optional Services:
Examples of this include activities, services and resources aimed at:

- Administering, storing and archiving documents in dynamic or static archives
- Short-term storage of goods (< 5 days in the complex)
- Coordination of long-term (external) storage (packed goods per pallet, packed unit, m^2)

Separate agreements can be made for this service. For this purpose more detailed agreements must be reached beforehand regarding the content and duration of the service to be provided. The service is then offered in “customized” form and accompanied by an appropriate quotation.

Code number: 2.6
Function: Services and Resources
Item: Waste management: collection, removal and processing.

Description of Standard Services:
This function relates to the use of workplace space in the office building and the waste management of the “accommodation”-related and “location”-related items linked to it.

Examples of this include all on-site activities that are aimed at the process of collecting, storing, removing and destroying all materials and items that no longer have any (usage) value to the organization. Materials in this category are household, paper and (small) chemical waste.

This category also includes the activities aimed at removing waste from the grounds. These activities include periodically sweeping the grounds, roads and other hardened surfaces, removing litter, etc., and removing the above-mentioned waste materials.

The collection is coordinated in close cooperation with the cleaning schedules established for this purpose. Various agreements and reports are also related to the on-site environmental management program and the Philips ecovision program.

The agreed “standard” services are provided at no additional charge.
Additional services that are requested, are however charged separately.
If required, a quotation can be provided beforehand.

Waste management is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 2.7
Function: Services and Resources
Item: Issuing: fittings, materials and utensils.

Description of Standard Services:
This function relates to the use of workplace space in the office building and the issuing of consumer goods such as fittings, materials and tools of the “accommodation”-related and “location”-related items linked to it. The costs related to any “lessee” investments (depreciation/interest) are also included in this.

This function relates to such items as fittings or fitting-out in the building.
Fitting-out means:

- Workplace fittings such as desks, chairs, cabinets, hat racks, wastepaper baskets;
- Conference facilities, such as those present in the specially fitted-out rooms;
- Fittings in general areas, such as lobbies, entrance halls, smoking rooms and seats, display cases, cabinets and the like in these common areas;

This function also relates to the issuing of materials and tools in an organization. This means the following items:

- “Indoor” landscaping, such as plants throughout the building;
- Objects with an artistic and cultural message to enhance the building’s appearance in the form of posters, paintings, statues, etc.
- Sign-posting indicating directions in the building, such as name signs, department references and the like.

The agreed “standard” services are provided at no additional charge. In some buildings, reservations of some conference facilities are made through the reception desk of that building.

The issuing of the “standard” services and resources is allocated in proportion to the number of workplaces.

Description of Collective Services:
Examples of this include the issuing of consumer goods in an organization.
This means office supplies and tools such as consumables, extension cords and the like.

These office supplies and tools are charged separately.
If required, a quotation can be provided beforehand.

Several options to lease space on the Strip are also included with regard to presentation tools, drinks and other facilities, see website.

Description of Optional Services:
Not applicable.

Code number: 2.9
Function: Services and Resources
Item: Making available: other services and resources.

Description of Standard Services:
This function relates to the making available of other services and resources connected to the use of workplace space in the office building and the “location”-related items linked to it. At the location, some functions have been set up for that purpose, such as the presence of shops, child care, fitness/RSI prevention, outdoor sports accommodations.

Description of Collective Services:
This function relates to the making available of other services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organization in the services and resources function category and that have not been dealt with so far.

This includes the use of the shops, child care, fitness/RSI prevention, outdoor sports accommodations. These activities, services and resources are not part of the “standard” services and are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 3.1
Function: FCT (Facility management, communication technology)
Item: Providing: external infrastructure, internal infrastructure, hardware and software.

Description of Standard Services:
This function relates to the provision of all facility management communication technology activities, services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it that are aimed at:

- External facilities relating to telecommunications and data communications; examples of this include central aerial systems.
- Specific facilities in the building aimed at carrying voice and data signals; these include both wired and wireless connections such as beepers, walkie-talkies and associated systems.
- Making available the specific equipment needed for the relevant data communications and telecommunications, such as the devices referred to above.
- All software-based resources aimed at making this hardware/equipment function.

The Campus LAN is connected to the Philips Metropolitan Area Network (MAN). Through MAN, the Philips Global Network (PGN) and, after it, the internet can be accessed. The Campus LAN also includes the layout of the various Mers (Main Equipment Room) and Sers (Satellite Equipment Room), data centers in which the Basic Network Services are realized, switching equipment in the MER and SER, fast routers and switches.

Each workplace is equipped with a 10 Mb/s connection (active), and with one or several 100 Mb/s connections. The number of UPT connections is limited (varies per building). There are 4 UTP network connections provided per workplace connection.

The provision of the “standard” services as described above is allocated in proportion to the number of workplaces. The costs related to any “lessee” investments (depreciation/interest) are also included in this.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 3.2

Function: FCT (Facility management, communication technology)
Item: Providing support in: training, management, maintenance, advice, catastrophes and services to support FCT.

Description of Standard Services:
This function relates to the provision of support for all facility management communication technology activities, services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it that are aimed at the following facility management functions:

- External facilities relating to telecommunications and data communications; examples of this include central aerial systems.
- Specific facilities in the building aimed at carrying voice and data signals; these include both wired and wireless connections such as beepers, walkie-talkies and associated systems.
- Making available the specific equipment needed for the relevant data communications and telecommunications, etc., such as the devices referred to above.
- All software-based resources aimed at making this hardware/equipment function.
- The telephony backbone infrastructure (switchboards), the front end (apparatus), various subscription services and one-time services are done by KPN, with the UATS (Umbrella Agreement Telephony Services) between Philips in the Netherlands and KPN as its basis.
- The horizontal telephony cabling system in the buildings is executed by the Campus ICT organization.
- The communications and telecommunications equipment, both wired and wireless, comes entirely under the Campus ICT cluster, hence within the FCT cluster.
- Reports/requests that apply to this will be passed on to the relevant helpdesk of the ICT organizations.
- Communication takes place (as much as possible) through the web, in order to optimize cost-efficiency.

The costs related to any “lessee” investments (depreciation/interest) are also included in this.

The provision of the “standard” FCT services as described above is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 3.9
Function: FCT (Facility management, communication technology)
Item: Making available: other services and resources.

Description of Standard Services:
This function relates to making available all facility management communication technology activities, services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it that are aimed at the facility management functions.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organization in the facility management communication technology (not ICT Benelux!) function category and that have not been dealt with so far.

Parts of FCT services are currently provided at different locations by the Communications Contact Person (CCP). These services come under the competence of Campus ICT. The intrinsic services are transferred in a site-by-site manner.
This involves the following services:

- Ordering and delivering mobile and other phones, fax equipment, teleconferencing equipment, etc.
- Managing phone and fax files.
- Carrying out repairs, remedying malfunctions.
- Coordinating small internal relocations.
- Updating the communication guide.

HTC has a service desk which can be contacted by the local ICT organizations for matters such as user support:

The costs related to any “lessee” investments (depreciation/interest) are also included in this.

The issuing of the “standard” services is allocated in proportion to the number of workplaces.

Description of Collective Services:
Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organization in the facility management FCT (not ICT Benelux!) function category and that have not been dealt with so far.

These activities, services and resources are not part of the “standard” services and are charged separately. If required, a quotation can be provided beforehand.

Description of Optional Services:
Not applicable.

Code number: 4.1
Function: External Facilities
Item: Providing: external accommodation, external workplaces and meeting places and passenger transport.

Description of Standard Services:
Not applicable.

Description of Collective Services:
Not applicable.

Description of Optional Services:
This function relates to the provision of activities, services and resources connected to the use of workplace space in the office building and the "accommodation"-related and "location"-related items linked to it that are aimed at:

- Temporary accommodation "outside" the organization,
- Providing workplaces and meeting places "outside" the organization,
- Transporting employees on an incidental basis.

N.B. External facilities fall primarily under the Travel Office's service; they are therefore expressly excluded from the Facility Management cluster. Reports/requests that apply to this will be passed on to the relevant helpdesk of the Travel Office.

The activities, *services* and resources that are part of the "scope" of Facility Management are charged separately. If required, a quotation can be provided beforehand.

Code number: 4.9
Function: External Facilities
Item: Making available: other facilities.

Description of Standard Services:
Not applicable.

Description of Collective Services:
Not applicable.

Description of Optional Services:
This function relates to making available all other external (facility management) facilities, services and resources connected to the use of workplace space in the office building and the "accommodation"-related and "location"-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organization in the external facilities facility management function category and that have not been dealt with so far.

These activities, services and resources are charged separately. If required, a quotation can be provided beforehand.

Code number: 5.1
Function: Facility Management
Item: Providing: facility management.

Description of Standard Services:
This function relates to the provision of facility management facilities, services and resources connected to the use of workplace space in the office building and the "accommodation"-related and "location"-related items linked to it.

Examples of this include the general management function responsible (within the organization's central policy frameworks) for the facility as a result of the planning and coordination of support processes.
This includes all activities, services and resources aimed at:

- Formulating philosophy, strategy and goals in the field of facility management.
- Managing, advising on and operating the facilities.
- Renovating, optimizing and improving processes and services.

Campus Site Management interprets the policy and the general management function at the HTC, including specific attention given to internal and external communication, website, specific subsidies, mobility management & transportation plans.

Representing, with power of attorney, the director/plant manager in environmental matters vis-à-vis the permit issuer and/or the government.

An SLA has been made with AA Facility Management BV regarding the products and services achieved under its responsibility. In consultation with CSM and the on-site facility manager (AAfm), they have been translated into KPIs, which are reported and discussed on a regular basis. To this end, a communication

procedure and timetable will be drawn up. Once a quarter, these KPIs will be centrally placed on the agenda of the HTC Management Committee following interim consultation with the Site Management. Structural matters can be discussed during the periodic “occupant consultations.”

The issuing of these “standard” services is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 5.2
Function: Facility Management
Item: Conducting: business services, environmental, health A safety, risk, procurement, information and quality management.

Description of Standard Services:
This function relates to the conducting of support activities within CSM aimed at management facilities, services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it. This includes all activities, services and resources aimed at:

- The administrative support of the facility manager in the organization.
- Fulfilling the statutory and corporate obligations in the field of environmental and sustainability reports,
- Fulfilling the statutory obligations in the field of working conditions,
- Formulating policy for the building, grounds and fixtures and fittings for protecting people and preventing, limiting or controlling the risk arising from disasters.
- Policy formulations and developments relating to the procurement process.
- Policy formulations and developments to assure or improve certain pre-defined performances of the output to be delivered by the facility management processes within the organization.
- Obtaining and administering licenses for using the buildings within the SLA described. In the instances where this overlaps with the primary process, it is not provided and further discussions, will be held in this regard.
- Several auxiliary operational activities, such as: advising on lay-out designs of renovation work, switching fire alarm monitoring station on and off, granting permits for high-fire-risk activities, coordination of statutory inspections (e.g. hoists, etc.), supervising RI&E audits, maintaining contacts with government departments, utility companies and environmental offices, support in the design of contingency plans in case of catastrophes, etc.

Drafting an environmental year plan for the coming year, and an annual report of the past year that will be published. Registering and reporting the (number of) environmental incidents.

An SLA has been made with AA Facility Management BV regarding the products and services achieved under its responsibility. In consultation with the on-site facility manager (AAfm), they have been translated into KPIs, which are reported and discussed on a regular basis. To this end, a communication procedure and timetable will be drawn up that is agreed with each individual customer. Once a quarter, these KPIs will be centrally placed on the agenda of the HTC Management Committee following interim consultation with the Site Management. Structural matters can be discussed during the periodic “occupant consultations.”

The issuing of these “standard” services is allocated in proportion to the number of workplaces.

Description of Collective Services:
Not applicable.

Description of Optional Services:
Not applicable.

Code number: 5.9
Function: Facility Management
Item: Making available: other management.

Description of Standard Services:
Not applicable.

Description of Collective Services:
Not applicable.

Description of Optional Services:
This function relates to the making available of all other facility management activities, services and resources connected to the use of workplace space in the office building and the “accommodation”-related and “location”-related items linked to it.

Examples of this include activities, services and resources that are used for facilities that directly meet certain needs of employees in the organization in the facility management category and that have not been dealt with so far.

These activities, services and resources are charged separately. If required, a quotation can be provided beforehand.

General and Specific Conditions relating to previous NEN/SLA numbers

Collective and Optional Services:
These relate to additional customer-specific services that are purchased in addition to the binding “standard services.” These additional services are included in general terms in the SLA; in some cases reference is made to likely examples, without claiming to be exhaustive.
Questions relating to these services can be put directly to the Facility Management Office.
Additional services are charged separately in proportion to agreed off take and price.

Order and complaints process:
Changes in the number of workplaces are adjusted for on the first day of the following month (in accordance with Article 2). Adjustments to the number of workplaces are not charged for with retroactive effect. For changes you can contact the Central Service Point (CSP);

There is a complaint procedure to handle any complaints. The procedure consists of a set plan, in which the complaint is discussed up to and including prevention of complaints.
The complaint procedure is as follows:

1. The complaint is filed in writing with CSP (by means of a complaint form, see website).
2. The complaint is centrally registered and handled by the responsible person at CSP.
3. A confirmation, indicating whether the complaint will be considered or not, will be sent to the filer. The next steps as well as the end date are stated. If a complaint is not considered, it must be argued.
4. The one who “caused” a complaint will be notified.
5. From the central complaints register, a monthly check is performed as to which complaints are still pending, and the person responsible will be notified.
6. The person responsible in CSP will then inform the person filing the complaint of the action that was taken in order to prevent further complaints.

Terms of delivery:

Invoicing takes place in accordance with the contractual conditions and in proportion to the workplace usage (based on m^2 used and/or the number of employees; see Annex II).

If the efficiency of the building can be increased, a lessee can be compelled to cooperate on this. For this purpose, the Lessee can be requested to make one or more internal relocations (cost to be barred by perpetrator).
In that case, Site Management Will contact Lessee.

For each individual function/service, additional procedures/conditions may be stipulated which individual employees must observe in order to bring about the optimum price/performance ratio. The service activities guide and/or intranet page and/or service desk will provide this information as and when necessary.

Contact persons:
Facility Management Helpdesk: servicedesk@aa-fm.com; telephone number 040 2332 880
Facility Manager: Fred Kamp
Site Management: Dave Lockwood
Intranet: http://EWW.hightechcampus.nl

Management information (KPIs):
Various KPIs are measured on-line and once a quarter a management report will appear which, if required, can be explained personally.
The site report will be discussed by the Management Committee once a quarter as an agenda item.
The most important KPIs relate to: customer satisfaction surveys, meeting the agreed service levels, improvement plans, service management, projects, energy and technical management, functioning of facility management helpdesk and on-site workers.

Annex II

Annual budget breakdown

Building WDB Business PSW

	Cost per workplace per year				
Construction tariff per	**single XL**	**single**	**split**	**share**	**cost per leasable floor space (non-office)**

workplace	30 m^2 54.33	21 m^2 38.03	12 m^2 21.73	10 m^2 18.11	per year	
1 Accommodations	14.122	9.886	5.649	4.707	236.87	
2 Services and resources	3.542	3.263	2.984	2.922	51.35	
3 ICT	1,765	1,765	1,765	1,765	44.13	
4 External facilities	—	—	—	—	—	
5 Facility management	371	371	371	371	9.37	
	19,800	15,284	10,769	9,766	341.71	
Vacancy risk 2.00%	404	312	220	199	7	
Traffic, office per workplace	20,204	15,596	10,989	9,965	349	
Building WDB		offices			non-offices	
		workplaces			m^2 (leasable floor space)	
First floor				0		
Second floor	1	1		15	17	97
Third floor	1	1	0	41	43	66
Fourth floor						
Quantities	2	2	0	56	60	163
First floor	—	—	—	—	—	—
Second floor	20,204	15,596	—	149,472	185,272	33,823	219,095
Third floor	20,204	15,596	—	408,558	444,358	23,013	467,371
Fourth floor	—	—	—	—	—	—	—
Amounts	40,408	31,193	—	558,030	629,630	56,836	686,466

RIDER No. 001

[See original for text in English.]

[See original for text in English.]

Philips Digital Networks B.V.

P.O. Box 80021, 5600 JZ Eindhoven, The Netherlands

Philips Electronics Nederland B.V.
Attn. Site Management HTC
Prof. Holstlaan 100

5656 AA Eindhoven

Phone: +31 (0)40 2732565
Fax: +31 (0)40 2742274
Hans.streng@philips.com

Subject: Notice of termination

Ref: tf
Date: June 16, 2006

Ladies and Gentlemen:

As of next July 1st, Philips Crypto Tech will no longer be leasing building HTC 45. This lease agreement is dissolved as of this date.

Also as of July 1st, the new lessee (Philips Semiconductors BU-EB) will take over the lease.

Kind regards,

Philips Digital Networks B.V.

[signature]
J.H. Streng
CEO

Philips Semiconductors

Business Unit Emerging Businesses

Campus 45

Eindhoven

2732565

2742774

Visiting address:
High Tech

5656 AE

The Netherlands
T: +3l 40

F: +31 40

The undersigned:

1. **PHILIPS ELECTRONICS NEDERLAND B.V.,** acting herein under the name **"EXPLOITATIEMAATSCHAPPIJ PHILIPS HIGH TECH CAMPUS,"** having a principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 100, Building HTC, for the purposes of this transaction represented by Mr. C.H.L. van der Linden and Mr. J. Wilkes in their capacity as managing directors of the company under its articles and in their capacity as special authorized representatives of this company,

hereinafter referred to as **"Lessor,"**

and

2. **PHILIPS SEMICONDUCTORS B.V.,** having its principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 4, for the purposes of this transaction represented by Mr. J. Lobbezoo and Mr. T. Claasen,

hereinafter referred to as **"Lessee,"**

whereas:

- Lessor wishes to lease the office/business premises referenced hereinafter to Lessee, and Lessee wishes to lease the office/business premises referenced hereinafter from Lessor;

- Lessor derives its authority to lease out said premises from a leasing agreement that it has entered into with Tetona Investments B.V., with registered office in Amsterdam;

- Unless context indicates otherwise, references in the present agreement to leasing between the parties shall be understood as denoting subleasing;

- The parties wish to set forth their arrangements concerning this leasing in writing.

do hereby agree to the following:

1. The Leased Property, Intended Purpose and Use

1.1 The present leasing agreement relates to the office/business premises with a leasable floor area ("v.v.o.") of 9,8~~30~~22 m(2), which has been constructed at Prof. Holstlaan in Eindhoven and is also referred to as "Building WDE," in both respects in accordance with the site plan and other plans attached as Annex 2, with which the parties are sufficiently acquainted, hereinafter referred to as "the leased property," with 230 parking spaces in a parking garage on the Philips High Tech Campus to be further specified.

[initials]

1.2 The leased property may be used exclusively as office/business premises, research and/or development premises, or laboratories.

1.3 Lessee is not permitted, without the prior written content of Lessor, to use the leased property for

Initials
[initials]

Lessee's initials
[initials]

any purpose other than as described in Sec. 1.2.

1.4 The maximum permitted load on the floor(s) of the leased property is 400 kilograms per square meter.

1.5 After consultation with Lessee, Lessor's site management is entitled to reduce the number of parking spaces allotted to Lessee, if a change in the expected number of parking spaces needed for the users of the Philips High Tech Campus constitutes reasonable cause to do so. The rental fee for the leased property shall in that case be lowered by €919 per parking space per year for each parking space by which Lessee's allotment is reduced. If at any time Lessee uses more or fewer parking spaces than the amount to which it is entitled under the terms of the present agreement ("actual overuse" or "actual underuse"), then it shall be charged an amount of €919 per actually overused parking space per year or be given a discount of €919 per actually underused parking space per year, or, if the actual overuse or actual underuse occurs for a period longer or shorter than one year, an amount prorated to the duration of the actual overuse or actual underuse, all as further stipulated in the regulations of the Philips High Tech Campus, to be approved by the Managing Board, on which one or more representatives of Lessor and one or more representatives of Lessee shall hold seats.

2. Terms and Conditions

2.1 The following are integral parts of the present agreement:

(i) the "General Stipulations of Leasing Agreements for Office Premises and Other Business Premises Not Subject to Article 7A (1624) of the Civil Code," filed at the Office of the District Court in The Hague on February 29, 1996 and registered there under No. 34/1996, hereinafter referred to as the "General Stipulations";
(ii) the appendix to the present agreement contained in Annex 6 to the present agreement, hereafter referred to as the "Appendix";

(iii) the annexes to the present agreement.

The parties are acquainted with the contents of the General Stipulations, the Appendix, and the annexes. Lessee has received a copy thereof and declares its acceptance thereof upon signing the present agreement.

2.2 The stipulations of Sec. 2.1 apply insofar as not provided otherwise in the present agreement or unless the application thereof with respect to the leased property is not possible.

3. Term, Duration, and Termination

3.1 The present agreement enters into force on May 17, 2002, hereinafter referred to as the "effective date." Notwithstanding the provisions of Stipulations 17.1-17.3 of the "General Stipulations," Lessee is obligated to accept leasing of the leased property and the appurtenant parking spaces effective from May 17, 2002, hereafter referred to as the "date of delivery," and Lessor is obligated, effective from the date of delivery, to provide leasing of the leased property and the appurtenant parking spaces. If the leased property is not available on the date of delivery, Lessor

shall, with due regard for Lessee's reasonable interests, set a new date that shall replace the date of delivery and shall also be referred to hereinafter as the "date of delivery."

3.2 The present agreement ends, without any notice requirement, on May 17, 2007 (hereinafter referred to as the "end date"), unless the agreement is extended or has been previously terminated pursuant to the terms of the present agreement. Lessor shall notify Lessee at least six months prior to the end date whether the agreement can be extended. If the present agreement has been extended pursuant to the terms of the agreement, it ends, without any notice requirement, on the last day of the extension period, unless the agreement is again extended or has been previously terminated pursuant to the terms of the present agreement.

3.3 If Lessor in any way obtains the authority to lease the leased property and the appurtenant parking spaces to Lessee after the end date, the present agreement shall, if so requested by Lessee, be extended for the duration of the period for which Lessor has obtained said authority. Both Lessor and Lessee can, however, limit said extension to a period of five years. In the event of any extension of the present agreement, Lessor and Lessee shall decide on a new rental fee by mutual consent, with said rental fee to be in conformity with market conditions. However, the rental fee shall in all instances be adequate to cover Lessor's reasonable costs arising from the acquisition, use, administration, and preservation of the aforesaid authority, said costs expressly including but not limited to the financing costs and/or rental fees incurred by Lessor with respect to the leased property and the appurtenant parking spaces. Lessor and Lessee shall enter into consultation concerning a further extension of the present agreement no later than six months prior to the end of the extension period.

Lessor shall make every commercially reasonable effort to obtain the authority referred to in the first sentence of this section under terms and condition convenient to Lessor.

3.4 Lessor is entitled to effect premature termination of the present agreement, with notice:

(i) effective from the date on which its authority to lease the leased property and the appurtenant parking spaces to Lessee ends;
(ii) if a circumstance as specified in Stipulation 7 of the "General Stipulations" arises; or
(iii) if Lessee is no longer a subsidiary of Koninklijke Philips Electronics N.V. within the meaning of Article 24a, Book 2, of the Civil Code.

Premature termination of the present agreement by Lessee is not possible. Insofar as Lessor has granted its advance, written, express consent thereto, Lessee has the authority to substitute a third party in its stead, in whole or in part, with respect to the present agreement. Lessor shall not withhold its consent on unreasonable grounds nor attach unreasonable conditions to its consent to the substitution. At Lessee's request, Lessor shall make every commercially reasonable effort to find a third party for the aforesaid substitution. Any costs incurred through such efforts shall be

borne by Lessee, if approved in advance and in writing by Lessee.

3.5 Notice as referred to in Sec. 3.4 shall be effected by way of writ or by registered mail.

4. Payment Obligation, Payment Period

4.1 Lessee's payment obligation arising from the present agreement comprises:

- the rental fee (said fee being inclusive of the fee for leasing the parking spaces named in Sec. 1)
- the value-added tax owed on this rental fee or an amount corresponding thereto, in accordance with and with due regard for the provisions of Stipulations 15.2 and 15.3 of the General Stipulations, provided that the parties have agreed to a rental fee subject to value-added tax.
- compensation for the user-specific investments as referred to in Sec. 9.6.

4.2 The annual rental fee is ~~€1,884,144~~*1,882,782* (one million eight hundred eighty-four thousand one hundred forty-four euros). This amount is derived as the total of €170.17 per square meter of v.v.o. per year for the leased property plus €919 per parking space per year. [initials]

4.3 The rental fee is adjusted one year after the effective date in the first instance, and subsequently as of February 1 of each year, in accordance with Stipulations 4.1 and 4.2 of the "General Stipulations," on the understanding that the consumer price index series CPI-Employees Low (1990=100) is replaced by the consumer price index series CPI-Employees Low (1995=100).

4.4 The fees for additional facilities and services are determined in accordance with Stipulation 12 of the "General Stipulations." Such fees shall be subject to a system of advance payments with settlement at a later date, as indicated there.

4.5 The payments to be made to Lessor by Lessee are due in lump sums payable in advance for successive payment period(s) as indicated in Sec. 4.6 and must be paid in full prior to or on the first day of the period to which the payments relate.

4.6 The rental fee per payment period of one calendar month is €157,012.00. The rental fee per year is €1,884,144.00. These amounts are exclusive of value-added tax.

4.7 In view of the effective date of the lease, the first payment period relates to the period from the date of delivery through the last day of the respective calendar month. The amount owed for that period shall be prorated according to the number of days in that period. Lessee shall pay that amount, plus any value-added tax owed thereon, prior to the date of delivery.

4.8 The leasable floor area named in Sec. 1.1 has been determined in accordance with the measurements indicated in the Measurement Certificate prepared in conformity with NEN 2580,

Elta J. Claas. Adjustments between Lessee and Lessor for under- or over-measurement of the leased property are barred.

5. Value-Added Tax

5.1 The parties agree that Lessor shall charge Lessee no value-added tax on the rental fee if they belong to the same VAT tax entity. If Lessor and Lessee cease to belong to the same VAT tax entity, Annex 5 shall apply immediately.

6. Facilities and Services

6.1 The Philips High Tech Campus shall offer a number of centrally provided additional facilities and services for all lessees. There are facilities and services that are of interest to all lessees and are not business-specific, such as catering, security, landscaping, etc. The Philips High Tech Campus site management and Lessee shall in due course enter into consultation concerning additional facilities and services to be utilized by Lessee by way of the consultation body established for this purpose, known as the "Managing Board."

6.2 If specific facilities and/or services on the so-called Central Strip of the Philips High Tech Campus are provided or offered, Lessee is immediately barred from (further) offering, directly or by way of third parties, these or comparable facilities and/or services on the High Tech Campus to its employees whose normal workplace is on the Philips High Tech Campus.

6.3 Lessee and the Philips High Tech Campus site management shall enter into further agreements concerning the terms and conditions of facilities and services as referred to in Sec. 6.1 and 6.2. The fees to be charged to Lessee shall be determined in conformity with market conditions.

7. Bank Guarantee

7.1 Contrary to Stipulation 8 of the "General Stipulations," Lessee is not obligated to furnish a bank guarantee to Lessor.

8. Coordination

8.1 Lessor designates as its agent for performance of the present agreement the Philips High Tech Campus site management, which shall act on its behalf.

9. Special Stipulations

9.1 Substantive alterations in the leased property require the advance written approval of Lessor.

9.2 Notwithstanding the authorities to terminate the present agreement that Lessor may hold under

the provisions of Sec. 3.4 (iii) of the agreement, the parties agree that if Lessee ceases to belong to the tax entity for value-added tax to which Lessor and Lessee belong at the time when the agreement is entered into, then they, if Lessor fails to exercise its authority to terminate the present agreement as described hereinabove, effective from the time at which Lessee ceases to belong to the tax entity as referred to hereinabove, shall enter into a new leasing agreement with respect to the leased property and the appurtenant parking spaces:

(i) in which it is stipulated that the rental fee shall be subject to value-added tax;
(ii) that shall incorporate the stipulations as attached to the present agreement as Annex 5;
(iii) whereby said agreement shall be substantively identical to the present agreement, except that Sec. 7 of the present agreement shall be replaced by a new Sec. 7 reading as follows: "The bank guarantee referred to in Stipulation 8.1 of the "General Stipulations" shall be in an amount equivalent to six times the rental fee for the leased property per month plus the costs of the additional facilities and services over that same period, as stipulated in the agreement that the present agreement replaces and at the time immediately preceding the time at which the present agreement replaces the previous agreement"; and
(iv) in which it is stipulated that the present agreement is terminated effective from the date on which the new agreement enters into force.

9.3 The October 1998 report by DHV B.V. concerning the exploratory soil study and the March 1999 report by Oranjewoud B.V. (Document No. 947051772) concerning the soil study are deemed the environmental study whose performance is required prior the start of the present agreement, as referred to in Stipulation 2.6.1 of the General Stipulations.

9.4 With the prior written consent of Lessor, Lessee has the right, with due regard for locally applicable ordinances and other regulations, to place advertising materials on, in, near, or alongside the leased property. Lessor shall not exercise its right to place advertising materials on and/or alongside the leased property as referred to in the "General Stipulations." Lessor shall grant or deny written consent in conformity with the policy pertaining thereto, to be established as appropriate by the steering committee.

9.5 The following elements of Stipulations 9.2.1 and 9.2.4 of the "General Stipulations" are considered altered:

(i) the following is added to the stipulation under 9.2.1 (c): "insofar as mounted on the interior of the leased property and subject to renovation owing to normal wear and tear";
(ii) the following is added to the stipulation under 9.2.1 (d): "subject to renovation owing to normal wear and tear";
(iii) in the stipulation under 9.2.1 (g), the parentheses around "and renovation of small components" are disregarded;
(iv) in the stipulation under 9.2.4, the phrase "and the cleaning of ventilation conduits is disregarded."

Costs of maintenance, repair, and renovation that are not borne by Lessee pursuant to the stipulations of (i) through (iv) shall be borne by Lessor.

9.6 Notwithstanding the provisions of Stipulation 5.1 of the "General Stipulations," with respect to the so-called user-specific investments made by Lessor on behalf of Lessee as further specified in Annex 7 to the present agreement, the interest and repayment of principal on said user-specific investments shall be paid by Lessee in the form of an annual payment over the term of the present agreement, due each January 1, of €223,871, this being the annual annuity for interest and repayment of principal for said user-specific investments calculated with a term of 15 years and an interest rate of 7% per annum paid in arrears. At the end of the present leasing agreement, unless Lessor is at fault for termination, the cash value — calculated at an interest rate of 7% per annum paid in arrears — of the remaining annual annuities — over the period of 15 years after the date of delivery — shall be payable immediately and in full by Lessee to Lessor. If a subsequent owner or lessee wishes to retain user-specific investments in the leased property, Lessee's obligation to remove user-specific investments at the end of the leasing agreement expires and any compensation paid for them by the subsequent owner or lessee shall be for the benefit of Lessee.

9.7 The present agreement supersedes all prior arrangements made between Lessee and Lessor with respect to the subject matter of the present agreement (including all appurtenant annexes).

Made and subscribed in duplicate

Place:	Place: *Eindhoven*
Date:	Date: *9-26-2002*
Philips Semiconductors B.V.	**Philips Electronics Nederland B.V.**
[signature]	[signature]
J. Lobbezoo **T. Claasen**	**J. Wilkes** **C.H.I. van der Linden**

Annexes

1. General Stipulations
2. Site plan & other plans for the leased property
3. Model agreement as referred to in Sec. 1.3 of the Appendix
4. Copy of Sec. 27.1 of the Master Lease
5. VAT stipulations
6. Appendix as referred to in Sec. 2.1 (ii) of the present agreement
7. List of user-specific investments as referred to in Sec. 9.6 of the present agreement

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

J-DE-7.1:1-1

Lease

1. Contracting parties, property and contract period

The City of [*Freie und Hansestadt*] Hamburg (hereinafter referred to as Lessor) leases to Philips Semiconductors GmbH, address: Stresemannallee 101, 22529 Hamburg (hereinafter referred to as Lessee) the following property (hereinafter referred to as the Leased Property):

Hamburg-Lokstedt
Subplot 4014
Of sub-district Lokstedt

with an area of 3,334 m(2), indicated in green on the attached site plan, for the period from August 1, 2002 until July 31, 2007.

2. Purpose and development

The Leased Property is leased for commercial purposes, and specifically to be maintained as a parking area for employees of Philips Semiconduktors GmbH.

A use of the area for other purposes is not permitted and entitles Lessor to termination without notice in accordance with No. 18.2 of the General Contract Terms and Conditions (AVB).

Lessee has already created the parking facility.

In a departure from No. 4 AVB, the construction of other structures on the property being made available is not permitted.

3. Rent

The annual rent is EUR 26,220 (in words twenty-six thousand two hundred twenty Euros) and shall be deemed to be a fixed rent up until July 31, 2007.

It is payable quarterly in advance in installments of EUR 6,555.- and must be credited to the **Landeshauptkasse Hamburg** [Hamburg Exchequer] on the 1st day of every calendar quarter.

In addition, Lessee agrees to reimburse Lessor for the full amount of sidewalk cleaning fees incurred, in each case upon first request.

Payments are to be made to the **Landeshauptkasse Hamburg, account No. 106831 at the Hamburgische Landesbank (bank routing code 200 500 00) with the reference number [ ]**

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

4. General contract terms and conditions

Except as additional or other agreements may be provided for in numbers 2, 5 and 6 of this lease, the lease shall otherwise be subject to the “General Contract Terms and Conditions of the City of Hamburg for the Leasing of Properties” (AVB in the version of February 2002), which are attached and are part of the present agreement.

5. Termination

The agreement shall cease without termination on July 31, 2007 upon expiration of the period agreed under No. 1.

Termination shall otherwise be governed by the provisions of law and the AVB.

6. Special contract terms and conditions

The following is agreed in addition or as a change to the AVB:

6.1 Lessee has created a structure (parking facility) on the Leased Property on the basis of the lease dated August 12, 1991 as well as the lease amendments dated February 26, 1992, March 22, 1993, November 1, 1994, May 3, 1996 and the lease dated February 18, 1998.

It is only intended for a temporary purpose within the meaning of § 95 subsection 1 BGB [German Civil Code] and therefore remains the property of Lessee.

No compensation is due in the event of an extraordinary termination in accordance with No. 20 AVB.

6.2 Lessee's right of termination—as provided in § 549 subsection 1 sentence 2 BGB—in the event that consent to subleasing is not granted (No. 16 AVB) is precluded. However, Lessor will only withhold its consent on important grounds.

6.3 In the event of a change in ownership or a change in the corporate form on the part of Lessee, No. 16 AVB shall apply accordingly.

6.4 Upon termination, Lessee shall be required to return the Leased Property in a cleared state. To this end, reference is made to the full content of Item 19 AVB. This notwithstanding, Lessor agrees, however, to assert this claim only to the extent that it is necessary for financial reasons or reasons of expediency in light of an intended or conceivable subsequent use. However, Lessor will not assert any right to re-conversion of access roads or of the sidewalk.

6.5 Lessee shall maintain the Leased Property including the footpath at its own expense. In the event of a removal, it has no claims whatsoever to reimbursement of expenditures of any kind whatsoever.

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

6.6 Lessee agrees to obtain liability insurance coverage appropriate to the intended purpose of the Leased Property or to include it under existing insurance coverage.

It further agrees to hold the City harmless of all claims by third parties that might arise from the state of the property or its use.

6.7 As an addendum to Item 9 AVB it is agreed that Lessee will be obligated to maintain the existing metal enclosure.

6.8 Lessee agrees to make the Leased Property available, in consultation with Lessor, for neighborhood-based activities.

Such availability will be granted by Lessee in line with the model agreement attached to the present agreement.

Lessee shall be entitled to any fee to be charged. The amount of the fee shall be determined by the rates that are charged by Lessor for other comparable spaces (presently: one-time fee of EUR 50 for circuses; EUR 10 per day per unit for fairground rides etc.)

6.9 Item 2.3 AVB shall not apply.

As Lessor:	As Lessee:
City of Hamburg	Philips Semiconductors GmbH Hamburg
Eimsbuttel District Office Property Office *June 26, 2002*	
[signatures]	[signatures]

Lease/ack

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg

EY
Sept. 18, 2006 12:34 EDT

FREIE UND HANSESTADT HAMBURG

EIMSBUTTEL DISTRICT OFFICE
PROPERTY OFFICE

[See original for letterhead information]

- E/LI 92.97 -

Subject:

Availability for use of partial area of approximately m^2 of the
Sub-plot
shown in the
attached site plan in green and/or brown

Dear

In response to your request, the Property Office is making the above-referenced area available to you for the period from
to for the purpose of

Model Agreement

Terms and conditions:

1. The area is made available in its current state. The City assumes no liability, especially for the load-bearing capacity of the sub-soil and the access roads.

2. You agree to keep all claims for compensation by third parties that are or could be brought against the City away from the City.

3. The area is to be returned in the presence of a representative of the Property Office in a cleared and undamaged state on the first working day after the end of the availability period. At this time, all access roads must also have been returned to an orderly state.

4. A fee in the amount of DM (in words: German Marks) is payable for the availability, to be remitted by the above-referenced date—stating the payment reference number and preferably using the enclosed transmittal form—to one of the following accounts of the Landeshauptkasse Hamburg:

[initials]

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

Hamburgische Landesbank—Bank Routing Code 200 500 00 —
Account No. 101 600

5. This availability does not take the place of any licenses, approvals or permits that may additionally be required on the basis of statutory or contractual provisions, regardless of whether they do or do not fall under the authority of other agencies or offices of the Eimsbuttel District Office.

6.

Model Agreement

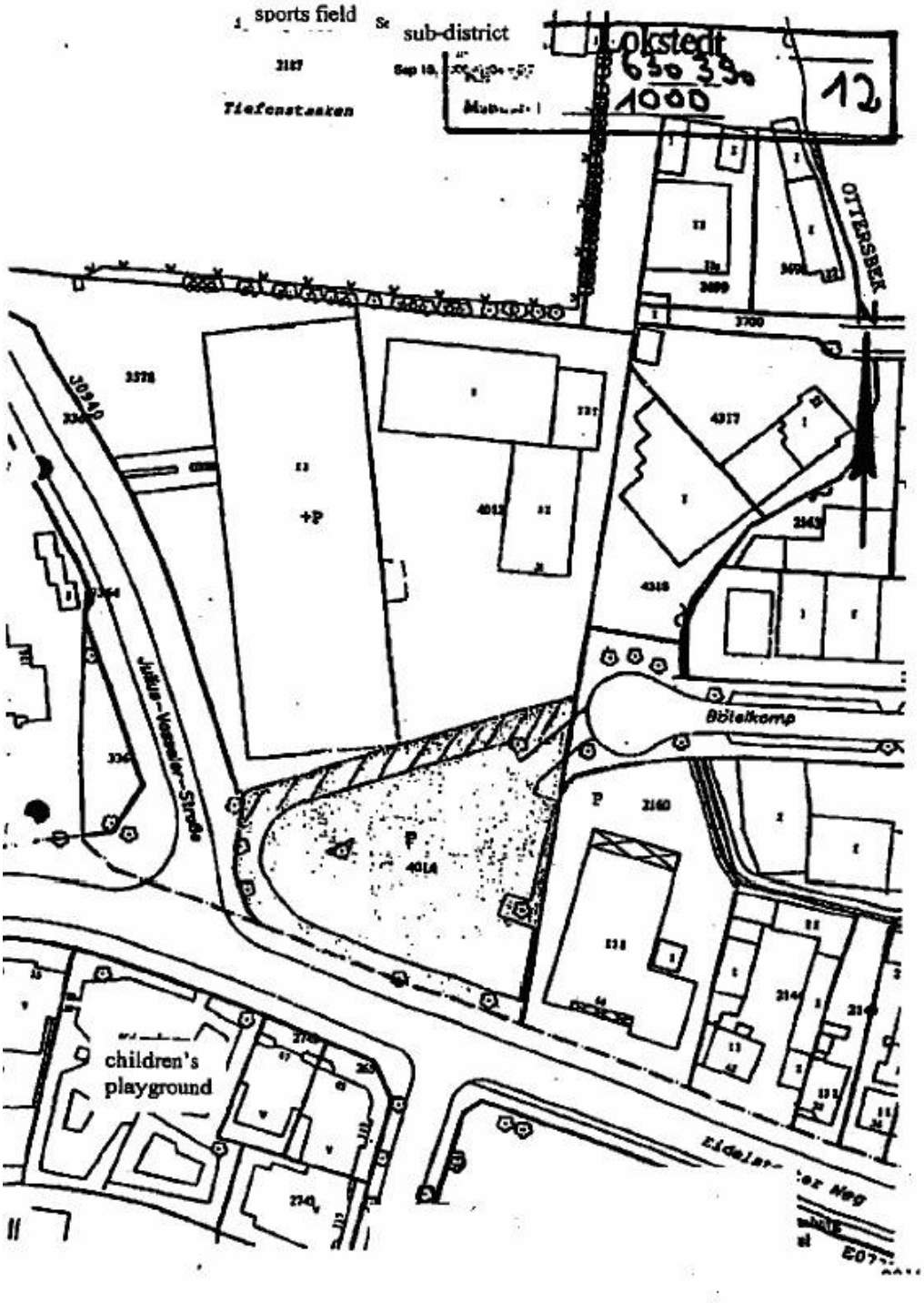
To indicate your agreement, please return the enclosed copy of this letter with your signature to the Property office.

Regards

[initials]

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT



[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:]
Oct. 1, 1997
City of Hamburg
Eimsbuttel District Office
Property Office
Grindelberg 62-66

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

[stamp:] confidential
Caroline Rodenburg

General Terms and Conditions of the City of Hamburg
for the Leasing of Properties (AVB)

1. Condition and liability.

1.1 Lessee takes possession of the Leased Property in the state existing at the start of the contractual relationship without taking delivery separately on-site. The boundaries of the leased area are known to Lessee; they will be documented by the building authorities—Office for Geo-Information and Surveys—upon request at Lessee's expense.

1.2 Unless reference to defects is made in the lease, Lessor is not aware of any defects relating to the property, especially to the subsoil. Any liability for compensation on the part of Lessor according to § 536a subsection 1 BGB is ruled out.

2. Rent

2.1 Offsets

Lessee may offset rent only against receivables acknowledged by Lessor or recognized by declaratory judgment. It may not refuse payment of the rent or part thereof by citing a withholding right based on a legal relationship other than the present agreement. In the case of arrears, this applies also to the period after termination of the lease.

2.2 Arrears

If rent is not paid when due, default interest will be charged in an amount of 8 per cent per annum above the relevant base interest rate; if a consumer is party to the legal transaction, the interest rate will be 5 per cent above the relevant base interest rate. The base interest rate in effect when the arrears occur will be applied for the entire default period. An appropriate amount of demand costs may also be billed for every demand notice. Lessee is at liberty to show that no or only immaterial injuries or losses have occurred.

2.3 Review of rent for leases with a fixed contract period

The contracting parties have the right to review the appropriateness of the rent agreed for the Leased Property every three years and to agree on a new rent amount. The reference date for the start of the three-year period is the first day of the month in which the lease commences.

Rent adjustments shall take changes in purchasing power into account that have occurred since the signing of the agreement. They shall be guided in particular by the index for the cost of living of all private households in Germany. The rent agreed at the signing of the contract shall, in any event, be the minimum rent.

[stamp:] confidential
Caroline Rodenburg
EY

5. Access roads

Lessee shall arrange to create or alter any access roads or crossings that may be required at its own expense.

Upon termination of the lease, Lessor shall have the right to take over the access roads or crossings created by Lessee, or to demand that Lessee remove the same. If Lessor decides to take over said facilities, Lessee's right of removal is ruled out; the facilities shall become Lessor's property without compensation. If Lessor does not exercise its right to take possession, Lessee shall remove said facilities completely at its own expense and restore the original state.

6. Utility and waste removal connections, pipes and cables

6.1 Lessee shall arrange to install all necessary utility and waste removal pipes, cables and connections to the public mains at its own expense, provided the same are not already in place at the start of the lease.

6.2 Lessee must tolerate any installations and equipment for utilities or waste removal that are in place in the Leased Property. It may only alter, relocate, remove or build over such pipes at its own expense with the prior written approval of Lessor and the responsible governmental authority and/or the responsible network, utility or waste removal enterprise; in doing so, it is required to comply with the relevant regulations as well as additional conditions imposed, if any.

6.3 In the protective area around the pies and cables, Lessee shall refrain from all measures or uses that could interfere with or jeopardize these installations or impede or interfere with the necessary maintenance.

7. Maintenance and traffic safety

7.1 Lessee is required to maintain the Leased Property including the buildings, installations and access roads included in the lease or belonging to it at its own expense in a proper condition that ensures traffic safety. The buildings, installations and equipment included in the lease are to be maintained in operational readiness; parts are to be replaced as necessary.

7.2 Lessee is further required to properly clean and keep open any bodies of water on or adjacent to the Leased Property that are second-order bodies of water according to the Hamburg Water Act (HWaG) as most recently amended in accordance with the instructions of Lessor or the responsible governmental authority to the extent that Lessor is responsible for such cleaning. Lessee assumes this obligation also vis-à-vis the Water Authority and authorizes Lessor to inform the Water Authority accordingly (§ 41 HWaG).

---

11. Sidewalk cleaning

Lessee is obligated to clean the sidewalks and access roads bordering on the Leased Property at its own expense to the extent that this is required by law of the property owner, and in particular to remove snow and ice to spread sufficient materials to dull slippery surfaces. It shall hold Lessor harmless of all claims arising from a neglect of this obligation.

12. Impairment of the property

Lessee is responsible for ensuring that the boundaries of the property are not infringed, that it is not used by unauthorized persons—especially to walk or drive across—and that no garbage, debris or other environmentally hazardous or detrimental materials are discarded on it. It shall prohibit violations and report them to Lessor without delay.

Lessee is further obligated to inform Lessor without delay if it becomes known that facilities are installed or maintained on neighboring properties that are expected to result in an impermissible impairment of the Leased Property.

13. Pest and weed control

13.1 Lessee is required to arrange for pest control services at its own expense if vermin are found in the Leased Property and to take the respective measures for the control of rats and vermin that are ordered by governmental authorities.

13.2 In connection with weed control, the use of chemical weed control substances (herbicides is impermissible.

14. Third party claims

Lessee is required to hold Lessor harmless of all claims by third parties arising from the state of the Leased Property, its use or neglect of the obligations that Lessee has assumed. It shall obtain sufficient liability insurance coverage and provide proof of having done so if requested.

15. Entry to the Leased Property

15.1 Lessee grants Lessor’s representatives permission to enter the Leased Property at appropriate intervals or as required and also in order to perform work (surveys, repairs, drilling for soil testing, lowering of the groundwater level, etc.) that the latter deems necessary. If possible, Lessor shall give timely advance notice before doing so.

18.2 Termination without notice

Without prejudice to the possibilities of termination, if any, provided for in the Lease, Lessor can terminate the agreement without notice if Lessee

18.2.1 does not start to use the Leased Property for the intended purpose within three months after entering into the agreement;

18.2.2 does not use the Leased Property for more than six months for the intended purpose, provided Lessor does not offer proof that this involves a temporary circumstance for which it is not responsible;

18.2.3 uses the Leased Property despite warning notice in a manner that is not permissible under the lease or without the permits required under public law;

18.2.4 has not started construction of the buildings and facilities provided for in the agreement within one year from entering into the agreement;

18.2.5 despite a warning notice, does not comply with other obligations assumed under the agreement, including these General Contract Terms and Conditions within an appropriately set grace period;

18.2.6 changes its residence or domicile in a manner that prevents it, in Lessor's judgment, from properly using the property or

18.2.7 it or a co-lessee is prevented for reasons of an actual or legal nature to dispose of its assets (death and/or liquidation, enforcement of judgment).

18.3 Extraordinary termination

In cases of leases with a fixed duration, Lessor has the right to terminate the lease before expiration of the agreement either entirely or subject to the proviso that parts of the Leased Property be re-delivered to Lessor early if either the entire Leased Property or parts thereof are urgently required in the public interest. In the event of early termination of the agreement, such cancellation can only be notified as of the last day of any month with a six-month notice period. Whether the conditions for an extraordinary right of termination are met is decided by Lessor alone.

In the event of a partial termination, the rent shall be reduced in the proportion or the value of the part to be ceded relative to that of the entire Leased Property. Tenant shall be free on its part, however, to cancel the remainder of the Leased Property as of the same date within three months from receipt of the termination notice if it cannot reasonably be expected to continue the lease.

18.4 Exclusion of tacit extension

In a departure from § 545 BGB, the lease is not tacitly extended if the Leased Property is not returned as contractually agreed at the end of the lease period.

[stamp:] confidential
Caroline Rodenburg
EY

Sept. 18, 2006 12:34 EDT

In the event of a partial termination, the right to compensation shall only extend to the structures and facilities constructed on the area to be returned, provided that Lessee, on its part, has not legitimately terminated the entire Leased Property.

No compensation is paid for buildings or parts of building constructed without Lessor's approval.

21. Contract penalty, substitute performance

21.1 Lessor can demand a contract penalty without prejudice to satisfactory cure in the event of Lessee's violation of

- Items 6.2 or 6.3 AVB (Pipes and cables) or Item 10 AVB (Advertising displays)	up to one half of the annual rent
- Items 16.1 and 16.2 sentence 1 AVB (Assignment and subletting) or Item 19.1 para. 3 AVB (Soil contamination)	up to one year's rent

And—after prior warning notice—in the event of Lessee's violation of

- Item 2 para. 1 of the lease (Intended purpose) or	up to one year's rent
- Item 7 AVB (Maintenance and traffic safety) Item 9 AVB (Enclosure) or Item 11 AVB (Sidewalk cleaning)	up to one half of the annual rent

21.2 If Lessee continues the conduct in violation of the agreement despite the demand for a contract penalty, said penalty may be repeatedly imposed.

21.3 The amount of the contract penalty incurred in the specific case shall be determined by Lessor according to its reasonable judgment in accordance with the gravity of the contract violation, especially according to the degree of interference with the public interest and the intended purpose of the leasing as well as the degree of culpability. § 343 BGB (penalty reduction) shall remain unaffected.

21.4 The right to termination without notice and possible claims for damages shall remain unaffected.

21.5 Lessor also has the right—after having unsuccessfully set an appropriate grace period—to arrange for performance of an action that Lessee has failed to perform in violation of the lease at the latter's expense.

[stamp:] confidential
Caroline Rodenburg
EY
Sept. 18, 2006 12:34 EDT

Exhibit 10.10

CONFIDENTIAL TREATMENT REQUESTED BY NXP B.V.

Philips Tower Hamburg Workplace Agreement

20099 Hamburg, Lübeckertordamm 5

Workplace Agreement

This Workplace Agreement consists of a Sublease Agreement and a Service Level Agreement for the Philips Tower Hamburg

The Sublessor offers the users of the Philips Tower space in an exquisite and prestigious building in an attractive location near the downtown area and the Aussenalster river.

In addition, we offer a series of support services to create a professional work environment and enable the users [of the building] to concentrate on their core businesses.

[photograph]

Preamble:

On June 18, 2004, Philips GmbH entered into a Lease Agreement (hereinafter referred to as the "Master Lease Agreement") with Credit Suisse Asset Management Immobilien Kapitalgesellschaft mbH for an office building to be constructed on Lübeckertordamm/Sechslingspforte. Possession of the Leased Property was delivered on December 15, 2005.

After Credit Suisse delivered possession of the Leased Property to Philips GmbH, the latter subleased the leased areas listed on the next page to the subtenant under workplace management agreements.

Subleasing to subtenants is done under the terms and conditions agreed upon by Philips GmbH and Credit Suisse in the Master Lease Agreement, unless the leases otherwise provide.

Sublessor		Philips GmbH Lübeckertordamm 5 20099 Hamburg Funloc 329873	
Subtenant		Philips Semiconductors Germany GmbH Lübeckertordamm 5 20099 Hamburg Funloc 321506	
Leased area	Floor	Leased area/m^2	
	3rd floor	47	Appendix 1
	8th floor	1,035	Appendix 2
	9th floor	734	Appendix 3
			Appendix
			Appendix
			Appendix
			Appendix
	General building area	411	
	Total	2,227	
Permanent parking spaces	1st basement floor	12	Appendix 4
Intended use	Office		
Inception of lease	Oct. 1, 2006		
Expiration of lease	Dec. 31, 2007		
Date: *Sept. 8, 2006* [signature]		Date: *Sept. 8, 2006* [signature]	

Sublease Agreement

§ 1 Leased Property

1. The Sublessor hereby leases the aforementioned space at Lübeckertordamm 5, 20099 Hamburg to the Subtenant.

2. The leased space in question is “preliminary leased space.” The “final leased space” will not be determined until the building is completed by Credit Suisse Asset Management. The “final leased space” of the area delivered shall be determined in accordance with the Guidelines for Calculating Leased Space for Offices (MF-B) issued by gif (Gesellschaft für Immobilienwirtschaftliche Forschung e. V.) and the gif Guidelines for Calculating Leased Space for Retail Purposes.”

3. The leased area shall consist of the following:

   - net office space
   - a pro rata share of the circulation areas, such as corridors, pantries, and bathrooms
   - a share of the “general building area,” which is available to all users (e.g. canteen, reception hall).

4. The Subtenant declares that it agrees to the method of measuring the leased area. This shall serve as the basis for future rent calculations and billing of ancillary costs.

5. The leased space shall be in “New Construction/First Occupancy” condition when possession is delivered.

§ 2 Purpose of the Tenancy; Use of the Leased Space

1. The Subtenant may use the leased space only for the contractually agreed-upon purpose (office). Such use may be changed only with the written approval of the Sublessor.

2. The Subtenant has no right to protection from competition of any kind.

3. No items, such as boxes or other objects, may be stored outside the leased area.

4. The Subtenant shall ensure that the operation of its business does not unduly interfere with third parties or other users of the building.

§ 3 Lease Period and Termination

This section does not apply to Philips Semiconductors Germany GmbH

1. The Master Lease Agreement has a fixed term of 10 years (December 15, 2005 to December 14, 2015).

   The subtenancy shall commence on January 1, 2006 and is entered into for an indefinite period of time.

2. The Subtenant shall have the right to return rental space to the Sublessor after the following rental periods and under the following conditions:

   a. Return of rental space within the first five years of the lease:

   - The Subtenant can terminate the lease with respect to portions of the leased space with a notice period of nine months as of the end of any month. This notice period shall apply until September 30, 2009. Thereafter, the lease can be terminated with a notice period of 15 months as of the end of the rental year (by analogy to § 3/2b).
   - The portion of the leased area being returned must be contiguous and constitute at lease 1/4 of a standard floor (app. 270 m^2, including a pro rata share of the circulation area, but excluding the general building area).
   - If individual rooms or portions of the rental space constituting less than 1/4 of a standard floor are to be returned, the Sublessor shall collaborate with the Subtenant to work out a possible solution for optimizing space to create a contiguous area that the Sublessor can lease out. The Subtenant shall bear the costs of the necessary alterations, relocations, etc.
   - The Subtenant is required to absorb the rent payments for any periods when the returned space is vacant until the expiration of the fifth year of the lease (December 31, 2010) though for a maximum of 36 months from the expiration of the notice period.
   - The Subtenant shall pay a fee for fitting out and re-conversion (in accordance with § 4/1) for a period of 60 months.
   - The Sublessor shall make every effort to relet the returned rental area quickly.

b. Return of rental space after the first five years of the lease:

- Either Contracting Party may give 15 months' notice as of the end of any rental year; they may do so for the first time effective December 31, 2010.

- The portion of the leased space being returned must be contiguous and constitute at least 1/4 of a standard floor (about 270 m^2, including a pro rata share of the circulation area, but excluding the general building area).

  Under the Master Lease Agreement, the Sublessor may return a maximum of 1,400 m^2 of contiguous rental space per year to the Principal Lessor from the end of the fifth year of the lease. The rental space must be located on upper floors 10 to 16 of the building.

  Any costs for space optimization, relocations, alternations, etc., resulting from the return of space by the Subtenant shall be borne by the Subtenant.

- If individual rooms or portions of rental space that constitute less than 1/4 of a standard floor are to be returned, the Sublessor shall collaborate with the Subtenant to work out a possible solution for optimizing space to create contiguous area that the Sublessor can lease out. The Subtenant shall bear the costs for the necessary alterations, relocations, etc.

- The Subtenant shall pay a fee for fitting out and re-conversion (in accordance with § 4/1) for the remainder of the depreciation period (until 2015).

3. When the Master Lease Agreement ends by termination or expiration, this subtenancy shall end automatically.

4. All notices of termination must be in writing.

5. When possession of the Leased Property is delivered to the Subtenant, a record of delivery shall be made and signed by both Contracting Parties.

6. After giving notice of termination, the Subtenant shall grant any potential new tenant access to the leased premises after prior consultation.

---

§ 4 Rent and Ancillary Costs

1. The monthly rent per m^2 shall be composed of the following elements:

Net rent for rental space (without heat)	EUR	12.64
Net rent for parking spaces (without heat)	EUR	0.84
Advance payment of ancillary costs (Credit Suisse)	EUR	3.27
Advance payment of ancillary costs (Philips)	EUR	4.21
Depreciation (fitting out)	EUR	3.55
Depreciation (re-conversion in accordance with the Master Lease)	EUR	1.04
Financing	EUR	0.90
Total monthly per m^2	**EUR**	**26.46**

Net rent (without heat) for permanently allocated parking spaces (per parking space) EUR 75.00

2. As soon as the final rental space in accordance with § 1 para. 4 is determined, the preliminary rent shall be adjusted on the basis of the results of the survey. The Sublessor is free to decide the date on which the adjustment will be made.

3. The tenant shall pay the rent each month in advance, no later than the third business day of the month.

4. The tax number assigned to the Sublessor by the Hamburg Tax Office is:

27/278/0000/2

§ 5 Sublessor's VAT Tax Option (for Third-Party Tenants)

1. The Sublessor has waived exemption from VAT tax under § 4 No. 12a of the USTG [VAT Tax Act] for the leasing of the premises in accordance with § 9 of the VAT Tax Act (VAT tax option). Accordingly, the Subtenant must pay VAT in the statutory amount in addition to basic rent and advance payments of ancillary and heating costs.

   The Subtenant is aware that the Sublessor may exercise the VAT tax option only under the conditions set forth in § 9 para. 2 of the VAT Tax Act.

2. In this regard, the Parties enter into the following agreements:

3. The Subtenant agrees to use the Leased Property only for sales that do not exclude deduction of input VAT by the Sublessor.

4. It further agrees to provide the Sublessor, promptly upon request with all documents necessary to enable the Sublessor to comply with its documentation obligations vis-à-vis the tax authorities under § 9 para. 2 of the VAT Tax Act. To this extent, the Sublessor can require the Subtenant to provide the documentation and/or declarations required from him by the competent tax authorities.

5. If circumstances that affect the permissibility of the Sublessor's use of the VAT tax option should arise with the Subtenant or such circumstances should be assumed to exist by the tax authorities during a tax audit, the Subtenant shall promptly inform the Sublessor of this.

6. To the extent that and as long as the tax authorities use a safe *de minimis* limit with respect to the term "exclusive use for sales that do not exclude deduction of input VAT"—such save limit also being recognized by the tax courts—this *de minimis* limit shall also circumscribe the definition of exclusivity in the foregoing provisions (see Sec. 148a para. 3 UstR [VAT Regulation] 2005).

7. If the Subtenant should violate the obligations under this paragraph, the Subtenant shall compensate the Sublessor for all losses it may suffer as a result.

§ 6 Adjustment of Rent (Net Rent without Heat)

1. Under the Master Lease Agreement, the net rent (without heat) for the leased areas and parking spaces shall be adjusted every two years as of January 1 in accordance with the percentage change in the Consumer Price Index (base year 2000 = 100) determined by the Federal Statistical Office of the Federal Republic of Germany. The basis for calculation of the first rent adjustment is the level of the Index in the month in which the obligation to pay rent under the Master Lease Agreement begins versus the level of the index in December of the second full calendar year, with the adjusted rent being due as of the following January 1. Thus, the net rent (without heat) is increased or decreased every two years as of January 1 to the extent the index has changed as compared to the level at the last index-related rent adjustment.

2. If the aforementioned index is discontinued and replaced by a different index, the new index shall replace the aforementioned index. Otherwise, the Contracting Parties are mutually obligated to agree upon an appropriate rule that comes closest in economic effect to the agreement entered into here.

3. The Contracting Parties agree that the net rent (without heat) for the space and the parking spaces can be adjusted by analogy to the same extent and at the same point in time as provided in the Master Lease Agreement.

---

§ 7 Ancillary Costs under the Master Lease Agreement with Credit Suisse

1. The Subtenant shall bear all ancillary costs in accordance with the Operating Costs Regulation, including No. 17 (Appendix 5), to the extent they are billed to the Subtenant by the Principal Lessor or that such costs are incurred by the Sublessor.

2. If new operating costs are incurred or new public levies are introduced, which are not currently included in the Operating Costs Regulation, the Lessor can pass them on to the Subtenant in the same ratio as the other operating costs.

3. The Sublessor shall be entitled to establish a new allocation standard for operating costs (as a whole, or for individual categories of costs) at any time, insofar as this is appropriate.

4. The Sublessor shall be entitled to demand reasonable monthly advance payments for operating and heating costs, which are to be paid when the monthly rent is due.

5. Any difference in favor of the Sublessor between the advance payment and the invoice amount shall be paid by the Subtenant within 30 days of receipt of the invoice. Any overpayment shall be refunded to the Subtenant within 30 days of receipt of the invoice.

6. The Sublessor may also re-calculate the advance payments during the billing period, if it is apparent that the advance payments will not cover the anticipated costs.

7. Heating and operating costs shall be billed and passed on based on the proportion of the respective leased space occupied by the Subtenant, including any pro rata leased space with a common right of use, to the entire area of the property. The costs of maintaining the parking spaces shall be allocated pro rata to the parking spaces used by the Subtenant.

---

§ 7a Philips' Ancillary Costs

The Contracting Parties shall enter into a Service Level Agreement (SLA) (Appendix 7). This SLA shall have two parts:

Part A: Services provided by the Sublessor and covered by the rent per m^2, such as cleaning, waste disposal, security, technical building management, etc.

The Subtenant must also make advance payments for these services (in accordance with § 4/1). Accounting for advance payments for the current year of the lease shall be done in December of the year.

The Sublessor shall have the right, in accordance with the accounting, to adjust the advance payment to reflect the costs actually incurred. The Sublessor may also re-calculate the advance payments during the billing period, if it is apparent that the advance payments will not cover the anticipated costs.

Part B: Services provided by the Sublessor and billed separately in addition to the rent, such as a mail room, telephone exchange, in-house logistics, and catering.

Tariffs or fees will be agreed upon for these services annually as part of the budgeting procedure.

The following applies for 2006:

Mail room, messenger and distribution service	A fixed amount of EUR 18,000
Mail room fees	Based on time and effort
Telephone exchange	A fixed amount of EUR 12,000
In-house logistics	A fixed amount of EUR 14,400
Catering, food per employee	EUR 4.25
Catering, canteen for guests and services	Based on use

If the services listed under Part B should change significantly, the agreed-upon amounts can be adjusted at any time during the current year in consultation with the Subtenant.

§ 8 Offsetting Claims by Subtenant

1. The Subtenant may not offset off counterclaims against the rent or advance payments of ancillary costs or exercise a right to reduce or withhold such payments unless its counterclaim is uncontested or has been adjudged final and absolute. This shall not apply to the case listed under § 7 para. 2.

2. If there are defects, the Subtenant can only demand that they be eliminated, and cannot demand a reduction in rent or damages, unless it is impossible to eliminate the defect or the defect is not promptly eliminated.

§ 9 Maintenance and Use of the Leased Property

1. The Subtenant must treat the Leased Property with care. The Principal Lessor is responsible for servicing the following technical equipment and systems:

    - heating, ventilation, and climate control
    - conveyor systems
    - technical utility systems
    - security systems

2. The costs of operating and maintaining the aforementioned systems are covered by the Operating Costs Regulation and will be billed to the Subtenant as part of the accounting for ancillary costs.

3. The Sublessor shall service the technical equipment and systems owned by Philips.

4. The costs incurred to maintain and operate the aforementioned systems are covered by the Service Level Agreement and are billed to the Subtenant in the accounting for the ancillary costs/SLA.

5. The Subtenant must clean and care for the leased premises, make cosmetic repairs to the interior, perform maintenance, and make repairs within the leased premises. This applies to technical equipment (electrical and sanitary installations, etc.) and doors and windows, to the extent they are on or in the Leased Property. Cosmetic repairs to the interior shall include the cleaning and, if necessary, the replacement of carpeting.

6. The aforementioned items shall also be handled and billed by the Sublessor as part of the Service Level Agreement.

7. The Subtenant shall report any defects in and damage to the Leased Property to the Sublessor. If notice is not given in a timely manner, the Subtenant shall be required to pay compensation for the resulting losses.

8. The Sublessor shall assume maintenance and repair of the general areas of the building. The costs incurred in doing so shall be distributed on a pro rata basis among all the Subtenants as part of the annual accounting for the ancillary costs/SLA.

9. The Subtenant shall be liable for injuries or losses caused by its negligent violation of its duties of care and notification, particularly by improper handling of the building technical equipment and installations.

10. The Subtenant shall likewise be liable for injuries and losses that its members, employees, and other persons visiting Subtenant cause through their own fault. The Subtenant shall have the burden of proving it was not at fault.

§ 10 Subleasing

The Subtenant is not entitled to sublet the leased space, in whole or in part.

§ 11 Subtenants' Installations and Alterations

1. Installations and alterations within the Leased Property, including installing fixed equipment or modifying such, shall require the written permission of the Sublessor. When deciding whether to grant permission, the Parties shall jointly determine whether it will be necessary to reconvert and restore the original condition upon returning the leased premises.

   The permission of the Principal Lessor shall be obtained if appropriate, so that approval shall be made contingent upon the same.

2. The Subtenant shall be responsible for obtaining and maintaining any official permits required for the aforementioned measures, and shall also bear all costs associated with the measures.

3. The Subtenant shall have no claim to compensation from the Sublessor for any costs or for the resulting appreciation in value. If there is no obligation to reconvert the premises, structural alterations shall become the property of the Sublessor without compensation.

4. The Subtenant shall bear all risks associated with implementing the structural changes. The Sublessor is hereby released from all claims and demands raised

against the Subtenant in this regard on whatever legal grounds.

§ 12 Structural Changes by the Sublessor/Principal Lessor

1. Upon timely notification of the date thereof, the Sublessor and/or the Principal Lessor may make improvements and structural changes necessary to avert imminent peril or eliminate damage, even without the consent of the Subtenant. Work needed to preserve the property may also be carried out after prior agreement on a date. In performing such work, the Sublessor and/or Principal Lessor shall give due consideration to the interests of the Subtenant. It shall give the Tenant timely written notice before commencement of the work and structural changes and shall describe the scope and type of work scheduled. The Subtenant shall provide reasonable access to the rooms and areas of the Leased Property that are affected by these measures.

2. To the extent that the Subtenant is required to tolerate the performance of this work, it can neither reduce the rent nor exercise a right to withhold rent or demand damages, as long as such performance is not delayed.

§ 13 Sublessor's Liability

1. Brief interruptions of the operation of the Leased Property—for whatever reason (e.g. bomb threat, fire alarm, sprinkler activation, etc.)—which are not the Sublessor's responsibility, shall not affect the obligation to pay rent, as long as they can be eliminated within a reasonable period of time. In coordination with the Subtenant, the Sublessor shall be entitled to evacuate the property for security reasons and bar access to the property. If no contact person for the Subtenant can be reached or if danger is imminent, the property may also be evacuated without consultation. The Sublessor shall do everything in its power, not omitting anything to minimize the interruption of operations required to this end. The Subtenant shall not be entitled to damages.

§ 14 Advertising

Placing advertising displays on the roof of the building is not permitted. Advertising displays within the building are permitted only with the approval of the Sublessor.

§ 15 Insurance

1. The Leased Property shall be insured by the Principal Lessor in accordance with the provisions of law.

2. The Sublessor shall not be liable for damage to the Subtenant's property caused by fire, smoke, soot, snow, water, dry rot and the gradual effects of moisture, unless such damage occurred due to gross neglect of the Leased Property or as a result of gross negligence or intentional acts or omissions of the Sublessor.

3. The Subtenant shall purchase all insurance necessary to operate its business, particularly liability insurance.

§ 16 Access to the Leased Premises by the Sublessor

1. Representatives of the Sublessor may enter onto the leased premises during the Subtenant's regular business hours after informing the Subtenant in advance. When there is danger, entering of the leased premises is permitted at any time. The Sublessor may commission third parties.

2. The Subtenant shall ensure that the leased premises can be accessed even in its absence and, if necessary shall name an agent to the Sublessor. If the Subtenant does not meet this obligation, it shall be liable for all injuries and losses resulting from the Sublessor's inability to enter the leased premises, e.g. in case of imminent danger.

§ 17 House Rules

The Sublessor reserves the right to issue reasonable and legally permissable general rules or separate instructions from time to time as required to maintain order in the building, including the outside installations, and to modify existing rules/instructions. The version of the House Rules in effect at the time shall be an integral part of this Workplace Agreement. The provisions of the House Rules are intended, *inter alia*, to guarantee the smooth operation of the businesses of all users [of the building] and ensure that the property and the outside installations are kept clean.

§ 18 Right of Access, Keys

1. The Subtenant shall obtain access to the building through the use of programmed ID cards, entitling the Subtenant and its employees to pass through the entrances and exits of the building and the garage, which are all equipped with access control readers.

The ID card has other functions, too, such as recording time and payments in the canteen. If an ID card is lost, building management must be informed immediately so it can block the ID card to prevent misuse.

2. The Subtenant shall receive authorization to access the general building areas, such as the elevator area and garage entrances and exits. No security measures for the leased areas are currently contemplated.

3. If it is necessary to provide authorization to individual persons for specially secured rooms (such as storage rooms), this shall be requested from building management in writing.

4. If the Subtenant receives keys for certain rooms (e.g. storage rooms) upon delivery of possession, the exact number shall be recorded in a separate record of delivery of possession. The Subtenant shall be liable for all injuries or losses resulting from the loss or negligent handling of the keys that have been provided to it if and when the Subtenant is at fault.

   All keys, including any keys subsequently requested or made by the Subtenant, shall be returned at the end of the subtenancy.

5. No keys will be provided for the office rooms at the time of moving into the leased premises.

6. Keys for individual office doors can be ordered from building management, if needed. The Subtenant shall bear the costs thereof.

§ 19 Sublessor’s Extraordinary Right of Termination

The Sublessor shall be entitled to terminate the subtenancy without a notice period

a. if the Subtenant is in arrears in payment of rent or cost allocations in an amount that exceeds three months’ rent and fails to pay within 14 days of the Sublessor’s payment demand, sent by registered mail;

b. if the Subtenant violates a material obligation under this Agreement or an existing House Rule or Common Rule or uses the Leased Property in a manner that violates the Agreement, and does not desist from doing so within a month’s time after repeated warning by registered letter from the Lessor; or

c. if judicial reorganization or bankruptcy proceedings against the Subtenant’s assets are petitioned for or enforcement measures are taken against substantial portions of the Subtenant’s assets.

---

§ 20 Termination of the Subtenancy Agreement

1. The Subtenant shall deliver possession of the leased premises and any appurtenances thereto in “swept clean” condition. The carpeting shall be properly cleaned or replaced, where cleaning is unsuccessful.

2. The Sublessor shall arrange for the correction of any damage caused by the Subtenant to equipment, walls, furniture, etc., at the Subtenant’s expense.

3. At the end of the subtenancy, the Subtenant shall return all the access authorizations and keys with which it was provided.

4. If, when the leased premises are returned, it is determined that walls, doors, and/or radiators need painting, the Sublessor shall also have this work done at the expense of the Subtenant.

5. When the subtenancy ends, the Subtenant shall, upon request from the Sublessor, remove all installations, alterations, and equipment (§ 11) and restore the leased premises to the condition in which they were delivered.

6. The entire return procedure shall be handled through local building management, which, in consultation with the Subtenant, shall obtain the appropriate cost estimates, place orders, and coordinate the work of building trades.

7. If the subtenancy is ended by termination under § 19, the Subtenant shall be liable for the losses the Sublessor suffers due to the leased premises standing vacant after they have been vacated and surrendered by the Subtenant or having to be leased. The injuries or losses shall be calculated in accordance with provisions referred to in § 3. § 19 sentence 3 of the Cost Regulation [KO]/Insolvency Code [InsolvenzVo] shall remain unaffected.

In this case, the Subtenant shall release the Sublessor from all claims by third parties based on the termination under § 17.

8. If there is delay in vacating and returning the Leased Property after the subtenancy has ended, the Subtenant shall pay the Sublessor rent, ancillary costs as compensation for the duration of the delay. In addition, the Subtenant shall be liable to the Sublessor for all additional losses resulting from its delay in vacating and returning the leased premises.

§ 21 Final Provisions

1. All additions and amendments to this Agreement must be in writing.

2. It is agreed that Hamburg shall be the place of performance and jurisdiction, unless otherwise mandated by law.

If provisions of this Agreement are or become invalid—for whatever reason—such provisions shall be promptly replaced by the Contracting Parties with permissible provisions that most closely approximate their economic and legal effect. This shall not affect the validity of the remaining provisions.

The following appendices are integral parts of this Workplace Agreement:

Appendices 1-3	Floor Plans
Appendix 4	Parking Spaces
Appendix 5	Schedule of Operating Costs
Appendix 6	Inventory and Partition System
Appendix 6a	Planned furniture
Appendix 7	Service Level Agreement

Hamburg, [illegible] 2006

[signature]	[signature]
Sublessor	Subtenant

The undersigned:

1. **PHILIPS ELECTRONICS NEDERLAND B.V., acting herein under the name "EXPLOITATIEMAATSCHAPPIJ PHILIPS HIGH TECH CAMPUS,"** having a principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 100, Building HTC, for the purposes of this transaction represented by Mr. C.H.L. van der Linden and Mr. J. Wilkes in their capacity as managing directors of the company under its articles and in their capacity as special authorized representatives of this company,

hereinafter referred to as **"Lessor,"**

and

2. **PHILIPS SEMICONDUCTORS B.V., acting herein for the account and risk of Philips Semiconductors-SLE,** having its principal place of business in (5656 AA) Eindhoven at Prof. Holstlaan 4, for the purposes of this transaction represented by Mr. J. Lobbezoo and Mr. T. Claasen,

hereinafter referred to as **"Lessee,"**

whereas:

- Lessor wishes to lease the office/business premises referenced hereinafter to Lessee, and Lessee wishes to lease the office/business premises referenced hereinafter from Lessor;
- Lessor derives its authority to lease out said premises from a leasing agreement that it has entered into with Tetona Investments B.V., with registered office in Amsterdam;
- Unless context indicates otherwise, references in the present agreement to leasing between the parties shall be understood as denoting subleasing;
- The parties wish to set forth their arrangements concerning this leasing in writing.

do hereby agree to the following:

1. The Leased Property, Intended Purpose and Use

1.1 The present leasing agreement relates to the office/business premises with a leasable floor area ("v.v.o.") of 5,768 m^2, which has been constructed at Prof. Holstlaan in Eindhoven and is also referred to as "Building WDO," in both respects in accordance with the site plan and other plans attached as Annex 2, with which the parties are sufficiently acquainted, hereinafter referred to as "the leased property," with 130 parking spaces in a parking garage on the Philips High Tech Campus to be further specified.

1.2 The leased property may be used exclusively as office/business premises, research and/or development premises, or laboratories.

Initials
[initials]

Lessee's initials
[initials]

1.3 Lessee is not permitted, without the prior written consent of Lessor, to use the leased property for any purpose other than as described in Sec. 1.2.

1.4 The maximum permitted load on the floor(s) of the leased property is 400 kilograms per square meter.

1.5 After consultation with Lessee, Lessor's site management is entitled to reduce the number of parking spaces allotted to Lessee, if a change in the expected number of parking spaces needed for the users of the Philips High Tech Campus constitutes reasonable cause to do so. The rental fee for the leased property shall in that case be lowered by €919 per parking space per year for each parking space by which Lessee's allotment is reduced. If at any time Lessee uses more or fewer parking spaces than the amount to which it is entitled under the terms of the present agreement ("actual overuse" or "actual underuse"), then it shall be charged an amount of €919 per actually overused parking space per year or be given a discount of €919 per actually underused parking space per year, or, if the actual overuse or actual underuse occurs for a period longer or shorter than one year, an amount prorated to the duration of the actual overuse or actual underuse, all as further stipulated in the regulations of the Philips High Tech Campus, to be approved by the Managing Board, on which one or more representatives of Lessor and one or more representatives of Lessee shall hold seats.

2. Terms and Conditions

2.1 The following are integral parts of the present agreement:

(i) the "General Stipulations of Leasing Agreements for Office Premises and Other Business Premises Not Subject to Article 7A (1624) of the Civil Code," filed at the Office of the District Court in The Hague on February 29, 1996 and registered there under No. 34/996, hereinafter referred to as the "General Stipulations";

(ii) the appendix to the present agreement contained in Annex 6 to the present agreement, hereafter referred to as the "Appendix";

(iii) the annexes to the present agreement.

The parties are acquainted with the contents of the General Stipulations, the Appendix, and the annexes. Lessee has received a copy thereof and declares its acceptance thereof upon signing the present agreement.

2.2 The stipulations of Sec. 2.1 apply insofar as not provided otherwise in the present agreement or unless the application thereof with respect to the leased property is not possible.

3. Term, Duration, and Termination

3.1 The present agreement enters into force on June 27, 2002, hereinafter referred to as the "effective date." Notwithstanding the provisions of Stipulations 17.1-17.3 of the "General Stipulations," Lessee is obligated to accept leasing of the leased property and the appurtenant parking spaces effective from June 27, 2002, hereafter referred to as the "date of delivery," and Lessor is obligated, effective from the date of delivery, to provide leasing of the leased property and the

Lessor's initials
[initials]

Lessee's initials
[initials]

appurtenant parking spaces. If the leased property is not available on the date of delivery, Lessor shall, with due regard for Lessee's reasonable interests, set a new date that shall replace the date of delivery and shall also be referred to hereinafter as the "date of delivery."

3.2 The present agreement ends, without any notice requirement, on June 27, 2007 (hereinafter referred to as the "end date"), unless the agreement is extended or has been previously terminated pursuant to the terms of the present agreement. Lessor shall notify Lessee at least six months prior to the end date whether the agreement can be extended. If the present agreement has been extended pursuant to the terms of the agreement, it ends, without any notice requirement, on the last day of the extension period, unless the agreement is again extended or has been previously terminated pursuant to the terms of the present agreement.

3.3 If Lessor in any way obtains the authority to lease the leased property and the appurtenant parking spaces to Lessee after the end date, the present agreement shall, if so requested by Lessee, be extended for the duration of the period for which Lessor has obtained said authority. Both Lessor and Lessee can, however, limit said extension to a period of five years. In the event of any extension of the present agreement, Lessor and Lessee shall decide on a new rental fee by mutual consent, with said rental fee to be in conformity with market conditions. However, the rental fee shall in all instances be adequate to cover Lessor's reasonable costs arising from the acquisition, use, administration, and preservation of the aforesaid authority, said costs expressly including but not limited to the financing costs and/or rental fees incurred by Lessor with respect to the leased property and the appurtenant parking spaces. Lessor and Lessee shall enter into consultation concerning a further extension of the present agreement no later than six months prior to the end of the extension period.

Lessor shall make every commercially reasonable effort to obtain the authority referred to in the first sentence of this section under terms and conditions convenient to Lessor.

3.4 Lessor is entitled to effect premature termination of the present agreement, with notice:

(i) effective from the date on which its authority to lease the leased property and the appurtenant parking spaces to Lessee ends;

(ii) if a circumstance as specified in Stipulation 7 of the "General Stipulations" arises; or

(iii) if Lessee is no longer a subsidiary of Koninklijke Philips Electronics N.V. within the meaning of Article 24a, Book 2, of the Civil Code.

Premature termination of the present agreement by Lessee is not possible. Insofar as Lessor has granted its advance, written, express consent thereto, Lessee has the authority to substitute a third party in its stead, in whole or in part, with respect to the present agreement. Lessor shall not withhold its consent on unreasonable grounds nor attach unreasonable conditions to its consent to the substitution. At Lessee's request, Lessor shall make every commercially reasonable effort to find a third party for the aforesaid substitution. Any costs incurred through such efforts shall be

Lessor's initials
[initials]

Lessee's initials
[initials]

borne by Lessee, if approved in advance and in writing by Lessee.

3.5 Notice as referred to in Sec. 3.4 shall be effected by way of writ or by registered mail.

4. Payment Obligation, Payment Period

4.1 Lessee's payment obligation arising from the present agreement comprises:

- the rental fee (said fee being inclusive of the fee for leasing the parking spaces named in Sec. 1)
- the value-added tax owed on this rental fee or any amount corresponding thereto, in accordance with and with due regard for the provisions of Stipulations 15.2 and 15.3 of the General Stipulations, provided that the parties have agreed to a rental fee subject to value-added tax
- compensation for the user-specific investments as referred to in Sec. 9.6.

4.2 The annual rental fee is €1,043,388 (one million forty-three thousand three hundred eighty-eight euros). This amount is derived as the total of €160.18 per square meter of v.v.o. per year for the leased property plus €919 per parking space per year.

4.3 The rental fee is adjusted one year after the effective date in the first instance, and subsequently as of February 1 of each year, in accordance with Stipulations 4.1 and 4.2 of the "General Stipulations," on the understanding that the consumer price index series CPI-Employees Low (1990=100) is replaced by the consumer price index series CPI-Employees Low (1995=100).

4.4 The fees for additional facilities and services are determined in accordance with Stipulation 12 of the "General Stipulations." Such fees shall be subject to a system of advance payments with settlement at a later date, as indicated there.

4.5 The payments to be made to Lessor by Lessee are due in lump sums payable in advance for successive payment period(s) as indicated in Sec. 4.6 and must be paid in full prior to or on the first day of the period to which the payments relate.

4.6 The rental fee per payment period of one calendar month is €86,949.00. The rental fee per year is €1,043,388.00. These amounts are exclusive of value-added tax.

4.7 In view of the effective date of the lease, the first payment period relates to the period from the date of delivery through the last day of the respective calendar month. The amount owed for that period shall be prorated according to the number of days in that period. Lessee shall pay that amount, plus any value-added tax owed thereon, prior to the date of delivery.

4.8 The leasable floor area named in Sec. 1.1 has been determined in accordance with the

measurements indicated in the Measurement Certificate prepared in conformity with NEN 2580, Elta J. Claas. Adjustments between Lessee and Lessor for under- or over-measurement of the leased property are barred.

5. Value-Added Tax

5.1 The parties agree that Lessor shall charge Lessee no value-added tax on the rental fee if they belong to the same VAT tax entity. If Lessor and Lessee cease to belong to the same VAT tax entity, Annex 5 shall apply immediately.

6. Facilities and Services

6.1 The Philips High Tech Campus shall offer a number of centrally provided additional facilities and services for all lessees. These are facilities and services that are of interest to all lessees and are not business-specific, such as catering, security, landscaping, etc. The Philips High Tech Campus site management and Lessee shall in due course enter into consultation concerning additional facilities and services to be utilized by Lessee by way of the consultation body established for this purpose, known as the "Managing Board."

6.2 If specific facilities and/or services on the so-called Central Strip of the Philips High Tech Campus are provided or offered, Lessee is immediately barred from (further) offering, directly or by way of third parties, these or comparable facilities and/or services on the High Tech Campus to its employees whose normal workplace is on the Philips High Tech Campus.

6.3 Lessee and the Philips High Tech Campus site management shall enter into further agreements concerning the terms and conditions of facilities and services as referred to in Sec. 6.1 and 6.2. The fees to be charged to Lessee shall be determined in conformity with market conditions.

7. Bank Guarantee

7.1 Contrary to Stipulation 8 of the "General Stipulations," Lessee is not obligated to furnish a bank guarantee to Lessor.

8. Coordination

8.1 Lessor designates as its agent for performance of the present agreement the Philips High Tech Campus site management, which shall act on its behalf.

9. Special Stipulations

9.1 Substantive alterations in the leased property require the advance written approval of Lessor.

9.2 Notwithstanding the authorities to terminate the present agreement that Lessor may hold under the provisions of Sec. 3.4(iii) of the agreement, the parties agree that if Lessee ceases to belong to the tax entity for value-added tax to which Lessor and Lessee belong at the time when the agreement is entered into, then they, if Lessor fails to exercise its authority to terminate the present agreement as described hereinabove, effective from the time at which Lessee ceases to belong to the tax entity as referred to hereinabove, shall enter into a new leasing agreement with respect to the leased property and the appurtenant parking spaces:

(i) in which it is stipulated that the rental fee shall be subject to value-added tax;
(ii) that shall incorporate the stipulations as attached to the present agreement as Annex 5;

(iii) whereby said agreement shall be substantively identical to the present agreement, except that Sec. 7 of the present agreement shall be replaced by a new Sec. 7 reading as follows: “The bank guarantee referred to in Stipulation 8.1 of the “General Stipulations” shall be in an amount equivalent to six times the rental fee for the leased property per month plus the costs of the additional facilities and services over that same period, as stipulated in the agreement that the present agreement replaces and at the time immediately preceding the time at which the present agreement replaces the previous agreement.”; and
(iv) in which it is stipulated that the present agreement is terminated effective from the date on which the new agreement enters into force.

9.3 The October 1998 report by DNV B.V. concerning the exploratory soil study and the March 1999 report by Oranjewoud B.V. (Document No. 947051772) concerning the soil study are deemed the environmental study whose performance is required prior the start of the present agreement, as referred to in Stipulation 2.6.1 of the General Stipulations.

9.4 With the prior written consent of Lessor, Lessee has the right, with due regard for locally applicable ordinances and other regulations, to place advertising materials on, in, near, or alongside the leased property. Lessor shall not exercise its right to place advertising materials on and/or alongside the leased property as referred to in the “General Stipulations.”

Lessor shall grant or deny written consent in conformity with the policy pertaining thereto, to be established as appropriate by the steering committee.

9.5 The following elements of Stipulations 9.2.1 and 9.2.4 of the “General Stipulations” are considered altered:

(i) the following is added to the stipulation under 9.2.1(c): “insofar as mounted on the interior of the leased property and subject to renovation owing to normal wear and tear”;
(ii) the following is added to the stipulation under 9.2.1(d): “subject to renovation owing to normal wear and tear”;
(iii) in the stipulation under 9.2.1(g), the parentheses around “and renovation of small components” are disregarded;
(iv) in the stipulation under 9.2.4, the phrase “and the cleaning of ventilation conduits is

Lessor's initials
[initials]

Lessee’s initials
[initials]

disregarded.”

Costs of maintenance, repair, and renovation that are not borne by Lessee pursuant to the stipulations of (i) through (iv) shall be borne by Lessor.

9.6 Notwithstanding the provisions of Stipulation 5.1 of the “General Stipulations,” with respect to the so-called user-specific investments made by Lessor on behalf of Lessee as further specified in Annex 7 to the present agreement, the interest and repayment of principal on said user-specific investments shall be paid by Lessee in the form of an annual payment over the term of the present agreement, due each January 1, of €310,829.00, this being the annual annuity for interest and repayment of principal for said user-specific investments calculated with a term of 15 years and an interest rate of 7% per annum paid in arrears. At the end of the present leasing agreement, unless Lessor is at fault for termination, the cash value—calculated at an interest rate of 7% per annum paid in arrears—of the remaining annual annuities—over the period of 15 years after the date of delivery—shall be payable immediately and in full by Lessee to Lessor. If a subsequent owner or lessee wishes to retain user-specific investments in the leased property, Lessee’s obligation to remove user-specific investments at the end of the leasing agreement expires and any compensation paid for them by the subsequent owner or lessee shall be for the benefit of Lessee.

9.7 The present agreement supersedes all prior arrangements made between Lessee and Lessor with respect to the subject matter of the present agreement (including all appurtenant annexes).

Made and subscribed in duplicate

Place:
Date

Place:*Eidhoven*
Date: *9-26-2002*

Philips Semiconductors B.V.

Philips Electronics Nederland B.V.

[signature]

[signature]

J. Lobbezoo **T. Claasen**

J. Wilkes **C.H.L. van der Linden**

Lessor's initials
[initials]

Lessee’s initials
[initials]

Dated as 29 of March 2002

China-Singapore Suzhou Industrial Park Development Co., Ltd.

And

Phillips Semiconductors (Suzhou) Co., Ltd.

CONTRACT FOR CUSTOM-BUILT LEASE FACTORY

Phase 1A

Contract No.: L/B2002-03-1

March 29, 2002

Lessor: China-Singapore Suzhou Industrial Park Development co., Ltd. with its address at 12 Floor, International Building, No. 2 Suhong Road, Suzhou Industrial Park, Jiangsu Province, People's Republic of China, and its Legal Representative is Cheng Deming. (hereinafter referred to as: "Party A")

Lessee: Phillips Semiconductors (Suzhou) Co., Ltd., with its legal address at 188 Suhong XI Road, Suzhou Industrial Park, Jiangsu Province, People's Republic of China; and its legal representative is Robert Westerhof. (hereinafter referred to as: "Party B")

In accordance with the Contract Law of People's Republic of China and other related laws and regulations, both Party A and Party B, after friendly negotiation, agree to enter into and sign this Custom-built Factory Lease Contract (hereinafter referred to as: "Contract") for the purpose of defining their respective rights and obligations.

Article 1 Specifications, Location and Size

1.1 Party A shall in conformity with the Construction Requirements of Party B as further specified in Annex 1 hereto (hereinafter referred to as "Construction Requirements") assign the design and be responsible for construction of a custom-built factory for the use of Party B (hereinafter referred to as: "Factory") in accordance with relevant laws and regulations. The Lay out drawing of the Building, as modified from time to time with the written confirmation made by both Parties, is attached hereto as Annex 2. Upon Final Acceptance (as defined hereinafter), Party B shall lease the Factory to Party A. The total construction area shall be approximately thirty-three thousand square meters (13,000 m^2), subject to the final survey result made by the competent survey company who is approved by governmental authority.

1.2 The Site on which the Factory shall be built is located on the North of the Suhong Xi Road within the Suzhou Industrial Park as indicated in Annex 3 hereto (hereinafter referred to as: "Site"). The land area is 44,823.68 square metres.

Article 2 Construction

2.1 Party A shall, base on the Construction Requirements, select one or more subcontractors (hereinafter referred to as: "Subcontractor(s)") to conduct the

construction. To the extent permitted by law, Party A shall be fully liable for the Subcontractor(s).

2.2 Each Party shall appoint one person to organize the acceptance group to test whether the Factory and the Site are in conformity with the Construction Requirements hereinafter referred to as: "Acceptance Test").

Upon successful passing of the Acceptance Test, Party A and Party B shall sign a Certificate of Final Acceptance in duplicate, one for each Party (hereinafter referred to as "Final Acceptance"). Unless and until the Site and/or the Factory fulfill the conditions set out in the Construction Requirements, Party A shall promptly make for its own account the necessary repairs, modifications and adjustments and shall upon completion thereof offer the Site and Factory, as the case may be, again for Acceptance Test and to sign Certificate of Final Acceptance.

Upon successful passing of the Final Acceptance, Party A will deliver to Party B a certified copy of the Certificate of Land Use Right of the Site, the Property Ownership Certificate of the Factory and the Building Lease Permit with respect to the Factory, citing that Party A is the duly owner of the land use right of this Site and the Factory. As for the failure to provide Party B with the above-mentioned Certificates due to the failure of passing the fire prevention test or due to reasons not caused by Party A, e.g. the installation of supporting factory infrastructure facilities, a copy of such

Certificates shall be provided by Party A to Party B once obtained by Party A. All above actions shall not affect the installation of Factory facilities and production equipment, provided that the design drawings of which have been approved by relevant government authority(ies).

2.3 Part A shall organize the construction in accordance with relevant laws and regulations with respect to the public bidding and discussion of tender.

2.4 Failure to fulfill the obligations under the Article 2.11, 2.12 and 2.13 for reasons not caused by Party B or under the event of Force Majeure, Party B is entitled to claim from Party A, including but not limited to the compensation for construction delay and construction suspension as well as penalty in the amount of RMB 0.4% (point four pro mille) of total construction cost for every day of delay period, however, with the total amount of compensation to be paid by Party A for losses incurred by Party B herein not exceeding 2.5% (two and half percent) of the total construction cost.

The Party B may, without prejudice to any other method or recovery, deduct the amount of penalties of such damages from any amount due or to become due to Party A.

2.5 Failure to fulfill the obligations under the Article 2.11, 2.12 and 2.13 for reasons caused by Party B, Party A is entitled to claim from Party B, including but not limited to the compensation for construction delay and construction suspension as well as a penalty in the amount of RMB 0.4% (point four pro mille) of total construction cost for every day of delay period, with the total amount of compensation to be paid by Party A for losses incurred by Party B herein not exceeding 2.5% (two and half percent) of total construction cost.

2.6 With the understanding that the fire prevention test will not be proceeded until the completion of internal decoration, Party A and Party B hereby agree that the Acceptance Test may be conducted prior to acquirement of the Certificate of Fire Prevention Test. However, failing to pass the Fire Prevention Test due to the reason of Party A, the Final Acceptance Certificate for the Factory shall not be signed and Party A shall take remedial measures to pass the Fire Prevention Test. The above actions shall not affect the Installation of Factory facilities and production equipment, provided that the Design Drawings of which have been approved by relevant government authorities.

2.7 The above payment or deduction of such compensation shall not relieve Party A from his obligation to complete the Factory and Site, or from any other of his obligations and liabilities under the Contract including any claim for damages or losses as a consequence of the failure to comply with the time of completion.

2.8 An independent construction auditing organ with the qualification of auditing the construction price, recognized by the related government authorities shall be jointly selected by both parties to certify the actual price listed in Article 10.2(ii) at the time of the Final Acceptance.

Both parties shall jointly be responsible for the cost control of the construction of the Factory and ensure that the total construction costs of the Factory does not exceed USD three (3) million, regardless of the findings from such construction auditing organ, except for the cost of the design changes or engineering claims for the reasons not caused by Party A.

2.9 Party A will provide all construction related documentation that Party A should provide, as required by Party B for applying the necessary certificates and approval from the government authority.

2.10 Party B will provide all construction related documentation that Party B should provide, as required by Party A for applying the necessary certificates and approvals from the government authority.

2.11 Party B shall have the right to enter into the Factory building to engage in the installation of supporting Factory infrastructure facilities after 75 days of the signing of the Contract.

2.12 A Civil Test Certificate (excluding the outdoor construction and elevator installation) shall be acquired by Party A after 120 days of the signing of the Contract provided that a Construction Planning Permit for Factory building and Supporting Factory Infrastructure Facilities shall be acquired (and Party A has an obligation to acquire) within 75 days of the signing of the Contract.

2.13 An Acceptance Certificate of the Factory's outdoor construction and elevator installation shall be obtained by Party A after 150 days of the signing of the Contract, provide that the progress of outdoor construction is not affected by the construction of supporting Factory infrastructure facilities.

Article 3 Purpose of the Factory

The Factory shall be used by Party B for industrial and related offices purposes only. Without permission of Party A, Party B shall not use the Factory for any other purpose.

Article 4 Lease and Lease Term

4.1 Party A and Party B hereby agree that Party A will lease to Party B, and Party B will accept such lease, the Factory and the Site at the terms and conditions as set forth herein (hereinafter referred to as: "Lease"). The lease term of the Factory (hereinafter referred to as: "Lease Term") shall commence from the date of June 1, 2002 and shall expire 10 calendar years, each calendar year equaling 365 (three hundred and sixty five) days. During the first 5 Calendar Years of the Lease Term, the Lease can not be terminated and the rental payment for such 5-year period shall be fully made by Party B even if Party B terminates this Lease earlier (hereinafter referred to as: "Guaranteed Lease Term"), unless Party B exercises its purchase option as referred to in Art. 10 herein during such Guaranteed Lease Term.

4.2 Following the expiration of the Guaranteed Lease Term and any renewed period, Party B may unilaterally terminate the Contract by delivering to Party A written notice three months prior to the termination date. Party B shall return the Site,

as extended from time to time, and the Factory to Party A and shall compensate for any of Party A's direct losses and damages incurred by delay of such returning due to Party B's failure. Party B shall return the Site, as extended from time to time, and Factory after the termination of the Lease term at the statue as agreed on by the Certificate of Final Acceptance (or any agreed on modification by Party A thereof) except for normal wear and tear. Party B shall make for its own account the necessary repairs, modifications and adjustments to turn the Site and/or Factory into the said status.

4.3 Subject to the agreement between the Parties on the new rental fee, the term and conditions of any renewed lease contract shall be substantially the same as to this Contract.

Article 5 Rental Payment

5.1 The rental fee for the Factory and the Site is fixed for the first 5 years of the Lease Term (hereinafter referred to as: "Fixed Rental Period") and equals three point five United State Dollars per squire meter per month (USD 3.5/m(2) per month). The total amount of rental payment in the Fixed Rental Period is indicated in Annex 4. The total monthly rental shall be approximately 45,500 USD (such total monthly rental shall be adjusted in once in the first then monthly rental payable by Party B right after the survey result as mentioned in Article 1.1 herein has been issued).

After the Fixed Rental Period, Party A shall have an option to adjust the rental payment only subject to the inflation rate issued by the Statistical Bureau of China in the concerned year, and shall not exceed (5%) percent of the rental payment of the previous year.

5.2 The rental fee shall as from the date of June 1, 2002 be paid by Party B every calendar quarter within twenty-one days of the commencement of the calendar quarter upon receipt of an invoice from Party A. Any payment delay from Party B will be subject to the penalty of two point five (0.025%) per cent over the delayed amount calculating every day from the delay period. In case, due to the reason of Party A, the Civil Test Certificate of the Factory or Acceptance Certificate of the Factory's outdoor construction and elevator installation is not timely obtained according Art. 2.12 and 2.13 or the fire prevention acceptance is not passed, Party B is entitled not to pay the rental for the delaying period.

5.3 In case Party B pays the Rental in Renminbi. The exchanged rate between Renminbi and United States Dollars shall be the middle rate between United

States Dollars and Renminbi published by Bank of China on the date of actual payment.

5.4 If the due date for any payment falls on Saturday, Sunday or any public holiday of PRC, that date shall be extended to the first working day after such Saturday, Sunday or public holiday in the PRC.

Article 6 Deposit

6.1 Party B shall pay to Party A the deposit in the amount of 6 months rental payment at the time of the first rental payment.

6.2 The deposit paid by Party B will be set-off and treated as of the 6 months rental payment from Party B after the lease of 12 month Lease Period.

Article 7 Obligations for Lessee

7.1 The ownership of the Factory building belongs to Party A within the Contract period. With Party A's written consent, Party B shall not transfer, sublease, mortgage or invest all or part of the Factory to any third party, or any other action that infringes Party A's ownership. Party B shall take good care of the Factory and keep it in good condition, and make the rental fee payment as scheduled.

7.2 The fixed assets of Party B kept at the Site shall be at Part B's risks and expenses.

7.3 Party B shall take good care of the Factory to repair and maintain it at its own cost and expenses, however, Party A shall be liable for such cost and expenses within the guaranteed period as stipulated in relevant laws and regulations. Party A is entitled to inspect the use and maintenance of the Factory from time to time, and Party B shall facilitate such inspection.

7.4 Party B shall be liable for any claim and compensation from any third Party for the damage suffered by third Party caused by the improper use of the Factory building by Party B.

Article 8 Obligations for Lessor

8.1 During the term of this Contract, the right to use the Factory belongs to Party B, and Party A shall be liable for any third party's claim against the ownership of

the Factory due to the reason of Party A, which shall not affect the use right of Party B hereof. Party A shall indemnify Party B for any loss suffered thereof.

8.2 Prior to the Final Acceptance, Party A shall allow Party B to conduct Internal installation provided that such internal installation does not affect the normal construction progress of Party A. Before the internal installation takes place, the Acceptance Test of the part of the Factory where such internal installation shall take place should have been passed by both Parties.

8.3 Party A shall be responsible for procuring an all risk insurance for the Factory and Site for the agreed catalogue of insurance at Party B's cost and expenses. In case any accident happens, the insurance compensation from the insurance company for such accidents shall be used to cover the repairing and maintenance of the Factory and Site. Party A shall provide to Party B a copy of annual insurance policy on each third quarter of every year.

8.4 Party B may sublease any part of the Factory to its affiliate(s) provided that a prior written notice is sent to Party A for such sublease, and Party A shall provide its assistance and support to acquire the registration of such sub-lease.

8.5 Party A shall not sell and/or transfer all or part of the Factory building to those who may engage in the similar business to that of Party B's during the Contract period of Party B.

8.6 Party A may terminate the Contract only when Party B substantially breaches the Contract including delay of the rental payment for over three (3) months without any reason.

Article 9 Representations and Warranties

Party A represents and warrants that:

9.1 the lease to Party B of the Factory and Site, as extended from time to time, are permitted, entitled and authorized to such lease;

9.2 no further approval or permission is required with respect to the rental fees, as adjusted from time to time, as referred to in Article 5 hereof;

9.3 the industrial and office use of the Site, as extended from time to time, and the Factory as included in the business scope of Party B is permitted.

9.4 Party B, as long as it is in compliance with the relevant governmental rules and regulations during the term of the Lease Term, shall not be disturbed in its normal use of the Site, as extended from time to time, and the Factory;

9.5 The construction of the Factory has been approved by the relevant Chinese authorities and complies with all applicable Chinese rules and regulations including safety and environmental regulations;

9.6 Party B shall not be liable for any soil and ground water pollution prior to the date of Final Acceptance. Both parties shall have a qualified environmental inspection authority to test the soil and ground water and to provide a related report before signing the Certificate of Final Acceptance.

In case Party A fails to comply with these warranties and representations, it shall indemnify to Party B for all losses, damages, costs and expenses incurred by Party B as a consequence of such non-compliance.

Article 10 Purchase Option

10.1 Party A hereby grants Party B during the Lease Term the irrevocable and unconditional right to purchase and obtain the unrestricted title with full and transferable ownership of the Factory and/or Site (or part of the Site), as extended from time to time (including, but not limited to, the land use right and the Property Ownership) as to be further laid down in a purchase contract. Party B may exercise this option by issuing a written notice to Party A three (3) months in advance.

10.2 The purchase price (hereinafter referred to as: "Purchase Price") is calculated on the basis of the following formula:

Purchase Price = A - B + C + D

A represents the total investment by Party A with respect to the Factory and the Site, as extended from time to time, composing of the following expenditures:

(i) fee as paid or to be paid by Party A to obtain the land-use right to the Site (the price shall be fixed at eighteen United States Dollars (USD18/m^2), as extended from time to time; plus

(ii) actual amount(s) paid by Party A to the Subcontractor(s) and any related payments to design institute, project supervisors and architects as well as

their interests cost (but excluding the penalty and compensation caused by Party A), all to be agreed on following the date of Acceptance; plus

(iii) the following taxes and duties payable by Party A regarding the sale of the Factory and Site to Party B:

a. Business Tax over the Purchase Price;

b. Stamp Duty in respect of the purchase contract mentioned above;

c. Public Notary Fee over the purchase contract for the above transaction (excluding 50% of the Public Notary Fee to be born by Party B for the Transfer of land use right of the said Site);

d. Education Surcharge;

B represents the total amount of rental fees paid by Party B to Party A up to the date of transfer of the Factory and the Site, as extended from time to time, as a consequence of the exercise of this Purchase Option;

C represents the total amount of interest at the fixed rate of 5.88% as calculated over the total amount under A plus D minus B hereof as from the date of June 1, 2002 until the date when Party B pays up the Purchase Price.

D represents the total amount of the following taxes paid by Party A during the Lease Term:

a. Business Tax with respect to rental payments;

b. Education Surcharge;

c. Stamp Duty in respect of this Contract;

d. Real Estate Tax (after the Guaranteed Lease Term).

10.3 The Purchase Price shall be payable upon the completion in full of the transfer of above title and ownership.

10.4 Party A hereby represents and warrants that:

(i) the title and ownership of the Factory and the Site, as extended from time to time, is complete and full and free of any lien, encumbrances, mortgages and the like;

(ii) all required fees (including but not limited to the land use right fee and taxes for acquiring and exercising said title and ownership) are paid in full by Party A up to the date that the Certificates of the Ownership of the Factory Building and the Land Use Rights of the Site, as extended from time to time, as referred to in Article 2.2 herein, are delivered to Party B, and Party B does not need to pay any fee on such transfer of the land use right;

(iii) Party A has obtained all required approvals, permits and the like to execute said transfer;

(iv) the relevant Chinese rules and regulations allow the Factory and the Site, as extended from time to time, to be used for industrial operations, including those operations in the scope of Party B and

(v) that the term of the relevant land use rights shall be the rest of 50 calendar years commencing from January 1, 2001.

10.5 Party A will at its own costs and expenses provide the following documents within four (4) months following the execution of the purchase contract by both parties, and Party B shall pay up the Purchase Price simultaneously to Party A:

(i) the original Certificate of Land-use Right as granted (not allocated) with respect to the Site, as extended from time to time; and

(ii) the original Property Ownership Certificate with respect to the Factory.

10.6 When paying the above mentioned Purchase Price, Party B shall also pay the actual corporate income tax paid by Party A as a result of the Rental it receives from Party B herein, which shall be deemed as part of the Purchase Price. In the case that the taxable income as shown in Party A's accounts could deduct the capital loss incurred from the Purchase Price received from Party B ("Capital Loss"), then the tax benefit incurred from part or all of such Capital Loss should be deducted hereof ("Deductible Amount"). (hereinafter referred to as "Party A's CIT")

Party A's CIT shall be calculated with reference to Annex 5, should be supported by relevant documents to be provided by Party A including complete audited

annual accounts of Party A and confirmed by Party B before Party B pays the Purchase Price and Party A's CIT.

Any remaining portion of the Deductible Amount enjoyed by Party A for loss covering in the following years shall be refunded to Party B.

Article 11 Land Reservation

Party A agrees to reserve for two (2) years from the signing date of this Contract, a piece of land indicated in Annex 2A for Party B (hereinafter referred as "Reserved Land"). Party B shall sign the Land Use Right Transfer Contract in respect of the Reserved Land with Party A within such period.

Unless otherwise agreed between the Parties, the purpose of Reserved Land shall be the same as of this Contract.

Article 12 Force Majeure

Neither Party shall be liable for any damages or losses nor have the right to cancel for any delay or default in performance hereunder if such delay or default is caused by conditions beyond its reasonable control and what is not foreseeable including acts of God, government imposed prohibition on the use of the Site

and the Factory, wars, insurrections, fires and floods; provided, however, that either Party shall have the right to terminate this Contract upon sixty (60) days prior written notice if the delay or default of the other Party due to any of the above-mentioned causes continues for a period exceeding two (2) months.

Article 13 Taxes, Duties and Other Levies

Party A shall be responsible to pay all taxes, levies and duties in respect of the Site, as extended from time to time, and Factory (including, but not limited to, business tax, land use tax, real estate tax, and income tax). Stamp duties shall be paid by each party in accordance with the law.

Article 14 Applicable Law and Disputes Settlement

This Contract is governed and construed by the laws and regulations of the People's Republic of China. Any dispute or claim arising out of or in connection with this Contract, including any question regarding its existence, validity, or termination may be settled through amicable discussions between the parties and if any agreement between the parties cannot be reached within fifteen (15) days after written notification from one party to the other party of the existence of the dispute, such

dispute or claim shall be referred to and finally settled through arbitration by China International Economic and Trade Arbitration Commission Shanghai Branch ("Arbitration") in accordance with the Arbitration Rules of the China International Economic and Trade Arbitration Commission ("CIETAC"). The law applicable to the Arbitration shall be the laws of the People's Republic of China. The arbitrators shall be appointed in accordance with the CIETAC Rules whereby one arbitrator shall be appointed by Party A, one by Party B and a third one by the arbitrators appointed by Party A and Party B, respectively. The language to be used in the Arbitration proceedings shall be Chinese and English. The Arbitration costs shall be born by one party or parties as decided by the arbitration award.

Article 15 Effectiveness and Language Versions

This Contract is written in English and Chinese language, both having the same effectiveness and each Party shall have one originally executed copy in English and Chinese language. This Contract and its Annexes which shall form an integral part thereof, shall enter into force after being executed and affixed by both parties.

SIGNED by
the authorized representative of
CHINA-SINGAPORE SUZHOU
INDUSTRIAL PARK
DEVELOPMENT CO., LTD

[Illegible Stamp]

SIGNED by
the legal representative of
PHILIPS SE
(SUZHOU CO., LTD.

[Illegible Stamp]

Annex 1: Construction Requirements

A Construction Range

Civil construction of warehouse:

Pile foundation
Main building
Doors and windows
Roof
Renovation Decoration: Only include paint dope for inner & outer walls and sunshade roof, decoration in toilet (floor tile brick, wall tile brick, partition, mirror, floor board, dryer, suspended ceiling), floor tile brick in stair well.
Water supply and sewerage work: Only include rainwater drainage and drainage in toilet.
Ventilation and illumination: Only include ventilation and built-in piping fittings in toilet.
Electrical works: Only include lightening proof and grounding system.
Purchase and installation of elevator.

Civil construction Earthwork for the power house of Engine Room
Pile foundation
Main building
Doors and windows
Roof
Decoration Renovation: Only include paint dope for inner & outer walls and sunshade roof, decoration in toilet (floor brick, wall brick, partition, mirror, floor board, dryer, suspended ceiling), floor brick in stair well.

Water supply and sewerage work: Only include rainwater drainage and drainage in toilet.
Ventilation and illumination: Only include ventilation and built-in fillings in toilet.
Electrical works: Only include lightening proof and grounding system.

Appurtenant work for the power house of Engine Room and warehouse
Outdoor road: Include underground drainage and sewerage pipe
Outdoor service pipe
Outdoor Fire hydrant: loop Dual feed, outdoor fire hose is included
Power supply: Two 15000 KVA cable duct. One cable to the substation will be put in.
Street Lamp: Include the circuit (from the Lamp control box to the ring circuit)

Landscaping Greenery
Fence, Main gate, Guardroom
Parking lots, bicycle parking place
Water Pool
Chemical article warehouse
Pipe Rack frame (From Engine Room power house to warehouse)

B General construction requirement:

1 Roof: Heat prevention. 2.5cm-width (CHINESE CHARACTERS) thermal insulating board
2 Roof: Waterproof. YUWANG APP waterproof coiled materials
3 Moisture proof layer: Hai Long Jiang JUYLIAN SBC moisture proof coiled materials
4 Paint Dope for inner wall and sunshade roof: NANBAO 815 water cement paint
5 Paint Dope for outer wall: NANBAO 815 paint
6 Sanitary ware: HCG
7 Floor tile brick and inner wall tile brick: Suzhou Roma Rome or the equivalent brand
8 Doors and windows: Anodized aluminum alloy doors and windows
9 Elevator: Odis
10 Outdoor road: Concrete road. Trunk road: 9 meter in width, branch road: 6 meter in width. Floor loading: (CHINESE CHARACTER)-20
11 Sewerage Pipe: UPVC pipe. Diameter is no less than 300
12 Drainage pipe: concrete pipe. Diameter is no less that 450
13 Outdoor service pipe: Diameter: 150
14 Outdoor fire fighting pipe: loop Dual feed. Diameter: 150
15 Road Lamp: 8 meters in height. Phillips brand
16 Landscaping Greenery: Manila grass and (CHINESE CHARACTERS) grass
17 Fence: Cast-iron guardrail

C Special requirement

1 Rolling Door: Color steel plate
2 One gate with three rolling doors each to the south and north of the warehouse. The width of the rolling doors is 3m, 3m and 2m respectively. Slope is needed at the area with 2m-width door for the entry of Forklift.
3 For equipment lifting, a air gas-tight door (2.25m in width and 2.5m in height) are needed at the exposed wall of the production hall warehouse workshop
4 Power: Grounding nets (power system, lightening-proof system, anti-static system) under each building with grounding device set aside (include test point). Ground resistance should be less than 1 ohm.

5 One staircase to footpath at the roof for both Engine room and powerhouse and warehouse each (From stair well)
6 White cement and 801 glue to be brushed at the roof sunshade (include concrete girder) of warehouse workshop (include pipeline room). Before the white cement ossified, polish at the uneven area is required.
7 Cover the hole at the floor of pipeline room of 2nd and 3rd floor of the warehouse with heat-treated zinc-coated skid-proof iron plate, fastened with bolt. For the thickness of the plate, as long as it can stand the worker operators and is not out of shape.
8 Warehouse elevator: Both for passengers and cargo (Loading 2000kg, inner size 2000(L) x 1800(W) x 2100(H). Two sets of control button and Time-delay switch. Two doors opened at the south and north respectively for one of the elevators.
9 Except for the workshop and suspended ceiling, white cement paint at the inner wall, the bottom of the girder and floor.
10 Decoration at the toilet: Wall bricks and floor bricks, suspended ceiling with FC board, FUMEIJIA partition, Store room at toilet.
Sanitary ware: HCG brand, Middle level above.
Inductor at the washroom.
11 Decoration at Stair well: Floor tile bricks (skid-proof), white cement paint. Stainless steel guardrail for stairs.
12 All out door are Stainless steel safety door except for rolling door
13 Asbestos construction materials are prohibited.
14 Roof loading for warehouse: 500kg/m2. Floor loading for warehouse, Roof and floor payload loading of Engine room and Powerhouse: 1000kg/m2.
15 Requirement for hazzardous articles warehouse, water pool and piping racks will be provided by Phillips separately.

D Inspection

In accordance with the relevant national inspection regulation and the special requirement required provided by Phillips.

Page 16

Annex 2: Layout Drawing of Factory Building

Page 17

Annex 2A: Map of Reserved Land

Page 18

Annex 3: Redline Plan

Page 19

Annex 4: Rental Payment Schedule

Page 20

Annex 5: Calculation Table for Party A’s Corporate Income Tax

Page 21

Suzhou High & New Technology Innovation Service Center

Property Management and Tenancy Agreement

Tenancy Agreement

Party A: Suzhou High & New Technology Innovation Service Center

Legal Address: No. 209 Zhuyuan Road, Hi-Tech Zone, Suzhou Phone:

Legal Representative: Huang Zhen Fax:

Party B: Philips Semiconductors (Shanghai) Co., Ltd.

Legal Address: Rooms 2907-2910, Tower 1, Kerry Everbright City, 218 Tianmu West Road, Zhabei District, Shanghai Phone:

Legal Representative: He Jian Gang Fax:

This Tenancy Agreement is made and entered into by and between Party A and Party B, through friendly negotiations, concerning Party A leasing its premises to Party B and providing services relating thereto under the terms and conditions below:

I. Leased objective

The position and area of the Premises leased to Party B are detailed in Forms 1 and 2.

II. Tenancy term

The tenancy term of this Agreement shall commence on October 1, 2006 and expire on November 30, 2008. Upon the expiry of the tenancy term, Party B shall return all the properties received from Party A in good condition.

III. Fees

1. Calculation of rental

Form 4:

Item/Time	The first year From Oct 1, 2006 to Nov 30, 2006	The second year From Dec 1, 2006 to Nov 30, 2007	The third year From Dec 1, 2007 to Nov 30, 2008
Address or building number	No.209 Zhuyuan Road	No.209 Zhuyuan Road	No.209 Zhuyuan Road
Room number and area	C4040-C4041-388 M_2	C4040-C4041-388 M_2	C4040-C4041-388 M_2
Rental (RMB YUAN/month/m^2)	9.6	10.4	11
Quarterly rental (RMB YUAN/quarter)	11174.4	12105.6	12804
Annual rental (RMB YUAN/year)	44697.6	48422.4	51216

2. Method and time of payment

(1) Within 7 days from the date of the signature of this Agreement, Party B shall pay the deposit in an amount of RMB YUAN11174.4. Upon the expiry of this Agreement, Party A shall refund to Party B all the amount of the deposit within 7 days after Party B has completed the relevant formalities stipulated in Party A's management system, provided that Party B is not in breach of this Agreement.

(2) Party B shall pay one-quarter's rental on the date of the signature of this Agreement, and pay the quarter's fees specified in From 2 hereunder in the first week (subject to postponement for another week in case of statutory holidays) of the first month of the current quarter after it moves in the Premises. In the case of any delay in the payment, Party B shall pay a penalty specified in Article 3 hereunder.

IV. Lease priority and renewal priority

1. During the tenancy term, Party B shall have the lease priority for the office premises located in C Area, 4/F, Suzhou High & New Technology Innovation Service Center.

2. Upon the expiry of the tenancy term, Party B shall have the priority for two-year lease renewal, the rental of which shall refer to the current market price and be determined by through negotiations between the parties hereto. However, the range of increase Or decrease of such rental may not exceed 20% of the rental hereunder.

V. Party A's obligations

1. Party A shall promptly deliver the Premises to Party B according to the time and standards specified herein.

2. Party A shall be responsible for maintenance of the Premises and guarantee the normal use of the Premises, except for the damage due to Party B's fault.

VI. Party B's obligations

1. Party B shall reasonably use and protect Party A's properties and maintain the integral structure of the Premises, and may not dismantle or alter the structure of the Premises without permission. If Party B desires to make a partition or decoration for the Premises, it must submit to Party A an application and a construction drawing. After Party B obtains the consent of Party A, Party A shall be responsible for arranging the construction at Party B's cost. Party B shall pay Party A the relevant fees in advance.

   After obtaining the written consent of Party A, Party B may, at its own discretion, entrust a construction organization to make construction. However, Party B shall submit a written construction plan (including the commencement and end dates, contents of the construction, etc.) to Party A seven days prior to the construction. Without the written consent of Party A, Party B may not start the construction. Upon the end of the construction, the parties hereto shall make joint inspection and acceptance. Party B shall require the construction organization entrusted by it to observe the relevant rules and regulations of Party A and not to affect the normal work and production of other relevant enterprises when such organization is

constructing.

2. If Party B desires to put forward requirements concerning advertisements, road signs, office signs, etc. in Party A's park, Party B shall, under the preconditions that the whole image and structure of the Premises are not damaged, submit an application to Party A. After obtaining the consent of Party A, Party A will be responsible for united planning and construction at Party B's cost.

3. Party B may not alter all the distribution equipment, central air conditioners and various kinds of ancillary facilities to the Premises without permission. Party B shall be responsible for repair or compensation for any damage of such facilities due to its fault and for compensation for all losses incurred to Party A or third party resulting therefrom.

4. Party B may not place any combustible or explosive or other dangerous articles in the Premises. If Party B has any special requirement, it shall submit a written application to Party A and may place such articles only after Party A gives its consent and determines the particular placement place and responsible person. Party B shall guarantee that Party A may at any time make spot-checks under the preconditions that Party A doesn't affect Party B's work.

5. Observing the design of bearing capacity of the Premises

(1) Party B shall observe the design of bearing capacity of the building specified in Attachment . Party B may neither use nor load the wall, ceiling or architecture of the building lest the architecture, loading framework, roof, base, joist and external wall should be distorted or damaged.

(2) Party B shall add appropriate building base to the facilities in the Premises, if necessary. However, Party B shall bear all fees relating thereto and obtain the prior written consent of Party A and relevant organs.

(3) Party B may neither use any partition between the Premises and other units to support any loading or object, nor cause or permit any behavior or other similar behavior that may damage such partition.

6. Permitting Party A to enter the Premises for examination

(1) Party B shall permit Party A and person authorized by Party A to enter the Premises under the preconditions that Party A doesn't affect Party B's work and gives 3 working days prior notice to Party B:

   a. To provide property management services;

   b. To check and examine the situation and conditions of the Premises, and devices or buildings of Party A;

   c. To implement any such repair or work for the Premises as Party A considers proper;

   d. To establish that Party B has abided by and performed its obligations by means of taking photo (except in work region subject to Party B's confidentiality requirement) or by other method.

(2) In order to facilitate the implementation of Article 6.1 hereunder, Party B shall, according to reasonable requirements of Party A, remove any device and article in the Premises.

(3) As for the constructions or repairs within Party B's responsibility scope hereunder, Party A

shall, if necessary, give 21 days' prior written notice to Party B to list in detail such constructions or repairs and to require Party B to carefully complete the same.

(4) If it is necessary to employ an external professional organization to make evaluation and/or provide professional services for any damage of the Premises, Party A shall give a prior notice to Party B. If such organization determines such damage is caused by Party B's behavior, Party B shall pay reasonable fees and evaluation fee of such organization.

(5) Subject to Articles 6.3 and 6.4 hereunder, Party B shall actively implement such work or repair within the notified period upon receiving the written notice. If Party B cannot implement the same, Party B shall permit Party A to implement such work or repair (but Party A has no obligation to do so). The fees incurred thus shall act as the amount payable by Party B to Party A and shall be repaid to Party A immediately.

(6) If Party A considers that there is an emergent or dangerous circumstance, it shall have right to enter the Premises and take measures by such method as it considers proper, provided that Party A will not hinder Party B's normal office or damage Party B's lawful benefits.

7. Permitting the examination

Within 3 months prior to termination or expiry hereof, Party B shall permit Party A or person authorized by Party A to bring a new intended tenant into the Premises for examination in normal office hours, provided that Party A gives a prior written notice to Party B and will not affect Party B's work.

8. Return of the Premises in original situation

(1) Upon the termination or expiry hereof (whichever is earlier), Party B shall restore the Premises and all devices of Party A to the situation on the date when Party A delivers the Premises to Party B (except for normal wear and tear and damage of the Premises due to force majeure).

(2) Notwithstanding the provisions of Clause 1 above, Party A has right, without any cost, to dispose of all facilities left by Party B inside and outside the Premises with the consent of Party A.

(3) If Party B fails to return the Premises according to Clause 1 above, Party A has right to require Party B to restore the Premises to the original situation within the specified period; if Party B fails to restore the Premises to the original situation within such specified period, Party A has right to entrust third party to complete such restoration work and the reasonable fee incurred thus and the management fee (amounting to 15% of such reasonable fee) shall be assumed by Party B.

(4) If Party B is in breach of the provisions of Clause 1 above, Party A has right to require Party B to pay the rental, property management fee or other fees payable from the date of termination or expiry hereof (whichever is earlier) to the date of completion of all the restoration work.

(5) Subject to Clause 3 above, Party A has right to deduct the fee of restoration work from the deposit. If the deposit is not enough, Party A will give a written notice to Party B of the amount payable by Party B to Party A. Party B shall pay such amount prior to the expiry of such notified period.

9. Party B and its employees shall strictly observe the management system of Party A.

10. Party A has right to terminate this Agreement immediately without giving prior written notice to Party B, in the case of any of the following circumstances during the tenancy term:

a) Party B fails to use the Premises according to the purpose agreed herein;

b) Party B subleases, assigns or sublets the Premises without permission;

c) Party B uses the Premises for conducting illegal activities;

d) Party B impairs social morality and Party A's reputation in the process of Party B's business;

e) Party B violates the management system stipulated by Party A;

f) Party B delays the payment for days;

g) There is any accident in the Premises due to Party B's fault;

h) Party B is in breach of other obligations hereunder and fails to remedy the same within 5 working days after receiving the written notice from Party A.

11. Party B shall keep the Premises and the outside thereof clear, be responsible for maintaining the environmental health of Suzhou High & New Technology Innovation Service Center jointly with Party A, and be responsible for general sanitation, green covering and keeping good social order in a designated area outside the Premises.

VII. Liability for breach

1. From the signature hereof, either party may give six months' prior notice to the other party to terminate this Agreement, except for force majeure.

2. In the case of any delay in payment, Party B shall pay the penalty to Party A according to the following formula: 1% of the amount payable for the first 7 days and 1% of the amount payable for each subsequent 7-day period.

VIII. [ILLEGIBLE] Force majeure

1. During the tenancy term, if Party B cannot enter the Premises or the Premises is not suitable for use by Party B arising from damage of the Premises or any part thereof due to force majeure but not due to negligence of either party, the implementation of this Agreement shall be suspended immediately. Neither party shall be responsible for damage due to force majeure.

2. During the period of such suspension:

(1) Party A has right to restore the Premises to the situation on the date when Party A delivers the Premises to Party B; and

(2) The parties hereto shall make efforts to reach a friendly resolution.

3. If either party cannot perform, or delays to perform, all or part of its obligations hereunder due to force majeure, the period of performance of this Agreement or any term hereof shall be postponed correspondingly.

4. If either party is affected by force majeure event, it shall give a notice to the other party as soon as possible after the occurrence of such event and provide, as soon as possible, the other

party with the documents fully stating the reason, nature and severity scale of such event.

5. In the case of force majeure, the parties hereto shall make efforts to reduce the influence of such event on the performance hereof to the minimum.

IX. Miscellaneous provisions

1. Because the rental and the rate of property management fee hereunder are formulated by Party A, the taxes or other problems and legal responsibilities resulting thus shall be assumed by Party A.

2. Notices

The written notices hereunder shall be delivered personally or sent by registered mail or fax.

The written notices sent from the sender to the receiver according to the contact method specified hereunder shall be regarded as having been received by the receiver:

(1) If a notice is delivered personally or sent by registered mail, it shall be regarded as having been received by the receiver immediately; if a notice is sent by fax, the fax report will display the receiver’s number and transmission time.

The transmission notice shall be subject to the address or fax number stated on the first page hereof or another address or fax number notified by the receiver hereunder to the other party.

3. This Agreement shall supersede all prior agreements or oral promises during the negotiations between the parties hereto. Any matter not provided for herein shall otherwise be negotiated between the parties hereto.

4. If Party B has other special requirements outside the scope hereunder, Party B shall submit a supplementary agreement. Upon the signature by the parties hereto, such supplementary agreement shall be regarded as having the same effect as this Agreement.

5. Any dispute arising from performance hereof, the parties hereto shall resolve such dispute through negotiation; if no agreement is reached, the parties hereto may submit such dispute to the court where the performance place hereof is located.

6. This Agreement shall come into effect from the signature by the parties hereto.

7. This Agreement is made in three counterparts, one of which Party A holds and two of which Party B holds.

Party A: Suzhou High & New Technology Innovation Service Center

Signature of Representative:

Sep. 20, 2006

Party B: Philips Semiconductors (Shanghai) Co., Ltd.

Signature of Representative:

Factory Premises Tenancy Agreement

Between

Jilin Sino-Microelectronics Co., Ltd.

and

Jilin Philips Semiconductor Co., Ltd.

Date: Nov. 25, 2003

Landlord (Party A): Jilin Sino-Microelectronics Co., Ltd.
Legal Address: No. 99 Shenzhen Street, Jilin City, Jilin Province, China
Legal Representative: Xia Zengwen

Tenant (Party B): Jilin Philips Semiconductor Co., Ltd.
Legal Address: No. 99 Shenzhen Street, Jilin City, Jilin Province, China
Legal Representative: Tony Lear

This Tenancy Agreement (hereinafter referred to as the "Agreement") is made and entered into by and between Party A and Party B, through friendly negotiations, concerning the lease of the factory premises and the ancillary facilities thereto that not invested by Party A to Party B (hereinafter referred to as the "Premises").

Article 1 Standard, location and area of the Premises

1.1. Party A shall be responsible for drawing design and construction of the Premises according to the Construction Requirements specified in Appendix 1 hereto. The Plane Layout Design Drawing is specified in Appendix 2 hereto. During the course of construction, Party A shall observe the provisions of the relevant state laws and regulations. Upon the Final Acceptance (defined below), Party A shall lease the Premises to Party B. The total floor area of the Premises is about 12,900 square meters, which shall be subject to the measurement result issued by the survey organization approved by the government.

1.2 The Premises is on the Plot located at No. 99 Shenzhen Street, Jilin City, Jilin Province, China, as specified in Appendix 3 hereto. The area of the Plot is 12,545 square meters.

Article 2 Inspection and acceptance of the Premises

After the Premises passes the inspection and acceptance by the relevant department (including but not limited to the quality and fireproofing inspection and acceptance of the Premises), Party A obtains the document issued by the relevant governmental authority which may prove that Party A is the owner of land use right of the Plot and the owner of the Premises and has right to lease the Premises and the Plot to Party B during the Term specified in Article 4.1 herein, the parties hereto shall respectively appoint a person to form an inspection and acceptance team to check whether the Premises ands the Plot conform to the Construction Requirements (hereinafter referred to as the "Inspection and Acceptance"). Upon the Inspection and Acceptance are passed, the parties hereto shall sign the "Final Acceptance Certificate" in duplicate and hold one original thereof (hereinafter referred to as the "Final Acceptance"). In the case of any defect, Party A shall, at its cost, promptly make necessary repair, modification and adjustment for the Plot and/or the Premises until the Plot and/or the

Premises conform to the conditions specified in the Construction Requirements. Upon completion of such matters, Party A shall provide the Plot and the Premises to Party B according to the particular circumstances and make the Inspection and Acceptance again and sign the Final Acceptance Certificate.

Article 3 Purpose of the Premises

The Premises shall be used only for industrial and office purpose. Party B may not use the

Premises for any purpose without the written consent of Party A. Party B shall at its cost complete all the formalities necessary for change of such purpose according to the relevant governmental regulations.

Article 4 Tenancy and term

4.1 Party A and Party B agree that, Party A will lease to Party B, and Party B will lease from Party A, the Premises and the Plot in acceptance with the provisions hereof (hereinafter referred to as the "Tenancy"). The Tenancy term for the Premises and the Plot (hereinafter referred to as the "Term") shall commence from the date of signature of the Final Acceptance Certificate (hereinafter referred to as the "Tenancy Commencement Date") and end on the date of early termination or expiry of the joint venture contract entered into by Philips Electronics (China) Company Limited and Party A concerning the establishment of Party B (each natural year has 365 days).

4.2 During the Term, Party B may give three months' prior written notice to Party A to terminate this Agreement. Upon the termination hereof, Party B shall return the Premises to Party A and indemnify the direct losses and damages incurred to Party A arising from delayed return due to Party B's fault. Upon the expiry hereof, Party B shall return the Premises whose situation shall conform to the provisions specified in the Final Acceptance Certificate (or any amendment permitted by Party A), except for normal wear and tear. Party B shall at its cost make necessary repair, modification and adjustment for the Plot and/or the Premises until they conform to the specified conditions upon the return thereof.

Article 5 Payment of rental

5.1 The annual rental of the Premises and the Plot shall be 10% of the appraised amount of the Premises and the Plot, amounting to RMB YUAN _____, five years from the Tenancy Commencement Date. The annual rental of the Premises and the Plot shall be 12% of the appraised amount of the Premises and the Plot, amounting to RMB YUAN _____, from the sixth years from the Tenancy Commencement Date to the termination hereof. The parties hereto agree that the appraised amount of the Premises and the Plot shall be the final appraisal value thereof issued by Zhonghe Assets Appraisal Co., Ltd. The final appraisal report for the Premises and the Plot issued by such company shall form Appendix A hereto.

5.2 Party B shall pay the rental to Party A from the Tenancy Commencement Date and pay off on or before the 15th day of each month according to the invoice received by it. If Party B delays in payment, it shall pay a penalty amounting to two point five in ten thousand per day according to the delayed amount and period.

5.3 If the date due and payable is Saturday, Sunday or Chinese statutory holiday, such date shall be postponed to the first working day following such Saturday, Sunday or Chinese statutory holiday.

5.4 The monthly rental shall be permitted by Party B to the following account appointed by Party A or paid by other method agreed in writing by the parties hereto.

Party A's bank account:	Jilin Industrial & Commercial Bank Hi-tech Industrial Development Zone Branch
Account number:	0802212409000042560

Article 6 Deposit

6.1 Party B shall pay the amount equal to the three months' rental as Deposit upon paying the first rental.

6.2 Upon the expiry of 12 months after the expiry of the Term, the Deposit shall set off three months' rental payable by Party B to Party B upon the expiry of such 12 months.

Article 7 Party B's obligations

7.1 Party B shall keep the Premises in good condition, and may neither alter the structure of he Premises nor make large-scale reconstruction and decoration without the prior written consent of Party A.

7.2 Party B shall pay the rental hereunder on time.

7.3 Party B shall assume the risks and expenses of its assets located on the Plot and purchase insurance for such assets. Party B shall be responsible for proper use and maintenance for the Premises and promptly discuss the resolution program with Party A concerning the potential failures and dangers.

7.4 In the case of any damage of the Premises arising from Party B's improper use thereof, Party B shall, at its cost, be responsible for maintenance thereof to restore the Premises to good condition.

7.5 In the case of any third party's damage arising from Party B's improper use thereof, Party B shall assume the compensation responsibilities relating thereto.

7.6 Party B shall abide by all the provisions concerning the environments in the Chinese current laws, perform the relevant terms and conditions of services agreements entered into by the parties hereto, dispose of chemical waste and other environmental pollutions arising from the production process, and assume all the responsibilities arising from breach of such provisions and terms and conditions.

7.7 Party B may give a written notice to Party A to sublease the office part of the Premises to third party. However, Party B shall be responsible for management for such subleased part, including collecting the rental from the sub-lessee, etc. The rights and obligations of the parties hereunder may not be changed due to such sublease. In addition, Party B shall abide by the following provisions:

(1) The term of the sublease may not exceed the Term hereunder;

(2) The subleased part may be used for office purpose;

(3) If Party B terminates this Agreement prior to the expiry hereof according to Article 4.2 hereof, the sublease agreement between Party B and the sub-lessee shall be terminated at the same time;

(4) Party B shall be responsible for settling all the disputes arising from the sublease; and

(5) Party B shall be responsible for the taxes and fees arising from the sublease.

Article 8 Party A's obligations

8.1 Party A shall be responsible for any ownership claim made by any third party against the Premises due to Party A's reason during the Term hereof. Party B's use right may not be affected thereby, or else Party A shall indemnify the losses incurred to Party B resulting therefrom.

8.2 Party A shall, at its cost, be responsible for purchase property insurance and public liability

insurance for the Plot and the Premises. In the case of the insurance accident, the insurance compensation acquired by Party A resulting therefrom shall be paid for the repair fees. Party A shall assume the risk of inadequate insurance compensation. Party A shall provide Party B with the reduplicate of the current year insurance policy in the third quarter of each year.

8.3 Party A shall, at its cost, be responsible for repair and maintenance of the Premises according the relevant regulations during the Term hereof. Party A has rights to examine the use and maintenance situation of the Premises at such time as it considers proper, and Party B shall provide convenience for Party A's examination.

8.4 Party A hereby agrees that, Party B may give a written notice to Party A to sublease the office part of the Premises to third party. Party A shall provide assistance and support for the sublease formalities.

8.5 During the Term hereof, Party A may not sell or assign the Premises wholly or partially to third party that has the similar business as Party B.

8.6 Party A undertakes that, it will terminate this Agreement only if Party B is in material breach hereof, including failure to pay the rental hereunder for more than 3 months without any reasonable reasons.

Article 9 Representations and warranties:

Party A represents and warrants that:

9.1 It has acquired the approval for lease of the Premises and the Plot from the relevant department.

9.2 It permits Party B to use the Premises and the Plot for industrial and office purpose within Party B's business scope;

9.3 It has acquired the approval for the construction from the relevant Chinese authority which conforms to all the Chinese applicable laws and regulations concerning safety and environmental protection.

9.4 Party B shall assume no liability for the land and groundwater pollutions arising prior to the Final Acceptance. The parties hereto shall employ the qualified environmental test organization to test the land and groundwater and to issue the report relating thereto arising prior to the Final Acceptance.

If Party A fails to perform such representations and warranties, it shall indemnify all the losses, damages, fees and expenses incurred to Party B resulting therefrom.

Article 10 Force majeure

Neither party shall be liable for delay in performance or default hereunder or damage or loss due to any unpredictable factor beyond unreasonable control, including act of god, prohibited use of the Premises and the Plot by the government, war, riot, fire and flood. If a party hereto delays in performance hereunder or is in breach hereof for more than two months due to force majeure, either party may give 60 days' prior written notice to the other party to terminate this Agreement.

Article 11 Taxes and levy

Party A shall pay all the taxes of the Premises and the Plot during the Term (including but not limited to business tax, land use tax, real estate tax and income tax). The parties hereto shall pay the stamp duty according to law.

Article 12 Applicable law and dispute resolution

This Agreement shall be governed by and interpreted in accordance with the laws of the People's Republic of China. The parties hereto shall make efforts to resolve all the disputes arising out of or relating to this Agreement through friendly negotiations. If the parties hereto fail to resolve any such dispute within 60 days, such dispute shall be submitted for arbitration.

(a) Any dispute or claim arising out of or relating to this Agreement, including the existence, validity or termination of any relevant agreement, shall be finally settled by arbitration in Hong Kong International Arbitration Centre in accordance with the Mediation and Arbitration Rules the International Chamber of Commerce ("Rules") (hereinafter referred to as the "Arbitration").

(b) The arbitrator shall be appointed in accordance with the Rules. The language of the Arbitration shall be English.

(c) The Arbitration award shall be final and binding upon the parties. The Arbitration award may be enforced as a judgment in any court having jurisdiction. Therefore, the parties shall hereby confirm that they will perform the Arbitration award as an obligation hereunder and expressly agree to immediately enforce the Arbitration award without delay.

(d) The arbitrator will decide that a party or the parties hereto shall assume the Arbitration fee.

(e) In the course of settling disputes, this Agreement shall be continuously executed by the parties except for the part which is under arbitration.

Article 13 effectiveness of agreement and language version

This Agreement is made in Chinese and English. The Chinese and English versions shall be equally authentic. Each party holds one original of Chinese version and one original of English version. This Agreement and appendixes hereto shall from the whole text and shall come into effect upon signature and seal by the parties hereto.

Landlord (Party A): Jilin Sino-Microelectronics Co., Ltd.
Authorized Representative: Xia Zengwen
Date: Nov. 25, 2003

Tenant (Party B): Jilin Philips Semiconductor Co., Ltd.

Authorized Representative

List of appendixes:

Appendix 1: Construction Requirements see Appendix 1 of Agreement for Service Level of Providing Power Facilities Services

Appendix 2: Plane Layout Design Drawing

Appendix 3: Red Line Map of the Land Block

Appendix 4: Final Appraisal Report for the Premises and the Plot Issued by Zhonghe Assets Appraisal Co., Ltd.

Appendix 1: Construction Requirements see Appendix 1 of Agreement for Service Level of Providing Power Facilities Services

Appendix 2: Plane Layout Design Drawing

Appendix 3: Red Line Map of the Land Block

Appendix 4: Final Appraisal Report for the Premises and the Plot Issued by Zhonghe Assets Appraisal Co., Ltd.

Shenzhen Municipal Real Estate
Tenancy Agreement

Formulated by Shenzhen Municipal Planning and Land
Resource Bureau

Instructions

1. This Model Agreement is formulated in accordance with *the Contract Law of the People's Republic of China, the Regulations of Shenzhen Special Economic Zone on Lease of Houses* and its implementation rules and other relevant laws and regulations. The parties may agree to adopt this Model Agreement.

2. Before the signature of this Agreement, the parties hereto shall carefully read this Agreement and may add or remove the contents of the terms hereof through negotiations.

3. Before the signature of this Agreement, the Landlord shall show to the Tenant the real estate title certificate or other valid certificate which proves that the Landlord owns the real estate title and the evidence which proves the Landlord's identity or legal qualification. If the real estate is entrusted to the Landlord for management, the Landlord shall provide the authorization letter; if the real estate is subject to co-ownership, the Landlord shall provide the evidence, which proves all the co-owners consent to the tenancy, and the authorization letter of all the co-owners. The Tenant shall show its identity certificate or legal qualification certificate to the Landlord.

4. The parties shall enter into this Agreement on the basis of the principles of voluntariness, fairness, honesty and credibility. Neither party may force its will on the other party. No person may illegally intervene in this Agreement.

5. The parties hereto shall enter into and perform this Agreement according to law and may neither violate the relevant legal procedures nor conduct illegal activities.

6. This Agreement shall be binding upon the parties hereto upon the signature hereof. The parties hereto shall perform their respective obligations in accordance with the provisions hereof and may not amend or terminate this Agreement without statutory or agreed provisions.

7. The contents to be filled out by the parties hereto shall be filled out in pen, brush pen or sign pen and confirmed by signature and seal by the parties hereto. Any altered part hereof shall be confirmed by signature and seal by the parties hereto.

8. The blank herein (with underline) may be agreed by the parties hereto and the terms herein (with "o") may be chosen by the parties hereto.

9. This Agreement is a model and the parties hereto may choose, supplement, complete or modify the contents hereof. The unmodified contents and the contents filled out by the parties hereto (confirmed by signature and seal by the parties hereto) shall be regarded as agreed contents hereof.

10. As for the chosen, supplement, completed or modified contents herein, the manuscript items shall prevail.

11. Upon the signature hereof, the parties hereto shall promptly and jointly complete the registration and filing with the real estate tenancy administration department.

12. The parties hereto may decide the number of originals hereof according to the actual needs and carefully check when signing this Agreement to ensure the consistency among all the originals. In any case, each party hereto shall at least one original hereof.

13. In the case of any change, termination or loss hereof, the parties hereto shall promptly complete the relevant formalities with the original registration department.

Landlord (Party A): Yu Pengnian Management (Shenzhen) Co., Ltd
Address: Pengnian Plaza, No.2002 Jia Bin Road, Luo Hu District, Shenzhen City
Zip: 518001
Authorized Proxy:
Address:
Zip:

Tenant (Party B): Phillips (China) Investment Co., Ltd Shenzhen Branch
Address: 35/F Pengnian Plaza, No.2002 Jia Bin Road, Luo Hu District, Shenzhen
Zip:
Number of Business License or ID Card:
Authorized Proxy:
Address:
Zip:

This Tenancy Agreement is made and entered into by and between Party A and Party B, through friendly negotiations, in accordance with the provisions of *the Contract Law of the People's Republic of China, the Law of the Peoples Republic of China on the Administration of the Urban real Estate, the Regulations of Shenzhen Special Economic Zone on Lease of Houses* and its implementation rules.

Article I

Party A intends to lease to Party B the premises located at Rooms 3806-3809, 35/F Pengnian Plaza, No.2002 Jia Bin Road, Luo Hu District, Shenzhen (the "Premises"), and the total area of the Premises are 2,859.34 square meters and the total number of floors is 57.

The owner of the Premises is Yu Pengnian Management (Shenzhen) Co., Ltd. The name and number of real estate title certificate or other valid certificate which proves that the Landlord owns the Party A real estate title is SHEN (LUO) FANG ZU ZHENG NO. 10042. The Statutory purpose of the Premises is office.

Article 2

The rental for the Premises shall be RMB YUAN 60 (say sixty Yuan only) per share meter per month. The monthly Rental shall be RMB YUAN 171,560.40 (say one hundred seventy-one thousand and five hundred sixty Yuan and forty cents only).

Article 3

Party B shall pay the first-phase rental amounting to RMB YUAN 171,560.40 (say one hundred seventy-one thousand and five hundred sixty Yuan and forty cents only) prior to Feb 5, 2004.

Article 4

Party B shall pay the rental to Party A according to any of the following methods:

x prior to the 10th day of each month;

o prior to this day of the month of each quarter;

o prior to this day of the month of each half-year;

o prior to this day of the month of each year;

Upon receiving the rental from Party B, Party A shall issue the invoice to Party B.

(The parties hereto shall jointly choose any of the above four methods and tick the appropriate box).

Article 5

The tenancy term hereof shall commence on Feb. 5, 2004 and expire on Feb. 4, 2007.

The above term may not exceed the approved land use period and the excess party shall be invalid.

The loss resulting therefrom shall be subject to the agreement between the parties hereto and, in the case of no such agreement, be assumed by Party A.

Article 6

Party A shall lease the Premises according to the statutory purpose.

Party B shall use the Premises according to the statutory purpose and may not change such purpose without permission.

If Party B desires to change the statutory purpose of the Premises, it shall obtain the written consent of Party A and submit an application for changing such purpose to the real estate tenancy administration department according to the relevant laws and regulations, and may change such purpose only obtaining the approval.

Article 7

Party A shall deliver the Premises to Party B prior to Feb. 5, 2004 and complete the relevant handover formalities.

If Party A delays the delivery of the Premises, Party B may require the postponement of the term hereof. The parties hereto shall confirm in written signature and register the same with the contract registration department.

Article 8

Upon delivery of the Premises, the parties hereto shall confirm, and specify in the Attachment, the current situation of the Premises and ancillary facilities thereto and the attached properties.

Article 9

Upon delivery of the Premises, Party A may collect the deposit from Party B amounting to three months' rental, equal to RMB YUAN 497,525.16 (say four hundred ninety-seven thousand and

five hundred twenty-five Yuan and sixteen cents only) (including the management fee deposit).

Upon receiving the deposit from Party B, Party A shall issue the receipt to Party B.

Party A shall refund the deposit to Party B under the preconditions that:

(1) The term expires;

(2) The tenancy hereof may be terminated only upon the consent of the client through friendly negotiations between the parties hereto;

(3)

x if any of the above conditions is met;

o all the above conditions are met.

(The parties hereto shall jointly choose any of the above two methods and tick the appropriate box).

Party A has right not to refund the deposit to Party B in the case of any of the following circumstances:

(1) Party B delays in payment of the rental or other fees;

(2) Party B terminates this Agreement prior to the expiry hereof; or

(3) Party B is in breach of this Agreement.

Article 10

During the term hereof, Party A shall be responsible for paying the land use fee for the Premises, taxes, tenancy management fee and fee arising from the tenancy hereof; Party B shall be responsible for paying other fees including the fees of water, electricity, sanitation, house (building) management, telephone, television, computer, etc.

Article 11

Party A shall ensure that the lease purpose can be realiazed for the Premises and ancillary facilities thereto and that the safety of the Premises conforms to the provisions of the relevant laws and requlations.

In the case of any personal injury and property damage incurred to Party B in the Premises arising from Party A's intention or negligence, Party B has right to make claims against Party A.

Article 12

Party B shall reasonably use the Premises and ancillary facilities thereto and may not utilize the Premises to conduct illegal activities; Party A may not disturb or intervene in Party B's normal and reasonable use of the Premises.

Article 13

In the case of any damage or failure that may intervene in the safe and normal use of the Premises and ancillary facilities thereto not due to Party B's fault during the use of Premises, Party B shall

give a prompt notice to Party A and take effective measures to prevent the further deterioration of the defect. Party A shall make maintenance or directly entrust Party B to make maintenance within three days after receiving the notice from Party B. If Party B fails to give a notice to Party A or Party A fails to make maintenance within the specified time after receiving such notice, Party B may make maintenance only upon registration with the contract registration department. (As for the public part)

If it is necessary to make immediate maintenance in case of especially emergent circumstance. Party B shall make maintenance and give a prompt notice to Party A of the relevant circumstances.

Party A shall assume the maintenance fee incurred under the circumstances specified in the above two clauses (including the reasonable fee paid by Party B for making maintenance and preventing the further deterioration of the defect). If the losses are extended arising from Party B, in breach of its obligations specified in the above two clauses, failure to failure to give a prompt notice to Party A or take effective measures, the maintenance fee for such extended losses shall be assumed by Party B.

Article 14

In the case of any damage or failure that may intervene in the safe and normal use of Premises and ancillary facilities thereto due to Party B's improper or unreasonable use thereof, Party B shall give a prompt notice to Party A and be responsible for maintenance or compensation. If Party B refuses to make maintenance or compensation, Party A may make maintenance upon registration with the contract registration department and Party B shall assume the relevant maintenance fee. (As for the inside of the Premises)

Article 15

If either party desires to conduct reconstruction, extension or decoration of the Premises during the term hereof, the parties hereto shall enter into another written agreement.

If the circumstances specified in the above clause shall be subject to approval by the relevant department, the same may be conducted only upon such approval is obtained.

Article 16

o Party may sublease the Premises wholly or partially to third party during the term hereof and make registration with the real estate tenancy administration department. However, the term of such sublease may not exceed the term hereof.

o Party B may not sublease the Premises wholly or partially to third party. However, during the term hereof, upon obtaining the consent of Party A, Party B may make registration with the real estate tenancy administration department based on such consent of sublease. However, the term of such sublease may not exceed the term hereof.

x Party B may not sublease the Premises wholly or partially to third party during the term hereof.

(The parties hereto shall jointly choose any of the above three methods and tick the appropriate box).

Article 17

If Party A desires to sublease the Premises wholly or partially to third party during the term hereof, Party A shall give one month's prior notice to Party B. Party B shall have the preemptive right under the same conditions.

If Party A desires to assign the Premises to third party, Party A shall be responsible for inform the assignee of continuing to perform this Agreement upon signing the assignment contract.

Article 18

This Agreement may be terminated or amended in the case of any of the followings during the term hereof:

(1) If this Agreement cannot be performed due to Force Majeure;

(2) If the government confiscates, purchases, repossesses or demolishes the Premises; or

(3) If the parties hereto agree through negotiations.

Article 19

In the case of any of the following circumstances,

(1) If Party B delays in payment of the rental for more than 30 days (one month);

(2) If Party B delays in payment of the fees amounting to more than RMB YUAN payable to Party A.

(3) If Party B utilizes the Premises to conduct illegal activities and impairs the public interests or other party's interests;

(4) If Party B alters the structure or statutory purpose of the Premises without permission;

(5) In the case of serious damage of the Premises or equipment arising from Party B, in breach of Article 14 hereof, failure to assume the maintenance obligation or to pay the maintenance fee;

(6) If Party B decorates the Premises without the consent of Party A and the approval of relevant department; or

(7) If Party B subleases the Premises to third party without permission,

Party A has right

o to make claims against Party B;

o not to refund the deposit hereunder; or

x to require Party B to pay a penalty amounting to RMB YUAN20 (say twenty yuan only) (per square meter per day).

(The parties hereto shall jointly choose any of the above three methods and tick the appropriate box).

Besides Party A has right to make claim against Party B and investigate the default liability. In addition, Party A may terminate or amend this Agreement according to the said circumstances.

Article 20

In the case of any of the following circumstances,

(1) If Party A delays in delivery of the Premises for more than 30 days (one month);

(2) If Party B cannot realize the purpose of the tenancy hereof arising from Party A in breach of Clause 1 of Article 11 hereof;

(3) If Party A in breach of Article 13 hereof fails to assume the maintenance obligation or to pay the maintenance fee;

(4) If Party A conduct reconstruction, extension or decoration of the Premises without the consent of Party B and the approval of relevant department; or

Party B has right

o to make claims against Party A;

o to require Party A to refund double of the deposit hereunder; or

x to require Party A to pay a penalty amounting to RMB YUAN20 (say twenty yuan only) (per square meter per day).

(The parties hereto shall jointly choose any of the above three methods and tick the appropriate box).

Besides Party A has right to make claim against Party B and investigate the default liability. In addition, Party B may terminate or amend this Agreement according to the said circumstances. (Upon receiving the compensation from Party A, Party B shall give a written notice to Party A and return the Premises to Party A.)

Party B needn't pay the rental to Party A during the period from Party A's receiving such notice to Party B's receiving such compensation.

Article 21

Within 5 days after the termination hereof, Party B shall remove from and return the Premises, guarantee the Premises and ancillary facilities thereto in good condition (except for normal wear and tear), and pay off all the fees payable by Party B and complete the relevant handover procedures.

If Party B delays in removing or returning the Premises, Party A has right to repossess the Premises and to require Party B to pay double of the rental for the delay period.

Article 22

If Party B desires to lease the Premises from Party A upon the expiry hereof, Party B shall give one months' prior notice to Party A. Party B shall have the preemptive right for the Premises under the same conditions.

If the parties hereto agree on the renewal of the tenancy hereunder, they shall enter into another agreement and make registration with the contract registration department.

Article 23

The parties hereto shall perform their respective obligations hereunder and either party in breach hereof shall assume the corresponding responsibility according to the provisions herein.

Article 24

The parties hereto may otherwise agree, in the Attachment, on the matters not provided for herein. The Attachment shall be part of this Agreement and have the same effect as this Agreement.

If the parties hereto agree on amendment hereto during the term hereof, they shall make registration with the original contract registration department. The amended agreement shall have the same effect as this Agreement.

Article 25

Any dispute arising out of this Agreement shall be settled through negotiations between the parties hereto. In the event such dispute cannot be resolved through negotiations, it shall be submitted to the original contract registration department for mediation. In the event such dispute cannot be resolved by mediation, it shall be submitted to:

o Shenzhen Arbitration Commission for arbitration;

o China International Economic and Trade Arbitration Commission Shenzhen Branch for arbitration;

x the court for lawsuit.

(The parties hereto shall jointly choose any of the above methods and tick the appropriate box).

Article 26

This Agreement shall come into effect upon the signature hereof.

The parties hereto shall make registration with the competent department within ten days from the signature hereof.

Article 27

The Chinese version of this Agreement shall be the original.

Article 28

This Agreement is made in four counterparts, one of which Party A holds, two of which Party B holds, one of which the contract registration department holds and of which the relevant department holds.

Party A (signature and seal): Yu Pengnian Management (Shenzhen) Co., Ltd

Legal representative:
Telephone:
Bank account:
Authorized proxy (signature and seal):

Date: Oct. 28, 2004

Party B (signature and seal): Philips (China) Investment Co., Ltd. Shenzhen Branch

Legal representative:
Telephone:
Bank account:
Authorized proxy (signature and seal):

Date: Oct. 28, 2004

Registrar (signature and seal):

Contract registration department (signature and seal):

Date: Oct. 28, 2004

Attachment to the Tenancy Agreement

Party A and Party B agree to supplement and modify the above Tenancy Agreement (“Standard Format Agreement”) by adopting the following supplementary terms and conditions (“Supplementary Terms and Conditions”). The Standard Format Agreement and Supplementary Terms and Conditions shall collectively be referred to as the “Agreement”.

Article 1 Rental

During the term hereof, the rental for the first year shall be RMB YUAN 60 per square meter, the rental for the second year shall be RMB YUAN 63 per square meter, and the rental for the third year shall be RMB YUAN 65 per square meter.

Article 2 3805 Rent-free period

1. The rent-free period herein shall be two months, commencing on Dec. 5, 2003 and ending on Feb. 4, 2004. Party B may make decorations for the Premises only during such period and may not make decorations prior to such period or in breach of Party A’s provisions.

2. During the rent-free period, Party B shall pay the management fee, the electricity fee for such decorations and all the deposits required by the building management office, and assume all the risks.

Article 3 Tenancy term

The term hereof shall be three years, commencing on Feb. 5, 2004 and ending on Feb. 4, 2007.

Article 4 Public corridors and storage rooms

Because Party B leases the whole floor of the 35th floor, Party A agrees to free of charge lease the public corridors and storage rooms of the 35th floor (see the attached drawing) during the term hereof, provided that the approval by the fireproofing department and relevant department is obtained.

Article 5 Interior decoration

1. Party B shall complete all interior decoration work (except for those Party A shall be responsible for) for the Premises and assume all the expenses relating thereto.

2. Party B shall be responsible for completing the formalities of application and fireproofing acceptance necessary for second decoration with the building management office, the Bureau of State Land and Resources and the Fireproofing Bureau. If necessary, Party A shall provide assistance relating thereto.

3. Party B may at its cost make decorations upon all the plans of decorations and designs for the Premises (including the unit interior, corridors, storage rooms, etc.) are approved by Party A, the building management office, the Fireproofing Bureau and the relevant department.

4. Party A may not raise an objection upon the interior decoration plans are approved by the building management office, the Fireproofing Bureau and the relevant department.

Article 6 Restoration of partitions

Upon returning the Premises, Party B may reserve the partitions and needn't restore the Premises to the original situation when it leases the Premises.

Article 7 Installation of split air-conditioners in the computer room

Party A permits Party B to install split air-conditioners in Party B's computer room at Party B's cost.

Article 8 Payment of fees

1. Party B shall remit the monthly rental to the bank account appointed by Party A in Shenzhen.

2. The parties hereto shall averagely assume the stamp duty charges payable upon registration of the Tenancy Agreement (i.e. either party shall assume one in a thousand of the total rental).

3. Party B shall be responsible for telephone application for the Premises and fees relating thereto.

4. Party B shall pay the fees of the power lines from the Premises to the ammeter room of the 35th floor and the ammeter installation (the ammeter will be provided by the management office and the fees relating thereto shall be paid by Party B).

5. Party B shall pay the management fee to the management office. The management fee shall be adjusted subject to the relevant provisions of Shenzhen government property management rules and the regulations of management office (on the time of the tenancy hereof, the management fee is RMB YUAN 27 per square meter per month). The electricity fee shall be paid to Shenzhen Power Supply Bureau according to the provisions of Shenzhen government.

6. Party B shall observe the relevant provisions of Party A and the management office concerning the central air-conditioners and passenger-goods lifts.

(1) The use time of central air-conditioners and passenger-goods lifts is as follows: 8:30am to 6:00pm from Monday to Friday;

(2) The rate of overtime air-conditioner fee is RMB YUAN 300.00 for the first hour and RMB YUAN 0.30 per square meter per hour for the following hours; and

(3) If Party B desires to use passenger-goods lifts at the overtime (after 6:00pm), it shall submit a prior written application to Party A and the management office will make united arrangement.

Article 9 Interpretation and amendment

1. The provision of Article 9 of the Standard Format Agreement "Upon delivery of the Premises, Party A may collect the deposit from Party B" shall be amended as follows:

"Upon signature hereof, Party B shall pay the deposit amounting to two months' rental and two months' management fee equal to RMB YUAN 497,525.16 (say four hundred ninety-seven thousand and five hundred twenty-five Yuan and sixteen cents only)".

2. In Article 10 of the Standard Format Agreement, the fees payable by Party B include the electricity fee, house management fee (including the central air-conditioner fee and the water fee, electricity fee and clearance fee for public part at the office time), clearance fee for interior of the Premises,

maintenance fee for interior of the Premises (Party A shall be responsible for the maintenance fee for public part), and all the corporate fees and deposits due to Party B's use of the Premises (such as phone fee).

3. The provision of Article 13 of the Standard Format Agreement "Party B shall give a prompt notice to Party A and take effective measures" shall be amended as follows: "Party B shall give a prompt notice to Party A and the maintenance office and take effective measures".

4. The provision of Article 19 of the standard Format Agreement is extended as follows:

(1) The deposit hereunder cannot replace the rental payable by Party B in the current period;

(2) Party B's payment of the penalty hereunder will affect Party A's exercising of the right specified in Article 19(6) herein; and

(3) Party A's collection of the penalty hereunder from Party B will mean Party A's consent to Party B's breach hereof.

5. The provision of Article 21 of the Standard Format Agreement "shall give a prompt notice to Party A and promptly remove from the Premises" shall be amended as follows: "shall give a written notice to Party A seven days prior to the termination hereof".

6. The provision of Article 26 of the Standard Format Agreement shall be amended as follows: "This Agreement shall come into effect upon the signature and seal by the authorized representatives of the parties hereto".

7. Party B may not require to use the deposit hereunder to set off any rental, management fee, electricity fee, phone fee or other fees due and payable in any time during the term hereof.

Article 10 Expiry and early termination

1. Party B has right to terminate this Agreement upon expiry of thirty-six months after the commencement of the term hereof, but shall give a written notice prior to thirty-five months after the commencement of the term hereof.

2. Neither party may not amend during the term hereof or terminate this Agreement prior to expiry hereof. If either party desires to amend or terminate this Agreement during the term hereof, it shall give one month's prior notice to the other party.

When leasing the house, Party A has right to charge double rent administration fee on the overdue occupied house according to the Article 5 in the contract and Article 21 in the attachment. And additional RMB Yuan 10 will be charged on each square meters.

8. Party B has the priority to lease the remaining units of the 38th floor from Party A

pursuant to the rental subject to the original agreement.

Article 12 Breach of agreement

During the term hereof, the parties hereto shall strictly observe all the provisions hereunder. Either party's failure to perform any provision hereunder shall be regarded as breach hereof and shall be subject to the provisions specified in Article 25 of the Standard Format Agreement.

Article 13

The words filled out in the blank herein shall have the same effect as the printed words herein.

Article 14

The supplementary terms herein shall be totally 13 articles.

Party A (signature and seal):

Party B (signature and seal):

Witness (signature):

Date: Sep 15, 2003

Contract registration department (official seal):

Exhibit 10.16

Tenancy Agreement

Landlord (Party A): Dongguan Huangjiang Town Introduction Company
As agent and authorized representative Dongguan Huangjiang Material Company

Tenant (Party B): Philips Semiconductors (Guangdong) Co., Ltd.

Scope of tenancy and rental

Article 1

Party A agrees to lease to Party B the No.1 and No.2 factory premises, No.1 and No.2 dormitory buildings and the land relating thereto, office building and other relevant facilities (as specified in pink in the attached drawing, hereinafter referred to as the "Premises").

The area of the Premises is as follows:

No.1 factory premises	5,355 square meters
No.2 factory premises	4,226 square meters
No.1 dormitory building	2,298 square meters
No.2 dormitory building	2,298 square meters
office building	1,177 square meters
security room	13 square meters
goods region	267 square meters
total:	15,634 square meters

The rental of the Premises is RMB YUAN 7.5 per square meter per month. The monthly rental is RMB YUAN 117,255.

In addition, the parties hereby confirm that, Party B may be free to charge use the rooftop of the Premises during the term hereof (provided that such sue shall conform to the relevant provisions).

Article 2

The land with area of 4,656 square meters between the factory premises and the dormitory buildings and the land of west side of the factory premises with area of 600 square meters (as specified in yellow in the attached drawing) will be provided to Party B for use free of charge during the term hereof.

Party A shall, at its cost, be responsible for paving such lands into cement floor, expect for the green belt as specified in the attached drawing.

Party B shall, at its cost, be responsible for planting trees and grasses on such green belt.

Article 3

Party A shall lease to party B another land with area of 5,000 square meters (as specified in green in the attached drawing) subject to the annual rental RMB YUAN 100,000.

Article 4

The land with area of 9,000 square meters (as specified in blue in the attached drawing) located before the Premises will be provided to Party B for use during the term hereof, and Party B has right to at any time give six months' prior notice to return such land to Party A. Upon the expiry of such period of six months and the return of the Premises, Party B needn't pay any land use fee or rental for such land.

The parties hereto agree that such land is reserved for purpose of construction extension by Party B. During the first four year of the term hereof, Party B has right to use such reserved land free of charge. However, prior to construction of any building on such land, Party B shall, at its cost, plant trees and grasses or construct temporary leisure facilities and complete the same within six months after commencement of the factory productions.

Upon the expiry of such four years, if such land is not used for construction of any building or if the floor space is less than 2,000 square meters and the floor area is less than 4,000 square meters, Party A may collect the land use fee amounting to RMB YUAN 1.2 per square meter per month for such land, until Party B constructs the building specified in the following paragraphs. Therefore, the monthly rental shall be RMB YUAN 10,800 (i.e. 9,000 square meters multiplied by RMB YUAN 1.2).

If such land is not used for construction of any building or if the floor space is less than 3,000 square meters but more than 2,000 square meters and the floor area is less than 6,000 square meters but more than 4,000 square meters, Party A may collect the land use fee amounting to RMB YUAN 0.6 per square meter per month for such land, until Party B constructs the building specified in the following paragraphs. Therefore, the monthly rental shall be RMB YUAN 5,400 (i.e. 9,000 square meters multiplied by RMB YUAN 0.6).

If such land is not used for construction of any building or if the floor space is not less than 3,000 square meters and the floor area is not less than 6,000 square meters, the fee shall be collected subject to the following method:

a. If the building is constructed by Party B, it shall pay the land use fee to Party A in the amount of RMB YUAN 20 per square meter per year. The annual fee is RMB YUAN 180,000. If Party B decides to purchase such land, the parties hereto shall make transaction pursuant to the current market

price.

b. If the building is constructed by Party A, Party B shall pay the rental to Party A pursuant to the usable area of such building and needn't pay the land use fee. The rental per square meter per month shall be determined pursuant to the current market lease price of the factory premises and the dormitory buildings.

Rent-free period

Article 5

Notwithstanding the above provisions, Party B has right to free of charge occupy and use the premises and land hereunder during the following period:

No.1 factory premises	Three months' rent-free period
No.1 dormitory building	Three months' rent-free period
No.2 factory premises	Six months' rent-free period
No.2 dormitory building	Six months' rent-free period
Land with area of 5,000 square meters	Twelve months' rent-free period
Other buildings	Three months' rent-free period

Adjustment and payment of rental

Article 6

The rental shall be fixed for the first five year of the term hereof and thereafter the rental for each four-year period shall increase by 10%.

Such land use fee shall be fixed for the first five year from the date payable and thereafter the rental for each four-year period shall increase by 10%.

Article 7

The rental payable and the land use fee shall be remitted to the amount of Party A on or before the seventh day of each month.

Article 8

If Party B fails to pay the rental and the land use fee seven days from the due date, it shall pay the penalty amounting to 0.1% of the relevant sum per day.

If Party B fails to pay the rental for more than three months, Party A has right to terminate this Agreement.

Term of tenancy

Article 9

The tenancy hereunder shall be a period of thirteen years, commencing on expiry of thirty days from the date of Party B receiving its business license. Party B has right to give six months' prior written notice to Party A at any time after expiry of the first five year of the tenancy term hereunder. In this case, Party B shall pay Party A the early termination penalty equal to three months' rental and the land use fee hereunder upon early termination hereof.

Article 10

If Party B desires to renew the tenancy hereunder upon expiry of the term hereunder, Party A shall discuss the renewal with Party B in good faith. Party A agrees that Party B has the priority to lease the renewal under the same conditions.

Deposit

Article 11

In order to ensure that Party B may abide by the provisions hereof, Party B agrees to pay RMB YUAN 214,200 to Party A as the deposit upon the signature hereof.

Party A shall refund to Party B the amount of the deposit hereunder without interest upon expiry or early termination hereof. If Party B is in breach hereof, Party A has right to deduct reasonable amount from the deposit to make up the actual loss incurred to Party A due to such breach.

Delivery of the Premises and the land

Article 12

Party A shall deliver the Premises and the land to Party B from the commencement date of the tenancy hereunder. If Party A delays in the delivery, the commencement date of the tenancy and the rent-free period shall be postponed correspondingly.

If Party A fails to delivery the Premises and the land within thirty days from the commencement date of the tenancy hereunder, Party B has right to immediately terminate this Agreement. In this case, Party A shall refund to Party B the amount of the deposit hereunder without deduction, and pay Party B a penalty amounting to the deposit.

Power supply

Article 13

Party A shall bear the fee of capacity increase of 600 kilovolt ampere. However, Party B shall bear the electricity, equipment and facility fees and installation fees thereof, and the fee of capacity increase of over 600 kilovolt ampere.

Article 14

Party A shall at its cost be responsible for installing high voltage cable located ten meters away from the transformer room (as specified in the attached drawing).

Article 15

Party A undertakes that, the power supply of Huangjiang shall generally be stable, except for Force Majeure and conventional maintenances of power station (such maintenances shall be generally four times per year and the total time of power cut will not exceed 24 hours).

Water supply

Article 16

Party A shall at its cost be responsible for installing tap water pipe from the public water pipe location to the place located ten meters away from the bounding wall of the Premises (as specified in the attached drawing).

Party B shall bear the fee of connecting the water pipe into the Premises and installing water meter.

Article 17

The application for water installation fee shall averagely be shared by the parties hereto.

Fireproofing facilities

Article 18

Party B shall at its cost be responsible for installation of the fireproofing facilities factory premises and dormitory buildings and for the relevant work (according to the relevant provisions of Fire Control Law of the People’s Republic of China)

Other facilities

Article 19

Party A shall at its cost be responsible for the following constructions:

a) The bounding wall of the Premises and the land;

b) Septic tank; and

c) Dependent toilets of each room of No.1 and No.2 dormitory buildings;

d) Reconstruction of toilets and goods region of the factory premises (subject to the design of Party B); and

e) Connection the passage building of No.1 factory premises and No.2 factory premises.

Road

Article 20

Between the north side of No.1 dormitory building and the bounding wall of the power factory mentioned above, Party A shall at its cost be responsible for construction of a road with seven meter width according to the program determined by Party B, to connect the main road of the industrial district with the Premises.

Article 21

All road constructions shall be conducted as per the first-class road surface. Party A shall provide the certificate of road inspection and acceptance to Party B.

Party A's obligations

Article 22

Party A shall complete all the installations and constructions prior to the tenancy commencement date. If Party A fails to complete such work wholly or partially, Party B has right to at its cost complete the remaining work and deduct the relevant fee from the rental and land use fee payable by Party B.

In addition, such installations and constructions shall conform to the provisions of Chinese government authorities concerning quality and safety standards.

If any of such installations and constructions fails to meet the relevant quality and safety standards, Party A shall be responsible for repairing and remedying all the defects and assume all the losses resulting therefrom.

Article 23

Party A shall provide suggestions and assistances for all kinds of applications and administrative procedures of Chinese government authorities such as the customs, the taxation bureau, etc. especially in the initial period of Party B's business.

Article 24

Party A shall deliver to Party B the Premises and the land in good and clear condition according to the detailed structure drawing attached hereto.

Article 25

Party A may not repossess the Premises and the land during the tenancy term hereof (except as otherwise provided herein).

Article 26

Party B has right to peacefully use the Premises and the land without disturbance by Party A (except for normal contact and subject to the provisions of the laws of the People's Republic of China) during the term hereof, provided that Party B pays the rental and perform its obligations hereunder.

Article 27

In the case of any loss or damage of the Premises or the land or any part thereof arising from force majeure or inherent structure during the term hereof, the payment of the rental and the land use fee or reasonable part thereof according to the features and degree of such loss or damage may be suspended, until Party A reconstructs, or restores to the original situation, the Premises or the land. If Party A fails to remedy the same upon the expiry of two (2) months from the date of such loss or damage, Party B has right to give seven (7) days' prior notice to Party A to terminate this Agreement.

Article 28

Party A hereby represents and warrants that, it has the lawful status and right to lease the Premises and the land to Party B, and that it has obtained all the approvals from Chinese

authorities (including the governmental approvals and the consent of the mortgagee, if applicable) concerning this Agreement and the lease of the Premises and the land to Party B. In the case of any error or violation of such representations and warranties hereunder, Party A shall indemnify all the actual losses and damages incurred to Party B.

Party A shall provide Party B with the certified copies of the land use certificate, ownership certificate, authorization letter (if any), its business license, acceptance certificate, and other relevant documents for purpose of filing.

Article 29

In the case of whole or partial transfer of the ownership of the Premises and the land or any event that may affect Party B's use thereof during the term hereof, Party A shall guarantee that the transferee or third party that may affect Party B's rights and interests hereunder can continue to perform this Agreement. If any of Party B's rights and interests hereunder is affected by such transferee or third party, Party A shall indemnify all the actual losses and damages incurred to Party B.

Article 30

Party A warrants that No.1 and No.2 factory premises can be used for industrial purpose and that No.1 and No.2 dormitory buildings can be used for residential purpose in accordance with the laws and regulations of the People's Republic of China. Party A further warrants that, the bearing capacity of No.1 and No.2 factory premises is 600kg per square meter and the bearing capacity of No.1 and No.2 dormitory buildings is 200kg per square meter. If Party A is in breach of such warranties, it shall indemnify all the actual losses and damages incurred to Party B.

Article 31

Party A shall pay all the taxes relating to the Premises and the land hereunder. Party A especially undertakes that the business tax levied on the rental, land use fee and house tax shall be borne by it.

Article 32

Party A shall be responsible for any structural defect and inherent defect of the Premises and the land and other facilities provided by it hereunder, provide necessary repair of such defect and assume the responsibility for the loss arising from such defect. However, Party A will assume no liability for any loss arising from such defect due to Party B's overloaded equipment or improper use thereof.

Party A expressly agrees to be responsible for repair for any structural defect and inherent defect of the following facilities (if only they are provided by Party A):

a) Wall and windows of the Premises;
b) The bounding wall of the Premises and the land;
c) Drainage and blow-down systems;
d) Roads; and

e) Power supply facilities

Party B's obligations

Article 33

Party B shall pay the rental and land use fee on time according to the provisions hereof.

Article 34

Party B has right to make nonstructural alteration of the Premises.

Article 35

Party B may not alter the purpose of the Premises without the prior consent of Party A. In the case of any damage of the Premises and relevant facilities due to Party B's negligence or fault or improper use thereof, Party B shall restore the same to the situation of commencement of the tenancy (except normal wear and tear, structural defect and inherent defect, and damage due to Force Majeure). If Party B is in breach of this clause, it shall make indemnification according to Article 41 herein.

Article 36

Party B may not assign or sublease the Premises to third party other than Party B's branch or affiliate without the prior consent of Party A.

Article 37

Upon the termination hereof, Party B shall restore the Premises, the land and the facilities hereunder to the situation of commencement of the tenancy (except normal wear and tear, structural defect and inherent defect, and damage due to Force Majeure). However, Party B will assume no liability for removing any device or equipment attached to the Premises, any building reserved on the land (if any), and any device or equipment attached to such building (such as the device or equipment specified in Appendix A hereto).

Article 38

Party B shall develop its business within the scope of the Premises and the land according to the approval of Chinese government, pay the taxes and charges, and observe Chinese laws and policies. Otherwise, Party B shall assume the full responsibilities.

Article 39

Unless as otherwise provided herein, Party B shall at its cost make daily maintenance for the Premises and facilities attached thereto (except for structural defect and inherent defect, and damage due to Force Majeure).

Article 40

During the term hereof, Party B may use the Premises and the land but not have the ownership thereof. Party B may not use the Premises and the land for purposes of mortgage or repayment of debts. All the debts incurred to Party B during its business period shall have no

relationship with Party A.

Miscellaneous provisions

Article 41

Either party's failure to perform its obligations hereunder shall constitute breach hereof. The parties agree that the breaching party shall indemnify all the direct losses and damages incurred to the other party (excluding for indirect losses and damages).

Article 42

This Agreement shall be governed by and interpreted in accordance with the laws of the People's Republic of China.

Article 43

The parties hereto shall resolve all the disputes relating to this Agreement through friendly negotiations. If the parties hereto fail to reach an agreement for any such dispute within fifteen (15) days, such dispute shall be finally settled by China International Economic and Trade Arbitration Commission Shenzhen Branch for arbitration in accordance with the arbitration rules of such Commission ("CIETAC Rules") ("Arbitration"), CIETAC Rules shall be regarded as integral part hereof. The laws applicable for the Arbitration shall be the laws of the People's Republic of China. The arbitrators shall be appointed in accordance with the CIETAC Rules, i.e, the parties shall respectively appoint one arbitrator. The said two appointed arbitrators shall jointly appoint the third arbitrator. The language of the Arbitration shall be Chinese.

Article 44

The Appendixes hereto shall be integral part hereof and have the same effect as this Agreement.

Article 45

All the matter not provided for herein shall be settled through negotiations between the parties hereto.

Article 46

This Agreement is made in Chinese and English. In the case of any conflict between the Chinese and English versions, the Chinese version shall prevail.

Article 47

This Agreement shall come into effect upon of the signature by the parties hereto, notarization by the notary organ, and registration with the real estate administration bureau. Unless as otherwise provided herein, this Agreement may not be amended or terminated without the consent of the parties hereto. This Agreement is made in six counterparts, two of which each party holds, one of which is delivered to the notary organ and one of which is delivered to the real estate administration bureau. The fees of notarization and registration shall be averagely shared by the parties hereto.

Article 48

Each party shall bear the legal fees incurred to it arising from the preparation, discussion and signature hereof.

This Agreement is signed on February 15, 2000.

Landlord (Party A): Dongguan Huangjiang Town Introduction Company
As agent and authorized representative of Dongguan Huangjiang Material Company
Signature:
Title:
Seal:

Tenant (Party B): Philips Semiconductors (Guangdong) Co., Ltd.
Signature:
Title:
Seal:

The notary organ: Dongguan Huangjiang Town Law Service Firm

The real estate administration bureau:

Appendixes:

Appendix A: Plane diagram

Appendix B: Detailed structure drawing

This Agreement is signed on September 26, 2003.

Landlord (Party A): Dongguan Huangjiang Town Introduction Company
Signature:
Title:
Seal:

Tenant (Party B): Philips Semiconductors (Guangdong) Co., Ltd.
Signature:
Title:
Seal:

The notary organ:

The real estate administration bureau:

Appendixes:

Appendix A: Plane diagram

Appendix B: Loading capacity of the Premises

Appendix B: Loading capacity of the Premises

Office building	Floor	200 kg/sq.m
	Roofing	150 kg/sq.m
	Cantilever platform	250 kg/sq.m
Factory premises	Floor	1000 kg/sq.m
	Warehouse platform	2000 kg/sq.m
	Roofing	300 kg/sq.m
	Machine room	700 kg/sq.m (lift machine room)
	Crossover	250 kg/sq.m
	Large-scale equipments are supported on the girders	
Refectory	Floor	300 kg/sq.m
	Roofing	150 kg/sq.m

PHILIPS
Lion-IT 07
05:18pm Sep. 19, 2006

To Karen Chen/TPE/PTW/PHILIPS@PHILIPS
cc caroline.rodenburg@nl.ey.com
bcc
Subject Lease agreements
Classification Unclassified

Dear Karen,

As discussed, please kindly deliver signed release agreements of NXP for building C and Kaohslung.
Thank you for your support.
Magda Bartos and Caroline Rodenburg

Building and Land Detailed List-PEBEI-PSK Ref: J-TW Date: 2006-2-10

KUSD KUSD

Item	Building(B)/ Land(L)	Location	Ownership Certification	Construction No.	Area (square feet)	Book value	Accumulated depreciation	Owned/ Rent	Legal entity	Contract No	Duration		Building condition	Improve Plan
22	B-C4-B2-8F	C4			204,347	8,388	6,585	Rent	NEPZ	F&A-027	10 years till 2010		Good	No
23	B-W1-B1-106	W1			10,254	421	330	Rent	NEPZ		1 year		Good	No
24	B-W1-B1-108	W1			10,351	425	334	Rent	NEPZ		1 year		Good	No
25	B-W1-B1-110	W1			10,245	421	330	Rent	FUKO garment	EBR-0121 -2004-020	3 years till 2007		Good	No
26	L-CL101	W1-C5			710			Rent	NEPZ	F&A-018	10 years till 2010	*		
27	L-CL102	C4			30,698			Rent	NEPZ	F&A-018	10 years till 2010	*		
28	L-CL012	C5			191,162			Rent	NEPZ	F&A-018	10 years till 2008	*		
29	L-AL071	W3			7,898			Rent	NEPZ	F&A-032	10 years till 2014	*		
30	L-AL066	W2			8,554			Rent	NEPZ	EBR-0121 -2005-055	10 years till 2015	*		
31	L-AL082	W2			8,554			Rent	NEPZ	F&A-033	10 years till 2015	*		
32	L-AL081	W2			8,554			Rent	NEPZ	F&A-033	10 years till 2015	*		
33	L-AL020	W2			15,796			Rent	NEPZ	EBR-0121 -2005-044	10 years till 2015	*		
34	L-AL086	W2			15,796			Rent	NEPZ	F&A-040	10 years till 2015	*		
35	L-AL026	W2			14,483			Rent	NEPZ	F&A-018	10 years till 2014	*		
36	L-AL106	W2			7,241			Rent	NEPZ	EBR-0121 -2005-034	10 years till 2015	*		
37	L-AL100	W2			7,241			Rent	NEPZ	F&A-018	10 years till 2015	*		
38	L-AL012	W1			14,461			Rent	NEPZ	F&A-018	10 years till 2009	*		

39	L-AL087	W1		14,461		Rent	NEPZ	F&A-018	10 years till 2009	*

40	L-AL034	W1		8,500		Rent	NEPZ	EBR-0121 -2005-055	10 years till 2015*	
41	L-bike shed	C5		2,550		Rent	NEPZ	EBR-0121 -2005-021	1 year	
42	L-bike shed	W3		2,291		Rent	NEPZ	EBR-0121 -2005-022	1 year	
43										
44										
45										
46										
47										
48										
49										
50										
51										
52	Total Building			814,119						
	Total Land			358,953						

Tenancy Agreement

This Tenancy Agreement (the "Agreement") is made by and between the parties below:

Landlord: Manufacturing and Export Zone Administration, Ministry of Economy ("Party A")

Tenant: Philips Electronic Building Elements Industries (Taiwan) Ltd ("Party B")

WHEREAS, Party B intends to lease from Party A the "Premises" located in Nanzi Manufacturing and Export Zone and the Landlord agrees to lease to the Tenant the "Premises" under the terms and conditions set forth herein. NOW, THEREFORE, the parties hereby agree as follows:

1. The leasing premises (the "Premises") are located at 2/F Underground and 8/F Aboveground, 7 Jingsi Road, Nanzi Manufacturing and Export Zone, and the total area of the Premises are 18,991.4 square meters.

2. This Agreement shall have a term of ten years, commencing on May 16, 2000 and expiring on May 15, 2010 (the "Term"). If Party B desires to renew the tenancy, it shall give three months' prior notice to Party A and enter into another agreement with Party A.

3. If Party B desires to terminate this Agreement prior to the expiry hereof, it shall give three months' prior notice to Party A and pay the amount equal to three months' rental as compensation, and Party A shall refund to Party B the amount of the Deposit hereunder without interest.

4. Rental and Deposit

   (1) The Rental for the Term shall be NT$121 per square meter per month. The monthly Rental shall be NT$2,298,000. Party B shall pay the monthly Rental by issuing the bill due and payable on the sixteenth day of each month.

   (2) The Deposit shall be NT$4,596,000 amounting to two months' Rental. Party B shall pay the Deposit by issuing the check due and payable on May 25, 2000. Party A shall refund to Party B the amount of the Deposit hereunder without interest upon Party B's return of the Premises. If Party B delays in payment of the Rental, or Party A finds any fault due to Party B's reason (except for normal wear and tear) upon Party B's return of the Premises, or Party B fails to perform Article 12 hereof, Party A may deduct from the Deposit the damage incurred by it resulting therefrom and shall refund any remaining (if any) to Party B. Party B shall pay the insufficiency (if any) to Party A and may not have an objection.

5. If Party B fails to pay the Rental within the specified time herein, it shall pay the penalty according to the following provisions:

   (1) In the case of delay for more than one month and less than two months, the penalty shall be five percent of the monthly Rental;

   (2) In the case of delay for more than two months and less than three months, the penalty shall be ten percent of the monthly Rental;

   (3) In the case of delay for more than three months and less than four months, the penalty shall be fifteen percent of the monthly Rental;

   (4) In the case of delay for more than four months, Party A may collect the penalty from Party B and terminate this Agreement.

   In the case of the above delay, Party A shall give a written notice to Party B.

6. Party B may use the Premises only to the extent of actual business needs and may not use the Premises for any illegal activity. Party B may not sublease or sublet the Premises during the Term hereof without the consent of Party A.

7. Party B may, at its cost, install the facilities of water, electricity, phone and other decorations in the Premises. Party B may not alter the structure of the Premises without the prior consent of Party A. Party B shall assume all the water fees, electricity fees, phone fees and other fees due to its application for use.

8. The land tax and housing tax of the Premises shall be borne by Party B. If another land lease agreement is entered into, the land rental shall be borne by Party B.

9. Party A shall purchase the insurance for the Premises during the Term hereof, and Party B shall, at its cost, purchase the insurance for the properties belonging to Party B.

10. Party B shall bear the maintenance fees of the Premises.

11. When the price index announced by the government rises or falls up to five percent, or the price index is subject to the governmental policy adjustment, or under other special circumstances, if an application for adjustment of price index is submitted to the Ministry of Economy, Party A may discuss the Rental with Party B.

12. Unless as otherwise provided herein, Party A may terminate this Agreement in the case of any of the followings:

   (1) If Party B fails to perform the provisions hereof and fails to remedy the same within the period specified by Party A;

   (2) If Party A may terminate this Agreement according to the provisions of the civil law or other relevant laws; or

(3) This Agreement shall be terminated due to Major state policies.

13. Party B shall return the Premises to Party A within ten days after the expiry of termination hereof. Any property left by Party B in the Premises shall be regarded as waiver of ownership thereof and shall be subject to disposal by Party A. Party B may not have an objection.

14. Any dispute arising from this Agreement shall be governed by the Kaohsiung District Court as the court of first instance.

15. All matters not provided for herein shall be governed by the establishment administration rules of Manufacturing and Export Zone or other relevant laws.

16. This Agreement is made in two counterparts, one of which each party hereto holds.

Landlord (“Party A”): Manufacturing and Export Zone Administration, Ministry of Economy

Legal Representative: Pan Dingbai, Director

Address: 600 Jiachang Road, Nanzi Zone, Kaohsiung City

Tenant (“Party B”): Philips Electronic Building Elements Industries (Taiwan) Ltd

Legal Representative: Ze Wenbo, Chairman of the Board of Directors

Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

Date: May 12, 2000

Exhibit 10.18

Factory Building Lease Contract

Lessor: Kaohsiung Fuguo Garment Manufacturing Co., Ltd ("Party A")

Parties to the Contract:

Lessee: Philips Electronic Building Elements Industries (Taiwan) Ltd. ("Party B")

The Parties hereby enter into this contract as follows with regard to the lease of factory building between them:

Article 1 Subject Matter of the Lease

Location of the factory building owned by Party A: 110 Inner Ring South Road, Nanzi Manufacturing and Export Zone, Kaohsiung City, the factory building at the first floor underground with an area of 953 square meters. The factory building will be lease out to Party B as its factory building with existing equipments. (See the equipment list for details.)

Article 2 Lease Term

The term of this lease contract is from April 1, 2004 to March 31, 2007. Upon expiration of the lease term, if Party A intends to continue to lease out the subject matter of the lease, Party B shall have the priority to the lease the same under equal conditions. The Parties shall consult with each other about the reletting two months prior to expiration of this contract.

Article 3 Rent and the Method of Payment

3.1 The rent will be 110,000 New Taiwan dollars per month (tax included).

3.2 The rent shall be paid monthly. The 1st day of each month will be the payment date. Party B shall remit the rent for the month to the bank account (Name of the Bank: China Commercial Bank, Nanzi Branch. Account Name: Kaohsiung Fuguo Garment Manufacturing Co., Ltd. Account Number: 003-20-000050) as designated by Party A before the payment day of each month. If the rent is not remitted to the bank account within three days before the payment date, the rent for the month shall be deemed not paid. After receiving the rent for each month, Party A shall open uniform invoices based on the fact and deliver them to Party B.

Article 4 Deposit

4.1 To ensure the observance and performance of each term of this contract, Party B shall pay Party A the deposit of 400,000 New Taiwan dollars by a demand check at the time of the execution of this contract. Upon expiration of this contract, Party A

---

shall refund the deposit without interest on a lump-sum basis after Party B retreats from and returns the subject matter of the lease as well as performs the provisions of Article 5, 7, 8 and hereof.

4.2 Except as specified in Article 9.1 and 10.1 hereof, the deposit shall not be used for setting off the rent and shall not be transferred as a claim, and pledge or mortgage shall not be set on the deposit, provided that Part A will forfeit all the above deposit as the liquidated damages and Party B shall not raise any objection if Party A is obliged to return the subject matter of the lease pursuant to the contract but fails to return the same after the time for returning the same.

Article 5 Assumption of the Expenses

5.1 The house tax and rent of land of the subject matter of this contract during the lease term shall be assumed by Party A.

5.2 The water and electricity expenses and the tax payable on business operation of Party B shall be assumed by Party B.

5.3 If Party B does not relet the subject matter or terminates the lease contract upon expiration of the lease term, Party B shall restitute the original state of the subject matter of the lease.

5.4 Anything left by Party B within the subject matter of the lease after Party retreats from the subject matter shall be deemed as abandoned thing. Party A shall dispose of such thing at its discretion, and Party B shall not raise any objection and shall assume the expenses arising from such disposal.

5.5 Except for the sales tax on the rent, the sales tax on above various other expenses to be assumed by Party B shall be assumed by Party B.

Article 6 Stipulations about the Use

6.1 Party B shall not sublease out, transfer or otherwise provide the whole or part of the subject matter of the lease for use by persons other than the related enterprises of Party B during the lease term.

6.2 The subject matter of this lease will only be used as legal factory building. Party B shall not use the subject matter for other purpose, shall not illegally use it, and shall not use it for storing dangerous goods or manufacturing or carrying other articles which are sufficient to cause public danger.

Article 7 Rights and Obligations

7.1 Party A warrants that the ownership of the subject matter of this contract will be clear during the lease term. In the event of any dispute about the ownership, Party A shall be responsible for removing the same and Party B's interest of lease shall not be

---

affected, otherwise, Party A shall refund any amount received by it from Party B and compensate Party B for all its losses.

7.2 If the ownership of the subject matter of the lease changes on account of sale, transfer, succession or any other cause during the period hereof, Party A shall cause its buyer, assignee, successor or any other related party to be bound by this contract until the expiration of this contract and shall notify Party B in writing of the relevant change.

7.3 Party B shall perform its obligations as a good administrator; maintain the subject matter of the lease and return the subject matter to Party A in its original state upon expiration of the contract.

7.4 Party B shall permit Party A or its agent to enter into the subject matter of the lease for inspection or examination and repair when necessary provided that Party A shall notify Party B in advance.

7.5 Except that the damage to or natural losses of the whole or part of the subject matter of the lease and the provided equipments caused by natural calamity or other force majeure factors shall be repaired by Party A, the damage to the subject matter hereof caused by reasons attributable to Party B within the lease term shall be repaired by Party B.

7.6 If Party B needs changing or decorating the subject matter of the lease, the main body structure of the building shall not be damaged. Party B shall return the subject matter of the lease in its original state.

7.7 The insurance of the subject matter hereof within the lease term shall be purchased by Party A.

Article 8 Liability for Damage

8.1 Party B shall properly manage and use the subject matter of the lease. If the subject matter of the lease is damaged or lost for the negligence on the part of Party B or its related party, Party B shall be liable for damages or repair.

8.2 If the subject matter of the lease, the properties of Party A or any third party are damaged or lost for the negligence on the part of Party B or its related party, Party B shall be solely liable for damages.

Article 9 Liability for Breach of Contract

9.1 During the lease term, in the event Party B is involved in such circumstances as breaching the provisions of this contract or default of the expenses payable or the rent for more than two periods, and still does not make performance or correction within ten days after notified and urged in writing by Party A, Party A may terminate the

---

contract and set off the unpaid expenses and rents from the deposit, and Party B shall timely return the subject matter of the lease.

9.2 If Party B has the liability for damages or repair according to Article 8 but still does not pay the damages or conduct the repair within thirty days after notified and urged in writing by Party A, Party A may engage other party to make the repair, and Party B shall immediately pay the expenses incurred from the repair to Party A.

9.3 Party B shall not cancel the lease before expiration of the lease term; otherwise, it shall be deemed that Party B breaches this contract the undue rent already paid by Party B and the deposit will be forfeited by Party A.

9.4 Party A shall not terminate the lease unless Party B breaches the above provisions, otherwise, Party A shall compensate Party B for its loss caused by the termination of the lease.

Article 10 Other Stipulations

10.1 Party B shall pay off the relevant expenses payable by it upon expiration of the lease term; otherwise Party A may deduct the unpaid expenses from the deposit as paid by Party B.

10.2 If Party B does not return the subject matter upon expiration of the lease term or the termination of the lease by Party A according to Article 9, Party B shall pay Party A the daily liquidated damages calculated in proportion to the rent hereunder from the day following expiration of the lease term or the termination of the contract till the day Party B returns the subject matter of the lease, and shall compensate Party A for all its losses.

10.3 Party B shall not continue using the subject matter upon expiration of the lease term and before entering into new lease contract or claim the lease relation and continue using the subject matter on the basis of the payment by it of the rent. Even if Party B continues using the subject matter upon expiration of the lease term, the deemed lease without a fixed term in Article 451 of the *Civil Law* shall not apply.

10.4 If the contract is not renewed upon expiration of the lease term or Party A terminates the contract according to Article 9, Party B shall empty out and return the subject matter to Party A within ten days from expiration of the lease term or the date of the termination of the contract. The articles left by Party B shall be disposed by Party A as abandoned things at its discretion. Party B shall promptly retreat from the subject matter, otherwise, Party B shall not request Party A to refund the deposit.

Article 11 General

11.1 The number of days as described herein refers to working days and will be postponed accordingly in the event of any holiday (including Saturday).

11.2 The mailing addresses of Party A and Party B shall be those contained herein. In the event of any change, the changing Party must timely notify the other Party in writing by registered mail, otherwise, if any communication to the changing Party can not be serviced or is rejected or returned, the date of service shall be the date of the first mailing at the post office.

11.3 This contract and its annexes constitute the entire agreement between Party A and Party B and supersede all previous relevant oral or written communication, expression of intention or agreement between the Parties. Any provision not contained in this contract and its annexes shall not bind either Party hereto. The annexes have equal legal effect with this contract provided that this contract shall prevail in the event of any conflict between the annexes and this contract.

11.4 The headings of each Article or item hereof are used only for the convenience of reference and shall not interpret, restrict or affect the meaning of each such Article or item.

11.5 In the event part of the provisions hereof become invalid but do not affect the validity of other provisions, other provisions shall remain in full force.

11.6 If Party A grants Party B a preference or waives a right as a makeshift, it shall not be certainly deemed that Party A subsequently will make the same granting or waiver.

11.7 The Parties agree that Kaohsiung Local Court will be the court of first instance for any dispute between the Parties arising from this contract if litigation is necessary. The applicable law shall be laws of Taiwan Province.

11.8 This contract is made in duplicate, and Party A and Party B each holds one. The stamp tax shall be borne respectively by each Party.

The Parties to this Contract:

Party A (Lessor): Kaohsiung Fuguo Garment Manufacturing Co., Ltd

Responsible Person: Xu Xuming

Uniform Number: 89004063

Address: 110 Inner Ring South Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

---

Telephone: (07)3611989

Party B (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd

Responsible Person: Fan Oushi

Uniform Number: 89002500

Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

Telephone: (07)3612511

April 1, 2004

Exhibit 10.19

(89)Nanerjianzi No. 014

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Nanzi Manufacturing and Export Zone

Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd (the "Lessee") hereby leases four plots of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Number of the property	Place of the Land				Category of this zone	Leased area (m^2)	Monthly rent/m^2 (New Taiwan Dollars)	Rent payable per month (New Taiwan dollars)	Public facilities construction expense payable per month (New Taiwan dollars)	Remarks
	Zone	Section	Subsection	Number of the land						
CL102	Nanzi District	Heping Section		703 704 705 706		2853	11.50	32809	0	Approved for lease by the letter of Jingjiachu (89) erjianzi No. on May 22, 2000
Total						2853	11.50	32809	0	

2. The lease term is from May 16, 2000 to May 15, 2010.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises and the offices of the branches established by responsible organ of the enterprise within the zone.

4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the land to other persons.

5. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, the following land shall be reserved as setback land: three

---

meters between and behind adjoining lands leased by other persons; six meters facing a side of main road, five meters facing a side of inner ring and branch road, and four meters facing a side of sub-branch road. The lessee shall clean up and green the setback land at its own expense.

6. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings. The floor area shall not be less than 50% and shall not be more than 70% of the area of the leased base. The following principles shall be observed:

6.1 The setback land around the base will be used for fire prevention, light, transportation, beautifying environment and so on, and shall not be used for building.

6.2 20% of the net area of the base after deducting the setback land shall be reserved as vacant land.

7. The lessee shall automatically pay the treasury agency as designated by the lessor the rent and expenses 132,820 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

7.1 If the delay is more than one month but less than two months, 5% of the amount of the rent will be additionally charged.

7.2 If the delay is more than two months but less than three months, 10% of the amount of the rent will be additionally charged.

7.3 If the delay is more than three months but less than four months, 15% of the amount of the rent will be additionally charged.

If the lessee fails to pay off the rent, expenses and liquidated damages after four months from the payment day, the lessor may recover the rent, expenses and liquidated damages and immediately terminate the contract.

8. In the event the government prescribes the land price over again according to law, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

9. If the lessee leases the land for constructing factory buildings or other buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or though the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or

fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them according to law or require the lessee to remove them, and the lessee shall not raise any objection or resist.

---

10. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for constructing factory buildings or other buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the construction. The deposit paid by the lessee will be refunded without interest after restituting the original state; otherwise, the deposit will not be refunded.

11. The lessor may terminate the contract by notifying the lessee under any of the following circumstances.

11.1 The use of the land by the lessee breaches the provisions of this contract.

11.2 The buildings owned by the lessee are purchased or requisitioned for value according to Article 12 of *Manufacturing and Export Zone Setup and Administration Ordinance.*

11.3 Accumulated rent and expenses defaulted by the lessee reaches the total amount of the rent and expenses for four months.

11.4 The contract may be terminated according to the *Civil Law* and *Land Law*.

12. If the contract is terminated according to the foregoing Article, the lessee shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years and shall pay the land rent for such period according Article 7 hereof. If the lessee fails to conduct such treatment or fails to complete such treatment within two years, the lessor may dispose of or purchase all the equipments and materials in or out of all the lessee’s buildings on the land according to law and have no objection.

13. If the lessee needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing three months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months and shall pay the land rent for such period according Article 7 hereof. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, it shall be deemed breached the contract, and the lessor may dispose of or purchase all the lessee’s buildings and all the equipments and materials in or out of such buildings on the land according to law.

14. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

The Parties to the Contract:

The Contractor (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd
Representative or Legal Representative: Ze Wenbo

Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City
Number of the Business License: Jingjiachuxinzi No. 3407

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Pan Dingbai
Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

June 10, 2000

Land location and area drawing

Heping section, Nanzi District, Kaohsiung City

Exhibit 10.20

(87)Nandizi No. 034

Manufacturing and Export Zone Administrative Department,
Ministry of Economy Nanzi Manufacturing and Export Zone
Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd (the "Lessee") hereby leases two plots of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Area and Rent of the Land

Number of the property	Place of the land			Number of the land	Leased area (m^2)	Monthly rent/m^2 (Dollars)	Rent payable per month (dollars)	Public facilities construction expense payable per month (dollars)	Number of the letter approving the lease	Remarks
	Zone	Section	Subsection							
CL012	Nanzi District	Peace section	The second subsection	701	3265				Jingjiachu dizi No. 057884 August 19, 1998	
			The second subsection	702	3681					
			The second subsection	703	3430	11.50	204309	0		
			The second subsection	704	1127					
			The second subsection	705	2660					
			The second subsection	706	3603					
Total					17,766	11.50	204309	0		

2. The lease term is totally ten years from October 1, 1998 to September 30, 2008.

3. The land leased hereunder will be only used by approved enterprise within the zone for constructing factory buildings, warehouses or the ground for the transportation, handling, packing, repair and other operation of the enterprise as well as the offices of the branches established by responsible organ of the enterprise within the zone. In the event the enterprise within the zone leases the base of the factory due to purchasing the standard factory buildings within the zone, the area of the leased base shall be land area that shall be leased as apportioned according to the area of its factory buildings.

4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the whole or any part of land to other persons.

5. The lessee shall automatically pay the treasure agency as designated by the lessor the rent 204,309 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

5.1 If the delay is more than one month but less than two months, 5% of the amount of the rent will be additionally charged.

5.2 If the delay is more than two months but less than three months, 10% of the amount of the rent will be additionally charged.

5.3 If the delay is more than three months but less than four months, 15% of the amount of the rent a will be additionally charged.

5.4 If the lessee fails to pay off the rent and liquidated damages after four months from the payment day, the lessor may recover the rent and liquidated damages and immediately terminate the contract.

6. In the event the government prescribes the land price over again according to law, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

7. Besides paying the rent month, the lessee shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* at ...New Taiwan Dollars per square meter per month based on the area of the leased land for up to ten years for each plot.

8. If the lessee leases the land for constructing factory buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or though the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them at its

discretion or require the lessee to remove them, and the lessee shall not raise any objection or resist.

9. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for constructing factory buildings or other accessory buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the construction. If the lessee fails to restitute the original state, the lessor may forfeit the deposit paid by the lessee.

10. The lessor may terminate the contract at any time by notifying the lessee under any of the following circumstances.

10.1 The use of the land by the lessee breaches the provisions of this contract.

10.2 Accumulated rent defaulted by the lessee reaches the total amount of the rent for four months.

10.3 The contract may be terminated according to the *Civil Law* and *Land Law*.

11. If the lessee needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing three months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department within six months and shall pay the land rent for such period according to Article 5 hereof. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, it shall be deemed breached the contract, and the lessor may freely dispose of all of lessee’s buildings and all the equipments in such buildings on the leased land and have no objection.

12. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

The Parties to this Contract:

The Contractor (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd

Representative or Legal Representative:

Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

Number of the Business License: Jingjiachuxinzi No. 3298

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department, Ministry of Economy

Legal Representative: Pan Dingbai

Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

October 12, 1998

Exhibit 10.21

(93)Nanerjianzi No. 024

Manufacturing and Export Zone Administrative Department,
Ministry of Economy Nanzi Manufacturing and Export Zone
Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd (the "Lessee") hereby leases two plots of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Area and Rent of the Land

Number of the property	Place of the land				Leased area (m^2)	Monthly rent/m^2 (New Taiwan Dollars)	Rent payable per month (New Taiwan dollars)	Public facilities construction expense payable per month (New Taiwan dollars)	Remarks
	Zone	Section	Subsection	Number of the land					
Al071	Nanzi District	Heping section	The second subsection	712	734	11.5	8,441	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301021110 on July 13, 2004 with an area as listed in this table. The land is the apportioned base area for purchasing standard factory building.
			The second subsection	715					
Total					734	11.5	8,441	0	

2. The lease term is from August 1, 2004 to July 31, 2014.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises and the offices of the branches established by responsible organ of the enterprise within the zone.

4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the land to other persons.

5. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, the following land shall be reserved as setback land: three meters between and behind adjoining lands leased by other persons: six meters facing a side of main road, five meters facing a side of inner ring and branch road, and four meters facing a side of sub-branch road. The lessee shall clean up and green the setback land at its own expense.

6. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, the administrative department will administer the land as a whole, and the lessee shall not claim that the land shall be used for building or other purpose.

8. The lessee agrees to automatically pay the treasury agency as designated by the lessor the rent and expenses 8,441 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two month but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three month but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If the lessee fails to pay off the rent, expenses and liquidated damages after four months from the payment day, the lessor may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, the lessee shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* at ...New Taiwan Dollars per square meter per month based on the area of the leased land for up to twenty years for each plot. The twenty years period of the public facility constructions expenses set forth in this contract will expire (date).

10. In the event the government prescribes the land price over again, the rent

hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If the lessee leases the land for constructing factory buildings or other buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or though the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them according to law or require the lessee to remove them and restitute the original state, and the lessee shall not raise any objection or resist.

12. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for constructing factory buildings or other buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the construction. The deposit will be refunded without interest after restituting the original state; otherwise, the deposit will not be refunded.

13. The lessor may terminate the contract by notifying the lessee under any of the following circumstances.

13.1 The use of the land by the lessee breaches the provisions of this contract.

13.2 The buildings owned by the lessee are purchased or requisitioned for value according to Article 12 of *Manufacturing and Export Zone Setup and Administration Ordinance*.

13.3 Accumulated rent and expenses defaulted by the lessee reaches the total amount of the rent and expenses for four months.

13.4 The contract may be terminated according to the *Civil Law* and *Land Law*.

13.5 The investment scheme is withdrawn or is withdrawn after approved.

14. If the contract is terminated according to the foregoing Article, the lessee shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If the lessee fails to conduct such treatment or fails to complete such treatment within two years, the lessor may dispose of or purchase all the equipments, materials in or out of all the lessee's buildings on the land according to law.

15. If the lessee needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing three

---

months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, the lessee shall be deemed breached the contract, and the lessor may dispose of or purchase all the lessee's buildings and all the equipments, materials in or out of such buildings on the land according to law.

16. Upon termination of this contract, impairment money will be charged monthly according to the standard of long-term land rent for the period during which the land is occupied by the original lessee. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

17. In the event of relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

18. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

19. The place and area drawing of the land hereunder is as set forth in the Annex.

The Parties to this Contract:

The Contractor (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd
Representative or Legal Representative: Zhuang Junyuan
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

Number of the Business License: 89002500

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Pan Dingbai
Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

August 1, 2004

Annexed Drawing (93) Nanerjianzi No. 024

Heping section, Nanzi District, Kaohsiung City

Exhibit 10.22

(94)Nanerjianzi No. 028

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd ("Party B'') leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A''). Party A and Party B hereby enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)				**Leased area (m^3)**	**Right scope of the lease**	**Rent (dollar/ month)**	**Public facilities construction expense (dollar/month)**	**Remarks**
Zone	**Section**	**Sub-section**	**Number of the land**					
Nanzi District	Heping section	Second	711	8,781	1/16	6,314	0	Approval for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09401021070 on June 29, 2005 with an area of 795 (m^3). The land is the apportioned base area for purchasing standard factory building.
		Apportioned public facility land		246	1/1	2,829	0	
		(The following is blank)						
		Total				9,143	0	

2. The lease term is totally ten years from August 16, 2005 to August 15, 2015.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or

---

part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Party B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 9,143 New Taiwan Dollars as set forth in Article I hereof before the fifth day of each month. If Party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than thee months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article 11 of Manufacturing and Export Zone Setup and Administration Ordinance for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to Key Points of the Payment of Completion Deposit for Leasing Land to Construct Buildings in Manufacturing and Export Zone before commencing the construction and shall apply for the construction license within thee months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to

---

commence the construction within the stipulated period or though Party B applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may terminate the contract, withdraw the land and cancel the construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after Party A notified it that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during the lease term:

12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.

12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of Manufacturing and Export Zone Setup and Administration Ordinance.

12.3 The use of the land by Party B breaches the provisions of this contract.

12.4 Party A needs withdrawing all or part of the land for its own use.

12.5 The contract may be terminated according to the Civil Law and Land Law.

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment within two years, Party A may dispose of such buildings according to law.

14. If Party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged at the annual interest rate 5%

---

till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees enacted by the Manufacturing and Export Zone.

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before January of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:
The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd
Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

---

The Contractor (Party A): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

August 16, 2005

Annexed Drawing of (94) Nanerjianzi No. 028

Place of factory building land leased out

Right scope: 1/16

Scale: 1/2000

Exhibit 10.23

(93) Nanerjianzi No. 023

Manufacturing and Export Zone Administrative Department,
Ministry of Economy Nanzi Manufacturing and Export Zone
Land Lease Contract

Phillips Electronic Building Elements Industries (Taiwan) Ltd. (the "Lessee") hereby leases two plots of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Number of the property	Place of the land				Leased area (m^3)	Monthly rent/m^3 (new Taiwan Dollars	Rent payable per month (New Taiwan dollars)	Public facilities construction expense payable per month (New Taiwan dollars)	Remarks
	Zone	Section	Subsection	Number of the land					
ALO82	Nanzi district	Helping section	The second subsection	711	514	11.5	9,143	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301019020 on June 24, 2004 with an area as listed in this table. The land is the apportioned base area for purchasing standard factory building
			The second subsection	712	281				
Total					795	11.5	9,143	0	

2. The lease term is totally ten years from July 8, 2004 to July 7, 2014.
3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises and the offices of the branches established by responsible organ of the enterprise within the zone.
4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the land to other persons.
5. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, the following land shall be reserved as setback land: three meters between and behind adjoining lands leased by other persons; six meters facing a side of main road, five meters facing a side of inner ring and branch road, and four meters facing a side of sub-branch road. The lessee shall clean up and green the setback land at its own expense.
6. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.
7. If the leased land currently is used as public facilities, the administrative department will administer the land as a whole, and the lessee shall not claim that the land shall be used for building or other purpose.
8. The lessee shall automatically pay the treasury agency as designated by the lessor the rent and expenses 9,143 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.
8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.
8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.
8.4 If the lessee fails to pay off the rent, expenses and liquidated damages after four months from the payment day, the lessor may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, the lessee shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administrative Ordinance* at ...New Taiwan Dollars per square meter per month based on the area of the leased land for up to twenty years for each plot. The twenty years period of the public facility constructions expenses set forth in this contract will expire on (date).

10. In the event the government prescribes the land price over again according to law;

---

the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If the lessee leases the land for constructing factory buildings or other buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or though the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them according to law or require the lessee to remove them and restitute the original state, and the lessee shall not raise any objection or resist.

12. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for construction factory buildings or other buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the

construction. The deposit paid by the lessee will be refunded without interest after restituting the original state; otherwise, the deposit will not be refunded.

13. The lessor may terminate the contract by notifying the lessee under any of the following circumstances.
13.1 The use of the land by the lessee breaches the provisions of this contract.
13.2 The buildings owned by the lessee are purchased or requisitioned for value according to Article 12 of *Manufacturing and Export Zone Setup and Administration Ordinance*.
13.3 Accumulated rent and expenses defaulted by the lessee reaches the total amount of the rent and expenses for four months.
13.4 The contract may be terminated according to the *Civil Law* and *Land Law*.
13.5 The investment scheme is withdrawn after approved.

14. If the contract is terminated according to the foregoing Article, the lessee shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If the lessee fails to conduct such treatment or fails to complete such treatment within two years, the lessor may dispose of or purchase all the equipments and materials in or out of all the lessee's buildings on the land according to law.

15. If the lessee needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing

---

three months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, it shall be deemed breached the contract, and the lessor may dispose of or purchase all the lessee's buildings and all the equipments and materials in or out of such buildings on the land according to law.

16. Upon termination of this contract, impairment money will be charged monthly according to the standard of long-term land rent for the period during which the land is occupied by the original lessee. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

17. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

18. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

19. The place and area drawing of the land hereunder is as set forth in the Annex.

The Parties to this Contract:

The Contractor (Lessee): Phillips Electronic Building Elements Industries (Taiwan) Ltd.
Representative or Legal Representative: Zhuang Junyuan
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City
Number of the Business License: 89002500

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative:
Address: 600 Jiachang Road, Nanzi district, Kaohsiung City
July 8, 2004

Annexed Drawing of (93) Nanerjianzi No. 023

Heping section, Nanzi district, Kaohsiung City

Exhibit 10.24

(93) Nanerjianzi No. 022

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Nanzi Manufacturing and Export Zone
Land Lease Contract

Philips Electronics Building Elements Industries (Taiwan) Ltd. (the "Lessee") hereby leases two plots of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Number of the Property	Place of the Land				Leased area (m^3)	Monthly rent/(m(1)) (New Taiwan Dollars)	Rent payable per month (New Taiwan dollars)	Public facilities construction expense payable per month (New Taiwan dollars)	Remarks
	Zone	Section	Subsection	Number of the land					
AL081	Nanzi District	Heping section	The second subsection	711	795	11.5	9,143	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301019020 on June 24, 2004 with an area as listed in this table. The land is the apportioned base area for purchasing standard factory building.
Total					795	11.5	9,143	0	

2. The lease term is from July 8, 2004 to July 7, 2014.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises and the offices of the branches established by responsible organ of the enterprise within the zone.

4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the land to other persons.

5. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, the following land shall be reserved as setback land: three meters between and behind adjoining lands leased by other persons; six meters facing a side of main road, five meters facing a side of inner ring and branch road, and four meters facing a side of sub-branch road. The lessee shall clean up and green the setback land at its own expense.

6. If the lessee applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, the administrative department will administer the land as a whole, and the lessee shall not claim that the land shall be used for building or other purpose.

8. The lessee agrees to automatically pay the treasury agency as designated by the lessor the rent and expenses 9,143 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If the lessee fails to pay off the rent, expenses and liquidated damages after four months from the payment day, the lessor may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, the lessee shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* at ...New Taiwan Dollars per square meter per month based on the area of the leased land for up to twenty years for each plot. The twenty years period of the public facility constructions expenses set forth in this contract will expire on (date).

10. In the event the government prescribes the land price over again, the rent

hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If the lessee leases the land for constructing factory buildings or other buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or through the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them according to law or require the lessee to remove them and restitute the original state, and the lessee shall not raise any objection or resist.

12. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for constructing factory buildings or other buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the construction. The deposit will be refunded without interest after restituting the original state; otherwise, the deposit will not be refunded.

13. The lessor may terminate the contract by notifying the lessee under any of the following circumstances.

13.1 The use of the land by the lessee breaches the provisions of this contract.

13.2 The buildings owned by the lessee are purchased or requisitioned for value according to Article 12 of *Manufacturing and Export Zone Setup and Administration Ordinance.*

13.3 Accumulated rend and expenses defaulted by the lessee reaches the total amount of the rent and expenses for four months.

13.4 The contract may be terminated according to the *Civil Law* and *Land Law*.

13.5 The investment scheme is withdrawn or is withdrawn after approved.

14. If the contract is terminated according to the foregoing Article, the lessee shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If the lessee fails to conduct such treatment or fails to complete such treatment within two years, the lessor may dispose of or purchase all the equipments, materials in or out of all the lessee's buildings on the land according to law.

15. If the lessee needs reletting the land upon expiration of the lease term, it shall apply to reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing three

months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, the lessee shall be deemed breached the contract, and the lessor may dispose of or purchase all the lessee's buildings and all the equipments, materials in or out of such buildings on the land according to law.

16. Upon termination of this contract, impairment money will be charged monthly according to the standard of long-term land rent for the period during which the land is occupied by the original lessee. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

17. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

18. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

19. The place and area drawing of the land hereunder is as set forth in the Annex.

The Parties to this Contract:
The Contractor (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd.
Representative or Legal Representative: Zhuang Junyuan

Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City
Number of the Business License: 89002500

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Pan Dingbai
Address: 600 Jiachang Road, Nanzi district, Kaohsiung City

July 8, 2004

Annexed Drawing (93) Nanerjianzi No. 22

Heping section, Nanzi District, Kaohsiung City

Exhibit 10.25

(94) Nanerjianzi No. 027

Manufacturing and Export Zone Administrative Department,
Ministry of Economy Land Lease Contract

Phillips Electronic Building Elements Industries (Taiwan) Ltd ("Party B") leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A"). Party A and Party B hereby enter in the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)								
Zone	Section	Sub-section	Number of the land	Leased area (m^3)	Right scope of the lease	Rent (dollar/month)	Public facilities construction expense (dollar/month)	Remarks
Nanzi District	Heping section	Second	711	8,781	2/16	12,627	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09401019340 on June 16, 2005 with an area of 1,468 (m^2).
		Apportioned public facility land (The following is blank.)		370	1/1	4,255	0	
		Total				16,882	0	

2 The lease term is totally ten years from August 16, 2005 to August 15, 2015.

3. The land leased hereunder will be only used by approved enterprise operating businesses within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Party B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant buildings laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 16,882 New Taiwan Dollars as set forth in Article I hereof before the fifth day of each month. If Party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4. If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article II of *Manufacturing and Export Zone Setup and Administration Ordinance* for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to *Key Points of the Payment of Completion Deposit for Leasing Land to Construct Buildings in Manufacturing and Export Zone* before commencing the construction and shall apply for the construction license within three months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to commence the construction within the stipulated period or though Party B applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may terminate the contract, withdraw the land and cancel the construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after

Party A notified that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during lease term:
12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.
12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of *Manufacturing and Export Zone Setup and Administration Ordinance*.
12.3 The use of the land by Party B breaches the provisions of this contract.
12.4 Party A needs withdrawing all or part of the land for its own use.
12.5 The contract may be terminated according to the *Civil Law* and *Land Law.*

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment within two years, Party A may dispose of such buildings according to the law.

14. If Party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees

---

enacted by the Manufacturing and Export Zone.

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before January of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:

The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd
Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

The Contractor (Party A): Manufacturing and Export Zone Administrative Department, Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

August 16, 2005

Annexed Drawing of (94) Nanerjianzi No. 027

Place of factory building land leased out

Right scope: 2/16

Scale: 1/2000

Exhibit 10.26

(94) Nanerjianzi No. 002

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd ("Party B") leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A"). Party A and Party B hereby enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)								
Zone	Section	Sub-section	Number of the land	Leased area (m^2)	Right scope of the lease	Rent (dollar/month)	Public facilities construction expense (dollar/month)	Remarks
Nanzi District	Heping section	Second	711	8,781	2/16	12,627	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301039060 on December 15, 2004 with an area of 1,468 (m^2)
		Apportioned public facility land		370	1/1	4,255	0	
		(The following is blank.)						
		Total				16,882	0	

2. The lease term is totally ten years from January 10, 2005 to January 09, 2015.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Party B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied

---

buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 16,882 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If Party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to *Key Points of the Payment of Completion Deposit for Leasing Land to Construct Buildings in Manufacturing and Export Zone* before commencing the construction and shall apply for the construction license within three months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to commence the construction within the stipulated period or though Party B applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may terminate the contract, withdraw the land and cancel the construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after

Party A notified it that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during the lease term:

12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.

12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of *Manufacturing and Export Zone Setup and Administration Ordinance.*

12.3 The use of the land by Party B breaches the provisions of this contract.

12.4 Party A needs withdrawing all or part of the land for its own use.

12.5 The contract may be terminated according to the *Civil Law* and *Land Law.*

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment within two years, Party A may dispose of such buildings according to law.

14. If party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees enacted by the Manufacturing and Export Zone.

---

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before January of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:
The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd
Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

The Contractor (Party A): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachang Road, Nanzi district, Kaohsiung City

January 10, 2005

Annexed Drawing of (94) Nanerjianzi No. 002

Place of factory building land leased out

Right scope: 2/16

Scale: 1/2000

Exhibit 10.27

(93)Nanerjianzi No. 039

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd ("Party B") leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A"). Party A and Party B hereby enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)								
Zone	Section	Sub-section	Number of the land	Leased area (m^2)	Right scope of the lease	Rent (dollar/month)	Public facilities construction expense (dollar/month)	Remarks
Nanzi District	Heping section	Second	711	8,781	2/16	12,627	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301033550 on November 01, 2004 with an area of 1,346 (m^2)
		Apportioned public facility land		248	1/1	2,852	0	
		(The following is blank)						
		Total				15,479	0	

2. The lease term is totally ten years from December 20, 2004 to December 19, 2014.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Party B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied

---

buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 15,479 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If Party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to *Key Points of the Payment of Completion Deposit for Leasing Land to Construct Buildings in Manufacturing and Export Zone* before commencing the construction and shall apply for the construction license within three months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to commence the construction within the stipulated period or though Party B applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may

terminate the contract, withdraw the land and cancel the construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after Party A notified it that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during the lease term:

12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.

12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of *Manufacturing and Export Zone Setup and Administration Ordinance*.

12.3 The use of the land by Party B breaches the provisions of this contract.

12.4 Party A needs withdrawing all or part of the land for its own use.

12.5 The contract may be terminated according to the *Civil Law* and *Land Law*.

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment within two years, Party A may dispose of such buildings according to law.

14. If Party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees enacted by the Manufacturing and Export Zone.

---

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before December of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:
The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd
Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

The Contractor (Party A): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachang Road, Nanzi district, Kaohsiung City

December 20, 2005

Annexed Drawing of (93) Nanerjianzi No. 039

Place of factory building land leased out

Right scope: 2/16

Scale: 1/2000

Exhibit 10.28

(94)Nanerjianzi No. 003

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd. ("Party B") leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A"). Party A and Party B hereby enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)								
Zone	Section	Sub-section	Number of the land	Leased area (m^2)	Right scope of the lease	Rent (dollar/month)	Public facilities construction expense (dollar/month)	Remarks
Nanzi District	Heping section	Second	711	8,781	1/16	6,314	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09301039060 on December 15, 2004 with an area of 673 (m^2)
	Apportioned public facility land			124	1/1	1,426	0	
	(The following is blank.)							
	Total					7,740	0	

2. The lease term is totally ten years from January 10, 2005 to January 09, 2015.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Part B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other

---

buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 7,740 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If Party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to *Key Points of the Payment of Completion Deposit for Leasing Land to Construct Buildings in Manufacturing and Export Zone* before commencing the construction and shall apply for the construction license within three months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to commence the construction within the stipulated period or through Party B applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may terminate the contract, withdraw the land and cancel the construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after

---

Party A notified it that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during the lease term:

12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.

12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of *Manufacturing and Export Zone Setup and Administration Ordinance.*

12.3 The use of the land by Party B breaches the provisions of this contract.

12.4 Party A needs withdrawing all or part of the land for it own use.

12.5 The contract may be terminated according to the *Civil Law* and *Land Law.*

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment with two years, Party A may dispose of such buildings according to law.

14. If Party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged a the annual interest rate 5% till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees

---

enacted by the Manufacturing and Export Zone.

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before January of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:

The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd

Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

The Contractor (Party A): Manufacturing and Export Zone Administrative Department, Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachan Road, Nanzi district, Kaohsiung City

January 10, 2005

Annexed Drawing of (94) Nanerjianzi No. 003

Place of factory building land leased out

Right scope: 1/16

Scale: 1/2000

Exhibit 10.29

CONFIDENTIAL TREATMENT REQUESTED BY NXP B.V.

(88) Nandizi No. 011

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Nanzi Manufacturing and Export Zone

Land Lease Contract

Philips Electronic Building Elements Industries (Taiwan) Ltd. (the "Lessee") hereby leases one plot of public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy (the "Lessor"). The lessee and the lessor enter into the lease contract as follows:

1. Place, Area and Rent of the Leased Base

Number of the property	Place of the Land			Number of the land	Leased area (m^2)	Monthly rent/m^2 (Dollars)	Rent payable per month (dollars)	Public facilities construction expense payable per month (dollars)	Number of the letter approving the lease	Remarks
	Zone	Section	Subsection							
AL087	Nanzi District	Heping section	The second subsection	708	1344	11.50	15456	0	Jingjiachu zi No. 010147 November 7, 1998	
Total					1344	11.50	15456	0		

2. The lease term is totally ten years from May 1, 1999 to April 30, 2009.

3. The land leased hereunder may be only used by approved enterprise within the zone for constructing factory buildings, warehouses or the ground for the transportation, handling, packing, repair and other operation of the enterprise as well as the offices of the branches established by responsible organ of the

---

enterprise within the zone. In the event the enterprise within the zone leases the base of the factory due to purchasing the standard factory buildings within the zone, the area of the leased base shall be land area that shall be leased as apportioned according to the area of its factory buildings.

4. Within the period of the contract, if the lessee does not continue using the whole or part of the land leased by it, it shall apply for canceling the lease, but shall not sublease or lend the whole or any part of land to other persons.

5. The lessee shall automatically pay the treasury agency as designated by the lessor the rent 15,456 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If the lessee fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

5.1 If the delay is more than one month but less than two months, 5% of the amount of the rent will be additionally charged.

5.2 If the delay is more than two months but less than three months, 10% of the amount of the rent will be additionally charged.

5.3 If the delay is more than three months but less than four months, 15% of the amount of the rent a will be additionally charged.

5.4 If the lessee fails to pay off the rent and liquidated damages after four months from the payment day, the lessor may recover the rent and liquidated damages and immediately terminate the contract.

6. In the event the government prescribes the land price over again according to law, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

8. If the lessee leases the land for constructing factory buildings by itself, it shall commence the construction within three months from the execution of the contract and complete the construction according to the plan. If the lessee fails to commence the construction within the stipulated period or though the lessee applies for postponing the commencement but fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, the lessor may terminate the contract and withdraw the land, and the rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings on the land, the lessor can dispose them at its discretion or require the lessee to remove them, and the lessee shall not raise any objection or resist.

9. If the lessee must excavate roads within the zone, water supply (drainage) pipeline or other public facilities for constructing factory buildings or other accessory buildings, it shall apply to the lessor for approval and pay the deposit in advance and shall restitute the original state after the completion of the construction. If the lessee fails to restitute the original state, the lessor may forfeit the deposit paid by the lessee.

---

10. The lessor may terminate the contract at any time by notifying the lessee under any of the following circumstances.

10.1 The use of the land by the lessee breaches the provisions of this contract.

10.2 Accumulated rent defaulted by the lessee reaches the total amount of the rent for four months.

10.3 The contract may be terminated according to the *Civil Law* and *Land Law.*

11. If the lessee needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If the lessee does not apply for reletting upon expiration of the foregoing three months period, it shall return the land upon expiration of the lease term. The lessee shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department within six months and shall pay the land rent for such period according to Article 5 hereof. If the lessee fails to conduct such treatment or fails to complete such treatment within six months, it shall be deemed breached the contract, and the lessor may freely dispose of all lessee's buildings and all the equipments in such buildings on the leased land.

12. This contract is made in duplicate and will take effect as of the date signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be designated by the lessor.

The Parties to this Contract:

The Contractor (Lessee): Philips Electronic Building Elements Industries (Taiwan) Ltd.
Representative or Legal Representative: Ze Wenbo
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City
Number of the Business License: Jingjiachuxinzi No. 3575

The Contractor (Lessor): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Pan Dingbai
Address: 600 Jiachang Road, Nanzi District, Kaohsiung City

May 20, 1999

Land Location and Area drawing

Heping section, Nanzi District, Kaohsiung City

Exhibit 10.30

(94)Nanerjianzi No. 035

Manufacturing and Export Zone Administrative Department,

Ministry of Economy Land Lease Contract

Philip Electronic Building Elements Industries (Taiwan) Ltd ("Party B") leases the public land in Nanzi Manufacturing and Export Zone from Manufacturing and Export Zone Administrative Department, Ministry of Economy ("Party A"). Party A and Party B hereby enter into the lease contract as follows:

1. Place, Rent and expenses of the Land

Place of the land (Place drawing is annexed hereinafter.)								
Zone	Section	Sub-section	Number of the land	Leased area (m^2)	Right scope of the lease	Rent (dollar/month)	Public facilities construction expense (dollar/month)	Remarks
Nanzi district	Heping section	Second	708	8,901	1/16	6,394	0	Approved for lease the land hereunder by the letter of Jingjiachu erjianzi No. 09401033270 on September 16, 2005 with an area of 790 (m(2)). The land is the apportioned base area for purchasing standard factory building.
		Apportioned public facility land	234	1/1		2,691	0	
		(The following is blank.)						
		Total				9,085	0	

2. The lease term is totally ten years from November 01, 2005 to October 31, 2015.

3. The land leased hereunder will be only used by approved enterprise operating business within the zone for constructing offices, factory buildings, warehouses or premises. Party B shall not request to set surface rights on the leased land.

4. Within the period of the contract, if Party B does not continue using the whole or part of the land leased by it, it shall apply to Party A for canceling the lease, but shall not sublease or lend the land to other persons.

5. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, it shall set back the buildings according to the relevant provisions of the Manufacturing and Export Zone. The greening, maintenance and management of the setback land shall be conducted by Party B at its own expense.

6. If Party B applies for leasing land for constructing factory buildings or other buildings by itself, such construction shall be based on the principle of constructing storied buildings and necessary accessory buildings of the storied buildings. The building coverage and plot ratio shall be in compliance with the relevant building laws.

7. If the leased land currently is used as public facilities, Party A will administer the land as a whole, and Party B shall not claim that the land shall be used for building or other purpose.

8. Party B shall automatically pay the treasury agency as designated by Party A the rent and expenses totally 9,085 New Taiwan Dollars as set forth in Article 1 hereof before the fifth day of each month. If party B fails to make the payment after the payment day, liquidated damages will be additionally charged as follows:

8.1 If the delay is more than one month but less than two months, 5% of the total amount of the rent and expenses will be additionally charged.

8.2 If the delay is more than two months but less than three months, 10% of the total amount of the rent and expenses will be additionally charged.

8.3 If the delay is more than three months but less than four months, 15% of the total amount of the rent and expenses will be additionally charged.

8.4 If Party B fails to pay off the rent, expenses and liquidated damages after four months from the payment day, Party A may recover the rent, expenses and liquidated damages and immediately terminate the contract.

9. Besides paying the rent monthly, Party B shall pay the public facility construction expenses as provided for in Article 11 of *Manufacturing and Export Zone Setup and Administration Ordinance* for up to twenty years for each plot. If there are additionally increased facility construction expenses during the lease term, Party B also shall pay such expenses according to the relevant provisions.

10. In the event the government prescribes the land price over again, the rent hereunder will be adjusted according to the new land price from the 1st day of the month following the proclamation of new land price.

11. If Party B leases the land for constructing factory buildings or other buildings by itself, it shall pay the completion deposit according to *Key Points of the Payment of Completion Deposit for leasing Land to Construct Buildings in Manufacturing and Export Zone* before commencing the construction and shall apply for the construction license within three months from the execution of the contract. After obtaining the license, Party B shall commence the construction. If Party B fails to commence the construction within the stipulated period or though Party B applies for postponing the commencement but

fails to commence the construction upon expiration of the postponed period or fails to complete the construction according to the plan, Party A may terminate the contract, withdraw the land and cancel the

---

construction license. The rent and public facility construction expenses already paid will not be refunded. If there are uncompleted buildings or works on the land, Party B shall remove them and restitute the original state within three months after Party A notified it that the contract is terminated by Party A. If Party B fails to complete such treatment on schedule, Party A may forfeit the completion deposit.

The completion deposit will be refunded according to the progress of the project and proportion without interest pursuant to the aforesaid *Key Points* after Party B commences the construction.

12. Party A may terminate the contract by notifying Party B and withdraw the land under any of the following circumstances during the lease term:

12.1 The investment scheme of the Manufacturing and Export Zone is cancelled.

12.2 The buildings owned by Party B are purchased or requisitioned for value according to the relevant provisions of *Manufacturing and Export Zone Setup and Administration Ordinance*.

12.3 The use of the land by Party B breaches the provisions of this contract.

12.4 Party A needs withdrawing all or part of the land for its own use.

12.5 The contract may be terminated according to the *Civil Law* and *Land Law*.

13. If the contract is terminated according to the foregoing Article, Party B shall promptly return the land and transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within two years. If Party B fails to conduct such treatment or fails to complete such treatment within two years, Party A may dispose of such buildings according to law.

14. If Party B needs reletting the land upon expiration of the lease term, it shall apply for reletting in writing three months prior to the expiration of the lease term. If Party B does not apply for reletting upon expiration of the foregoing three months period, it shall immediately return the land upon expiration of the lease term. Party B shall transfer its buildings on the land to other enterprises operating businesses within the zone as approved by the administrative department or branch department within six months.

15. Upon termination of this contract or if Party B does not relet the land upon expiration of this contract, impairment money will be charged according to the standard of land rent and expense of the Manufacturing and Export Zone for the period during which the land is occupied by original Party B. In the event of overdue payment, additional interest will be charged at the annual interest rate 5% till the payment day.

16. In the event the relevant laws are amended during the period of the contract and the provisions of this contract are affected by such amendment, the amended

---

provisions shall prevail from the promulgation date of such amendment.

17. The matters not covered herein shall be handled according to the relevant decrees enacted by the Manufacturing and Export Zone.

18. During the period of this contract, if Party B needs surveying the boundary due to the ambiguity of the boundary of the leased land or any boundary dispute, the relevant expenses shall be borne by Party B.

19. Party B shall exercise its care as a good administrator to prevent the contamination of soil and ground water. In the event of any contamination, Party B shall pay the penalty according to the relevant laws and conduct the investigation and appraisal of the contaminated site, countermeasures and remedy. Party B shall be solely liable for the expenses and any damage arising therefrom. In addition, Party B shall provide the land contamination testing materials at its own expense when it transfers the factory buildings.

20. Party B shall not endanger the public security, sanitation or construct illegal buildings within the zone by leasing the land.

21. In the event the land leased by Party B involves the adjustment of plot ratio, if the plot ratio exceeds the legal plot ratio, Party B shall apply for the construction only after it handles the matters relating to feedback burden according to the relevant provisions.

22. This contract is made in duplicate and will take effect as of the commencement date of the lease term as set forth in Article 2 hereof after signed by the Parties. Each Party holds one copy. In the event of any litigation arising from this contract, the competent court shall be Kaohsiung Local Court.

23. If Party B does not apply for canceling the lease before January of each year, it shall be deemed that the contract is renewed to the expiration date of the contract.

The Parties to this Contract:

The Contractor (Party B): Philips Electronic Building Elements Industries (Taiwan) Ltd
Legal Representative:
Address: 10 Jingwu Road, Nanzi Manufacturing and Export Zone, Kaohsiung City

---

The Contractor (Party A): Manufacturing and Export Zone Administrative Department,
Ministry of Economy
Legal Representative: Zeng Canbao, Director
Address: 600 Jiachang Road, Nanzi district, Kaohsiung City

November 01, 2005

Annexed Drawing of (94) Nanerjianzi No. 035

Place of factory building land leased out

Right scope: 1/16

Scale: 1/2000

Exhibit 10.31

THAI SUMMIT TOWER OFFICE BUILDING

BUILDING LEASE AGREEMENT

(Translation)

This **Lease Agreement** is entered into on the 5th day of September 2006.

By and Between

Thai Summit Tower Co., Ltd., having its office located at No. 1768 on New Phetburi Road, Khwaeng Bangkapi, Khet Houei Khwuang, Bangkok Metropolis, hereinafter shall be referred to as the **"Lessor"** of the one party;

And

Philips Semi-conductor SMO (Thailand) Co., Ltd., having its office located at No. 1768 on New Phetburi Road, Khwaeng Bangkapi, Khet Huay Khuang, Bangkok Metropolis, hereinafter shall be referred to as the **"Lessee"** of the other party. The parties whereupon agree as follows:

1. Definitions

1.1 "Building" means Thai Summit Tower Building or "THAI SUMMIT TOWER", located at No. 1768 on New Phetburi Road, Khwaeng Bangkapi, Khet Houei Khwuang, Bangkok Metropolis.

1.2 "Leased space" means the space on the 5th floor of the total space of approximately 182.32 square meters, the details of which are as shown in Diagram of the Leased Space, Appendix A annexed hereto, which forms part of this Lease Agreement.

2. Lease of Leased Space

The Lessor agrees to let and the Lessee agrees to accept the lease of space from the Lessor together with all the rights to enter-exit the lease space as is the case with other tenants and/or others who are accorded the rights to enter-exit the building by the Lessor and the Lessee shall use the lease space exclusively for the Lessee's office only.

3. Period of Lease and Renewal of Lease Agreement

3.1 Subject to the terms and conditions to be hereafter mentioned, the period of lease shall be for 3 (three) years with effect from the date of commencement of the Lease Period.
Lease Period: 5 October 2006.
Commencement of rental payment: 5 October 2006.
Expiry of the Lease Agreement: 4 October 2009.

3.2 Upon expiration of this Lease Agreement, the Lessor agrees that the Lessee shall have the right to renew this Lease for another 3 (three) years under the terms and conditions that the Lessee shall express its intent in writing to request for a renewal of the lease in advance for not less than 90 (ninety) days prior to the expiry of the Lease Agreement as specified in sub-clause 3.1. For this purpose, a new Lease Agreement shall be executed and the Lessor shall have the right to readjust the rental tariff according to the market price at that time; which can be compared with the rental tariff for lease of office space in the same area and according to the approximate benchmark; however, the increase in the rental tariff shall not exceed 15% based on the current rental rate.

4. Rental and Rental Payment

4.1 Monthly rental payable for a lease period as specified in sub-clause 3.1 in equal to 140 Baht per square meter per month, amounting to 25,524.80 (Twenty Five Thousand Hundred Twenty Four point Eighty) Baht per month.

4.2 The Lessee agrees to pay to the Lessor the rental payment in advance on monthly basis for which the Lessor shall send an invoice for collection of the rental payment within the 25th (twenty-fifth) day of every calendar month; and the Lessee shall make rental payment not later than the 5th (fifth) day of every following month at the Lessor's office. If the 5th (fifth) day of every particular month falls on a holiday or a public traditional holiday, the following business day shall be regarded as the due date for rental payment. Late payment of the rental shall be subject to a fine penalty at the rate of 1.5 percent per month of the amount outstanding until the payment is made in full.

4.3 Lessor shall be liable for paying building and land tax, and local taxes including stamp duty in relation to the lease of space under this Lease Agreement.

5. Security Deposit against the Lease

The Lessee against to place a security deposit against proper fulfillment of the Lease Agreement and Service Agreement on the date of signing the Lease of Office Space Agreement amounting to 3 times of the amount rental payment and service charge (excluding VAT); and upon expiration of this Agreement, the Lessor shall refund to the Lessee the said security deposit interest-free after deduction of rental payment or other incidental expenses due payable to the Lessor pursuant to this Agreement or Service Agreement (if there is any); and upon the Lessee having duly and fully fulfilled its duty under this Agreement.

6. The Lessee's Agreement

6.1 The Lessee agrees to pay electricity, water and telephone bills or incidental expenses or other damages caused by the Lessee; which have occurred to or sustained by the Lessor to full amount when due payable. For this purpose, the Lessee shall not deduct any amount of outstanding debt owed to the Lessor from the said rental payment or incidental expenses.

6.2 To utilize the leased space for the purpose of conducting the business exclusively as specified in this Agreement only; and shall not use the leased space for residence of any person or for cooking foods or for illegal activities which cause nuisances or troubles to other tenants or possessors of the space within the building.

6.3 To maintain the leased space to clean and hygienic condition at all times by using the cleaning service provided by cleaning contractor who service has been used or approved by the Lessor in order to keep the leased space in good order, clean, tidy and in suitable condition at the entire expense of the Lessee.

6.4 Neither to keep nor permit to keep or bring into the leased space various animals and further agrees to take proper care in keeping the leased space free of white ants, insects and other disturbances.

6.5 To repair, restore any damage which may have occurred in the leased space to original condition and to be responsible for repair of all damages sustained by the leased space and/or the building due to abuse or reckless use of the leased space or building by the Lessee or by the Lessee's contractor who enters the leased space during the Lessee's possession of the leased space at the entire expense of the Lessee.

6.6 To permit the Lessor or its representative to enter the leased space for the purpose of inspection within reasonable time. In the event of fire or the incident of the same degree of severity, the Lessor or its representative may forcibly enter the leased space immediately if necessary at any time without advance notice or notification.

6.7 Neither modify nor make any addition to the leased space unless in case of decoration to be used as an office; however, subject to the Lessor's rules in every respect; and upon termination of this Lease Agreement, all property which have been fixed to or installed on the floor of the leased space, which have not been dismantled or removed by the Lessee shall become the property of the Lessor without any claims against the Lessor. If the Lessor deems that such fixtures or installations should be dismantled or removed, the Lessee shall proceed to do so and restore the leased space to original condition or to the condition satisfactory to the Lessor; and to surrender the leased space in good, tenantable condition except normal wear and tear which is not considered the liability of the Lessee.

In the case of the Lessee's omission to do the said act, the Lessor may proceed to dismantle, repair the leased space at the entire cost of the Lessee or the Lessor may deduct such costs from the amount of the security deposit.

6.8 Not to store in the leased space, whether or not, it is explosive, inflammable material, acid, alkali, or any other products, things or materials that may cause possible damage to the building or leased space or objects which are heavier than the dead load of the leased space to accommodate (the accommodating capacity of the floor is 300 kilograms per square meter).

6.9 Not to put up a signboard, photograph, picture or written material outside of the leased premises which can be visible generally without written consent of the Lessor. In the event of a levy of the signboard tax, the Lessee shall pay for such signboard tax.

6.10 Neither use nor permit the use of or cause damage to the leased space or any part thereof or carry out any activity within the leased space for illegal or immoral purposes.

6.11 Neither sub-let nor surrender the leased space, whether in whole or in part, to any person regardless of time unless with express written consent of the Lessor. In this connection, the Lessee shall notify the Lessor in writing of the details of such act; and the Lessee shall further be liable therefore to the Lessor under this Lease Agreement in every respect.

6.12 Not to construct any structure, lay any piping, cable or pole upon the leased premises including neither making any modification to nor any addition to the leased space without written consent of the Lessor.

6.13 Neither cause nor permit any obstruction to the common area of the building such as lift corridor, entrance, walkway or stairway and a car-park, etc., without written consent of the Lessor.

6.14 To change every broken or damaged window frame including replacement of broken or damaged items of installations or decorations; which have been caused by the Lessee's recklessness, or by any causes of damage for which the Lessee shall be liable at the entire expense of the Lessee. Such replacement items must be of the same type or of no less inferior quality than the previous ones being replaced.

6.15 At all time to comply strictly with the Building's rules, procedures and regulations which are currently established by the Lessor or that which shall be established in the future or that which may from time to time be defined by the Lessor.

6.16 Neither bring in nor permit any persons to bring in any think which may be contravening the terms and conditions of the Building's insurance policy and/or of the leased space, which may have rendered the insurance agreement to become void or a breach of the insurance terms and conditions to the extent that it may have rendered the increase in the insurance premium; and comply with the recommendations of the insurer and of fire officer in relation to prevention of the outbreak building fire.

6.17 To return all keys to the Leased Space to the Lessor upon expiration of this Lease Agreement and the Lessee shall have completely fulfilled the terms and conditions of this Lease Agreement in every respect.

6.18 To use the lift according to the procedure established by the Lessor, that is to say, in the case of removal of various materials, equipment, tools and appliances belonging to the Lessee, the lift exclusively provided for as the service lift only shall be used; the use of passenger lift for that purpose shall not be permitted.

6.19 The Lessee agrees to be responsible for accidents or injuries or death or personal injury or damage to property occurred in the leased space or in the building as result of the Lessee's willful act or recklessness.

7. The Lessor's agreement

The Lessor agrees to take action and makes a representation as follows:

7.1 The Lessor has the legal title to and lawful power to let the building space to the Lessee.

7.2 To permit the Lessee to enjoy the benefits of utilizing the leased space under the Leased Agreement throughout the Lease Period without any obstructions by the Lessor.

7.3 The Lessor shall undertake to maintain, repair and manage the leased space to normal useable and in orderly condition appropriate to the lease at all times.

7.4 In consideration of payment made by the Lessee to the Lessor by virtue of this Lease Agreement, the Lessor shall issue a receipt to the Lessee for any payment so made.

7.5 The Lessor shall be responsible for and undertake to do any acts not to permit any persons to disturb and contradict the lease rights of the Lessee throughout the leased period under this Agreement.

8. Liability

8.1 The Lessor agrees to be responsible for accidents or injuries or death or personal injury or damage to property occurred in the leased space or in the building as result of willful act or recklessness on the part of the Lessor or the Lessor's employees.

8.2 Although whether there have been an agreement herein this Agreement to the contrary or not, the Lessor shall not be liable for the cause of malfunctions, regardless of circumstances, which necessitate repair or maintenance of the property, things, tools, appliances belonging to the Lessee, due to burning by fire, force majeure, or other causes, which are beyond the control of the Lessor; or due to technical reason, defects or breakage or extreme cold or heat; or in the circumstance with severe impact or unavoidable, in all circumstances, shortage of fuel, materials, water or labor.

9. Early termination of the Lease prior to the expiry of the Lease Agreement

9.1 If the Lessee breaches this Lease Agreement or infringes any one or several clauses of the practical procedure in the building; or neglect to duly remedy the said breach or infringement according to the Lease Agreement or the said practical procedure to good order within 7 days of the receipt of the notice from the Lessor to that effect; or the Lessee has been placed in the official receivership or has become bankrupt or has been subject to liquidation process for winding up or has defaulted on rental payment or payment of service charges correctly according to the payment timeframe stipulated in the Agreement, the Lessor shall have the right to terminate the lease agreement by means of service of notice to the Lessee; however, without prejudice to the right of the Lessor to claim for damages sustained by virtue of the Lessee's breach of agreement or the effect of the law.

9.2 It shall be deemed that the Lease Agreement shall automatically be terminated in the case of damage or loss of the leased space by fire or other catastrophe, which shall have rendered the leased space unsuitable for use according to the stated purpose of the Agreement pursuant to the facts or provisions of the law or the bye-law of Bangkok Metropolis. In this case, the Lessee shall not be able to claim for damages from the Lessor. The Lessor shall refund to the Lessee the security deposit against the Lease under the terms and conditions of Clause 5 in the event that the grounds for termination of the Agreement are not the Lessee's liability.

9.3 It shall be deemed that this Agreement terminates automatically in the event of the parcel of the land on which the leases space is located is expropriated by the Government Agency. This being the case, the Lessor shall refund the security deposit against the Lease to the Lessee under the terms of Clause 5.

9.4 If the Lessee abandons the leased space, whether in whole or in part, to the condition unsuitable for normal possession or to non-utilization for more than 7 (seven) days, the Lessor shall have the right to terminate this Agreement by service of written notice to the Lessee.

9.5 In the event that the Lessor exercises the right to terminate this Lease Agreement in virtue of the Lessee's breach of agreement, the Lessee shall not have the right to claim for any damages from the Lessor; and the Lessee shall be liable for damage sustained by the Lessor or by any other persons.

9.6 If, at any time, during the valid leased period of the lease renewal, the Lessee has been revoked of the License, or is barred from continuing the business in virtue of the decision or the order of the government agency; or in the event of the Lessee winding up its business as a result

of the government agency's order, the Lessor may terminate this Agreement by service of written notice to the Lessee in advance of not less than 60 (sixty) days. If the Lessee must wind up its business in virtue of the order of the said Government Agency wherein the Lessee is at fault, the Lessor shall have the right to confiscate the security deposit against the Lease pursuant to Clause 5.

10. Requirements governing the vacating of the Leased Space

The Lessee shall vacate the leased space and surrender the leased space to the Lessor and remove entire Lessee's property within 30 (thirty) days of the expiration or termination of this Lease Agreement. The Lessee shall have no right to claim for expense for removal of the said property from the leased space.

Any piece of the Lessee's property left behind within the leased space after the expiration of the said period as mentioned above shall be deemed to become the Lessor's property and the Lessor shall have the right to do anything therewith as it deems appropriate.

The Lessee agrees to indemnify the Lessor in full amount as the result of total loss or damage which has happened from not removing such property from the Leased Space.

If the Lessee neglects to vacate the leased space within the time frame as mentioned above, the Lessor shall have the right to take action as may be necessary to regain possession of the leased property for which the Lessee shall pay compensation for any damage which may have occurred in virtue of failure to do such act until such time all the property are removed from the leased space in good order.

11. Miscellaneous clause

11.1 The Lessee shall pay expense to the Lessor immediately upon demand for the cost of installation, repair or replacement as may be necessary in connection with the letters of the Lessee's name plate placed on display at various points within the Building; for instance, in the reception area, in the hall in front of the elevator in the Leased Area Compartment.

11.2 The fact that the Lessor accepts the rental payment shall not be held to be a waiver of the Lessor towards taking actions with the Lessee in the event of infringement of clauses of the Agreement, limitations, the terms and conditions stipulated in this Agreement.

11.3 Any notice or communication under or in relation to this Agreement shall be made in writing and signed by the Party or authorized person delivering the notice to be sent by hand-delivery or by registered mail addressed to the recipient at the recipient's address as specified in this Agreement or to any other address of the recipient as may be notified in writing to such party or may be delivered to the Lessee at the Leased Premises.

12. Validity of the Agreement

This agreement including the attached diagram under Appendix A shall form the composition of the validity of this Agreement between the Parties; and any amendment to the Agreement shall not be valid and enforceable unless executed in writing and signed by the parties.

13. Force Majeure

In the event of the fulfillment by either party of the obligations under this Agreement has been hindered or hampered by an outbreak of fire, explosion, injury or death, collapse of the leased space and/or the building, labor strike, lock-out, industrial dispute, injury or death, accident, epidemics, floods, shortage of labor, electricity and food supply; action from the enemy of the government, discrimination or embargo or the law, order, announcement, regulations, demands or requirements of any government agency, the party affected by such events of force majeure shall be released of the requirement to fulfill the obligations according to the existing condition of such obstructive events.

14. The governing law

This Agreement shall be governed by and construed in accordance with the law of Thailand.

This Agreement is made in 2 duplicate copies; both parties having duly and thoroughly read, inspected and understood the contents of this Agreement; to witness, they have affixed their respective signature in the presence of the witnesses; and one duplicate copy of the Agreement is held by each party.

In the Name of:

The LESSOR
Thai Summit Tower Co., Ltd.

Authorized signature
(Miss Pattravadee Roywirat)

In the Name of:

The LESSEE
Philips Semi-conductor SMO (Thailand) Co., Ltd.

Director

(Mr. Peter Eckkerbene) Director

Director

(Mr. Phumant Panraksa)

Witness

(Miss Orasa Pratakkulvongsa)

Witness

(Miss Rawiwan Pongprot)

Exhibit 12.1

Ratio of Earnings to Fixed Charges

For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes plus fixed charges. Fixed charges consist of interest payable and similar charges, amortization of debt issuance costs, and one-third of operating lease rental expense, deemed representative of the interest component of rental expense. Set forth below is an overview of how we calculate the ratio of earnings to fixed charges:

	Predecessor			Successor
	For the year ended December 31,		For the period January 1 through September 28, 2006	For the period September 29 through December 31, 2006
	2004	2005		
	(€ in millions)			
Earnings:				
Income (loss) before taxes	€141	€39	€117	€(852)
Fixed charges	106	82	36	86
Total earnings	€247	€121	€153	€(766)
Fixed charges:				
Interest expense	€88	€61	€19	€79
Interest component of rent	18	21	17	7
Total fixed charges	€106	€82	€36	€86
Ratio of earnings to fixed charges(a)	2.3x	1.5x	4.3x	—

(a) For the period ended December 31, 2006, earnings were insufficient by €852 million to cover fixed charges.

Exhibit 21.1

NXP B.V. Subsidiaries

Subsidiary	Jurisdiction of organization	Percentage of shares
NXP Semiconductors Netherlands B.V.	Netherlands	100%
NXP Software B.V.	Netherlands	100%
NXP Semiconductors Dresden AG	Germany	100%
SMSTUnterstutzungs Kasse GmbH	Germany	100%
NXP Semiconductors Germany GmbH	Germany	100%
NXP Semiconductors Austria GmbH	Austria	100%
NXP Semiconductors Switzerland AG	Switzerland	100%
NXP Semiconductors Belgium N.V.	Belgium	100%
NXP Semiconductors France SAS	France	100%
NXP Semiconductors Crolles SAS	France	100%
NXP Semiconductors Italia SpA	Italy	100%
NXP Semiconductors Finland Oy	Finland	100%
NXP Semiconductors Sweden AB	Sweden	100%
NXP Semiconductors UK Limited	UK	100%
NXP Semiconductors Hungary Ltd.	Hungary	100%
NXP Semiconductors Turkey A.S.	Turkey	100%
NXP Semiconductors Poland Sp.z.o.o.	Poland	100%
O.O.O. NXP Semiconductors Russia	Russia	100%
NXP Semiconductors Guangdong Ltd.	China	100%
NXP Semiconductors (Beijing) Ltd.	China	100%
NXP Semiconductors Suzhou Ltd.	China	100%
Philips Jilin Semiconductors Co., Ltd.	China	60%
NXP Semiconductors (Shanghai) Ltd.	China	100%
NXP Semiconductors Hong Kong Ltd.	Hong Kong	100%
NXP Semiconductors Japan Ltd.	Japan	100%
NXP Semiconductors Korea Ltd.	Korea	100%
P.T. NXP Semiconductors (Batam)	Indonesia	99.9%
NXP Semiconductors Taiwan Ltd.	Taiwan	100%
Sunext Technology Co. Ltd	Taiwan	32.3%
NXP Semiconductors Malaysia Sdn. Bhd.	Malaysia	100%
NXP Semiconductors Philippines Inc.	Philippines	100%
Laguna Ventures Philippines Inc.	Philippines	39.99%
NXP Semiconductors (Cabayao) Inc.	Philippines	100%
NXP Semiconductors Thailand Ltd.	Thailand	100%
NXP Manufacturing Thailand Ltd.	Thailand	100%
NXP Semiconductors India Ptv. Ltd.	India	100%
NXP Semiconductors USA Inc.	USA	100%
NXP Funding LLC	USA	100%
NXP Semiconductors Canada Inc.	Canada	100%
NXP Semiconductors Brasil Ltda.	Brazil	100%
NXP Semiconductors Singapore Pte. Ltd.	Singapore	100%
Systems on Silicon Manufacturing Company Pte. Ltd. (SSMC) (Taiwan Semiconductor Manufacturing Company Limited)	Singapore	61.2% 38.8%
Beijing T3G Technology Company Limited	China	40.84%
Advanced Semiconductor Manufacturing Corporation Limited	China	26.65%

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

To the Board of Management of NXP B.V.
(formerly known as Philips Semiconductors International B.V.):

We consent to the use of our report dated March 22, 2007, with respect to the combined balance sheet of NXP B.V. (formerly known as Philips Semiconductors International B.V.) and the semiconductor businesses of Philips (Predecessor) as of December 31, 2005, and the related combined statements of operations, changes in business' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2004 and 2005 and for the period January 1, 2006 through September 28, 2006 (Predecessor periods), included herein and to the reference to our firm under the heading "Experts" in the prospectus.

KPMG accountants N.V.

Amstelveen, The Netherlands

April 19, 2007

QuickLinks

Exhibit 23.2

Deloitte.

Deloitte Accountants B.V.
Orlyplein 10
1043 DP Amsterdam
P.O. Box 58110
1040 HC Amsterdam
Netherlands

Tel: +31 (201) 582-5000
Fax: +31 (20) 582-4026
www.deloitte.nl

To the Board of Management of:
NXP B.V.
High Tech Campus 60,
5656 AG EINDHOVEN

Date	From	Our Reference
April 20, 2007	A. Sandler	3100242643/OP9998/cr

We hereby consent to the use in this Registration Statement on Form F-4 of NXP B.V. of our report dated March 22, 2007, relating to the consolidated financial statements of NXP. B.V. for the successor period appearing in the Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in the Prospectus.

Deloitte Accountants B.V.

/s/ A. SANDLER

A. Sandler

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

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

DEUTSCHE BANK TRUST COMPANY AMERICAS
(formerly BANKERS TRUST COMPANY)
(Exact name of trustee as specified in its charter)

NEW YORK (Jurisdiction of Incorporation or organization if not a U.S. national bank)	**13-4941247** (I.R.S. Employer Identification no.)
60 WALL STREET **NEW YORK, NEW YORK** (Address of principal executive offices)	**10005** (Zip Code)

Deutsche Bank Trust Company Americas
Attention: Lynne Malina
Legal Department
60 Wall Street, 37th Floor
New York, New York 10005
(212) 250 – 0677
(Name, address and telephone number of agent for service)

NXP B.V.
(Exact name of obligor as specified in its charter)
* see table of additional obligors *

The Netherlands (State or other jurisdiction of incorporation or organization)	**Not Applicable** (IRS Employer Identification No.)

High Tech Campus 60
5656 AG
Eindhoven, The Netherlands
Tel. No.: 011-31-40-2745678
(Address and telephone number of Registrant's principal executive offices)

NXP Semiconductors USA Inc.
2711 Centerville Road
Suite 400
Wilmington, Delaware 19809
Tel. No.: (212) 536-0620
(Address and Zip Code of agent for service)

with a copy to:
Andrew D. Soussloff
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
(212) 558-4000

Debt Securities

EUR Floating Rate Senior Secured Notes due 2013
USD Floating Rate Senior Secured Notes due 2013
$7^{7}/_{8}$% Senior Secured Notes due 2014
Guarantees of EUR Floating Rate Senior Secured Notes due 2013
Guarantees of USD Floating Rate Senior Secured Notes due 2013
Guarantees of $7^{7}/_{8}$% Senior Notes due 2014

TABLE OF ADDITIONAL REGISTRANT CO-ISSUERS AND SUBSIDIARY GUARANTORS

Exact Name as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Principal Executive Offices
NXP Funding LLC	Delaware, United States	3674	20-5542096	2711 Centerville Road, Ste. 400, Wilmington, DE 19808 Tel: +1 212 536-0620
NXP Semiconductors Netherlands B.V.	The Netherlands	3674	N/A	High Tech Campus 60, 5656 AG Eindhoven, The Netherlands Tel: +31 40 27 45678
NXP Semiconductors Germany GmbH	Germany	3674	N/A	Stresemannallee 101 22529 Hamburg, Germany Tel: +49 40 5613 2891
NXP Semiconductors Taiwan Ltd.	Taiwan	3674	N/A	No. 10 Chin 5th Road, Nantze Export Processing Zone, Kaohsiung, 811 Taiwan Tel: +886 7 367 8100
NXP Semiconductors Philippines Inc.	Philippines	3674	N/A	Philips Avenue, SEPZ, LISP 1 Brgy, Diezmo, Cabuyao, Laguna, 1227 Philippines Tel: +63 49 545 7800 ext 3101
NXP Semiconductors USA Inc	Delaware, United States	3674	20-5060850	2711 Centerville Road, Suite 400 Wilmington, DE 19808, USA Tel: +1 212 536-0620
NXP Semiconductors Hong Kong Limited	Hong Kong	3674	N/A	Levels 5-9, Three Pacific Place, Queen's Road East, Wanchai, Hong Kong Tel: +86 21 6354 8819
NXP Manufacturing (Thailand) Co., Ltd.	Thailand	3674	N/A	Moo 3 303 Changwattana Road, Talad Bangkhen, Laksi, 10210 Bangkok, Thailand Tel: +66 2 973 3719
NXP Semiconductors UK Limited	United Kingdom	3674	N/A	Millbrook Industrial Estate Southampton, Hampshire SO15 0DJ United Kingdom Tel: +44 23 80702701
NXP Semiconductors Singapore Pte. Ltd.	Singapore	3674	N/A	188 Joo Chiat Road, #02-01, Singapore 427407 Tel: +65 6248 7001

Item 1. General Information

Furnish the following information as to the trustee.

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Federal Reserve Bank (2nd District)	New York, NY
Federal Deposit Insurance Corporation	Washington, D.C.
New York State Banking Department	Albany, NY

(b) Whether it is authorized to exercise corporate trust powers.
Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the Trustee, describe each such affiliation.

None.

Item 3. -15. **Not Applicable**

To the best of the Trustee's knowledge, the obligor is not in default under ant Indenture for which the Trustee acts as Trustee.

Item 16. **List of Exhibits.**

Exhibit 1 - Restated Organization Certificate of Bankers Trust Company dated August 6, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated September 25, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated December 16, 1998, and Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated February 27, 2002, copies attached.

Exhibit 2 - Certificate of Authority to commence business. Copy attached.

Exhibit 3 - Authorization of the Trustee to exercise corporate trust powers. Copy attached.

Exhibit 4 - Existing By-Laws of Bankers Trust Company, as amended on April 15, 2002. Copy attached.

Exhibit 5 - Not applicable.

Exhibit 6 - Consent of Bankers Trust Company required by Section 321(b) of the Act. - Incorporated herein by reference to Exhibit 4 filed with Form T-1 Statement, Registration No. 22-18864.

Exhibit 7 - The latest report of condition of Deutsche Bank Trust Company Americas dated as of December 31, 2006. Copy attached.

Exhibit 8 - Not Applicable.

Exhibit 9 - Not Applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 19th day of April, 2007.

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____
Annie Jaghatspanyan
Assistant Vice President

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 19th day of April, 2007.

DEUTSCHE BANK TRUST COMPANY AMERICAS

/s/ Annie Jaghatspanyan
By: Annie Jaghatspanyan
Assistant Vice President

State of New York,

Banking Department

I, MANUEL KURSKY, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated September 16, 1998, providing for an increase in authorized capital stock from $3,001,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of $1,000,000 each designated as Series Preferred Stock to

$3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **25th** day of **September** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

/s/ Manuel Kursky
Deputy Superintendent of Banks

RESTATED
ORGANIZATION
CERTIFICATE
OF
BANKERS TRUST COMPANY

Under Section 8007
Of the Banking Law

Bankers Trust Company
1301 6th Avenue, 8th Floor
New York, N.Y. 10019

Counterpart Filed in the Office of the Superintendent of Banks, State of New York, August 31, 1998

RESTATED ORGANIZATION CERTIFICATE
OF
BANKERS TRUST
Under Section 8007 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and an Assistant Secretary and a Vice President and an Assistant Secretary of BANKERS TRUST COMPANY, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of the corporation was filed by the Superintendent of Banks of the State of New York on March 5, 1903.

3. The text of the organization certificate, as amended heretofore, is hereby restated without further amendment or change to read as herein-set forth in full, to wit:

"Certificate of Organization
of
Bankers Trust Company"

Know All Men By These Presents That we, the undersigned, James A. Blair, James G. Cannon, E. C. Converse, Henry P. Davison, Granville W. Garth, A. Barton Hepburn, Will Logan, Gates W. McGarrah, George W. Perkins, William H. Porter, John F. Thompson, Albert H. Wiggin, Samuel Woolverton and Edward F. C. Young, all being persons of full age and citizens of the United States, and a majority of us being residents of the State of New York, desiring to form a corporation to be known as a Trust Company, do hereby associate ourselves together for that purpose under and pursuant to the laws of the State of New York, and for such purpose we do hereby, under our respective hands and seals, execute and duly acknowledge this Organization Certificate in duplicate, and hereby specifically state as follows, to wit:

I. The name by which the said corporation shall be known is Bankers Trust Company.

II. The place where its business is to be transacted is the City of New York, in the State of New York.

III. Capital Stock: The amount of capital stock which the corporation is hereafter to have is Three Billion One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock.

(a) *Common Stock*

1. Dividends: Subject to all of the rights of the Series Preferred Stock, dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the corporation legally available for the payment of dividends.

2. Voting Rights: Except as otherwise expressly provided with respect to the Series Preferred Stock or with respect to any series of the Series Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, each holder of the Common Stock being entitled to one vote for each share thereof held.

3. Liquidation: Upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, and after the holders of the Series Preferred Stock of each series shall have been paid in full the amounts to which

---

they respectively shall be entitled, or a sum sufficient for the payment in full set aside, the remaining net assets of the corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests, to the exclusion of the holders of the Series Preferred Stock.

4. Preemptive Rights: No holder of Common Stock of the corporation shall be entitled, as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend or other distribution.

(b) *Series Preferred Stock*

1. Board Authority: The Series Preferred Stock may be issued from time to time by the Board of Directors as herein provided in one or more series. The designations, relative rights, preferences and limitations of the Series Preferred Stock, and particularly of the shares of each series thereof, may, to the extent permitted by law, be similar to or may differ from those of any other series. The Board of Directors of the corporation is hereby expressly granted authority, subject to the provisions of this Article III, to issue from time to time Series Preferred Stock in one or more series and to fix from time to time before issuance thereof, by filing a certificate pursuant to the Banking Law, the number of shares in each such series of such class and all designations, relative rights (including the right, to the extent permitted by law, to convert into shares of any class or into shares of any series of any class), preferences and limitations of the shares in each such series, including, buy without limiting the generality of the foregoing, the following:

(i) The number of shares to constitute such series (which number may at any time, or from time to time, be increased or decreased by the Board of Directors, notwithstanding that shares of the series may be outstanding at the time of such increase or decrease, unless the Board of Directors shall have otherwise provided in creating such series) and the distinctive designation thereof;

(ii) The dividend rate on the shares of such series, whether or not dividends on the shares of such series shall be cumulative, and the date or dates, if any, from which dividends thereon shall be cumulative;

(iii) Whether or not the share of such series shall be redeemable, and, if redeemable, the date or dates upon or after which they shall be redeemable, the amount or amounts per share (which shall be, in the case of each share, not less than its preference upon involuntary liquidation, plus an amount equal to all dividends thereon accrued and unpaid, whether or not earned or declared) payable thereon in the case of the redemption thereof, which amount may vary at different redemption dates or otherwise as permitted by law;

(iv) The right, if any, of holders of shares of such series to convert the same into, or exchange the same for, Common Stock or other stock as permitted by law, and the terms and conditions of such conversion or exchange, as well as provisions for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) The amount per share payable on the shares of such series upon the voluntary and involuntary liquidation, dissolution or winding up of the corporation;

(vi) Whether the holders of shares of such series shall have voting power, full or limited, in addition to the voting powers provided by law and, in case additional voting powers are accorded, to fix the extent thereof; and

(vii) Generally to fix the other rights and privileges and any qualifications, limitations or restrictions of such rights and privileges of such series, provided, however, that no such rights, privileges, qualifications, limitations or restrictions shall be in conflict with the organization certificate of the corporation or with the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of which there are shares outstanding.

All shares of Series Preferred Stock of the same series shall be identical in all respects, except that shares of any one series issued at different times may differ as to dates, if any, from which dividends thereon may accumulate. All shares of Series Preferred Stock of all series shall be of equal rank and shall be identical in all respects except that to the extent not otherwise limited in this Article III any series may differ from any other series with respect to any one or more of the designations, relative rights, preferences and limitations described or referred to in subparagraphs (I) to (vii) inclusive above.

---

2. Dividends: Dividends on the outstanding Series Preferred Stock of each series shall be declared and paid or set apart for payment before any dividends shall be declared and paid or set apart for payment on the Common Stock with respect to the same quarterly dividend period. Dividends on any shares of Series Preferred Stock shall be cumulative only if and to the extent set forth in a certificate filed pursuant to law. After dividends on all shares of Series Preferred Stock (including cumulative dividends if and to the extent any such shares shall be entitled thereto) shall have been declared and paid or set apart for payment with respect to any quarterly dividend period, then and not otherwise so long as any shares of Series Preferred Stock shall remain outstanding, dividends may be declared and paid or set apart for payment with respect to the same quarterly dividend period on the Common Stock out the assets or funds of the corporation legally available therefor.

All Shares of Series Preferred Stock of all series shall be of equal rank, preference and priority as to dividends irrespective of whether or not the rates of dividends to which the same shall be entitled shall be the same and when the stated dividends are not paid in full, the shares of all series of the Series Preferred Stock shall share ratably in the payment thereof in accordance with the sums which would be payable on such shares if all dividends were paid in full, provided, however, that any two or more series of the Series Preferred Stock may differ from each other as to the existence and extent of the right to cumulative dividends, as aforesaid.

3. Voting Rights: Except as otherwise specifically provided in the certificate filed pursuant to law with respect to any series of the Series Preferred Stock, or as otherwise provided by law, the Series Preferred Stock shall not have any right to vote for the election of directors or for any other purpose and the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

4. Liquidation: In the event of any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, each series of Series Preferred Stock shall have preference and priority over the Common Stock for payment of the amount to which each outstanding series of Series Preferred Stock shall be entitled in accordance with the provisions thereof and each holder of Series Preferred Stock shall be entitled to be paid in full such amount, or have a sum sufficient for the payment in full set aside, before any payments shall be made to the holders of the Common Stock. If, upon liquidation, dissolution or winding up of the corporation, the assets of the corporation or proceeds thereof, distributable among the holders of the shares of all series of the Series Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable if all amounts payable thereon were paid in full. After the payment to the holders of Series Preferred Stock of all such amounts to which they are entitled, as above provided, the remaining assets and funds of the corporation shall be divided and paid to the holders of the Common Stock.

5. Redemption: In the event that the Series Preferred Stock of any series shall be made redeemable as provided in clause (iii) of paragraph 1 of section (b) of this Article III, the corporation, at the option of the Board of Directors, may redeem at any time or times, and from time to time, all or any part of any one or more series of Series Preferred Stock outstanding by paying for each share the then applicable redemption price fixed by the Board of Directors as provided herein, plus an amount equal to accrued and unpaid dividends to the date fixed for redemption, upon such notice and terms as may be specifically provided in the certificate filed pursuant to law with respect to the series.

6. Preemptive Rights: No holder of Series Preferred Stock of the corporation shall be entitled, as such, as a matter or right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend.

(c) *Provisions relating to Floating Rate Non-Cumulative Preferred Stock, Series A. (Liquidation value $1,000,000 per share.)*

1. Designation: The distinctive designation of the series established hereby shall be “Floating Rate Non-Cumulative Preferred Stock, Series A” (hereinafter called “Series A Preferred Stock”).

2. Number: The number of shares of Series A Preferred Stock shall initially be 250 shares. Shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall revert to authorized but unissued Series Preferred Stock undesignated as to series.

---

3. Dividends:

(a) Dividend Payments Dates. Holders of the Series A Preferred Stock shall be entitled to receive non-cumulative cash dividends when, as and if declared by the Board of Directors of the corporation, out of funds legally available therefor, from the date of original issuance of such shares (the “Issue Date”) and such dividends will be payable on March 28, June 28, September 28 and December 28 of each year (“Dividend Payment Date”) commencing September 28, 1990, at a rate per annum as determined in paragraph 3(b) below. The period beginning on the Issue Date and ending on the day preceding the first Dividend Payment Date and each successive period beginning on a Dividend Payment Date and ending on the date preceding the next succeeding Dividend Payment Date is herein called a “Dividend Period”. If any Dividend Payment Date shall be, in The City of New York, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment will be postponed to the next succeeding business day with the same force and effect as if made on the Dividend Payment Date, and no interest shall accrue for such Dividend Period after such Dividend Payment Date.

(b) Dividend Rate. The dividend rate from time to time payable in respect of Series A Preferred Stock (the “Dividend Rate”) shall be determined on the basis of the following provisions:

(i) On the Dividend Determination Date, LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date, as such rates appear on the Reuters Screen LIBO Page as of 11:00 A.M. London time, on such Dividend Determination Date. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR in respect of such Dividend Determination Dates will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such offered rates. If fewer than those offered rates appear, LIBOR in respect of such Dividend Determination Date will be determined as described in paragraph (ii) below.

(ii) On any Dividend Determination Date on which fewer than those offered rates for the applicable maturity appear on the Reuters Screen LIBO Page as specified in paragraph (I) above, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time are offered by three major banks in the London interbank market selected by the corporation at approximately 11:00 A.M., London time, on such Dividend Determination Date to prime banks in the London market. The corporation will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such quotations. If fewer than two quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of the rates quoted by three major banks in New York City selected by the corporation at approximately 11:00 A.M., New York City time, on such Dividend Determination Date for loans in U.S. dollars to leading European banks having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the corporation are not quoting as aforementioned in this sentence, then, with respect to such Dividend Period, LIBOR for the preceding Dividend Period will be continued as LIBOR for such Dividend Period.

(ii) The Dividend Rate for any Dividend Period shall be equal to the lower of 18% or 50 basis points above LIBOR for such Dividend Period as LIBOR is determined by sections (I) or (ii) above.

As used above, the term “Dividend Determination Date” shall mean, with respect to any Dividend Period, the second London Business Day prior to the commencement of such Dividend Period; and the term “London Business Day” shall mean any day that is not a Saturday or Sunday and that, in New York

City, is not a day on which banking institutions generally are authorized or required by law or executive order to close and that is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

4. Voting Rights: The holders of the Series A Preferred Stock shall have the voting power and rights set forth in this paragraph 4 and shall have no other voting power or rights except as otherwise may from time to time be required by law.

So long as any shares of Series A Preferred Stock remain outstanding, the corporation shall not, without the affirmative vote or consent of the holders of at least a majority of the votes of the Series Preferred Stock entitled to vote outstanding at the time, given in person or by proxy, either in writing or by resolution adopted at a meeting at which the holders of Series A Preferred Stock (alone or together with the holders of one or more other series of Series Preferred Stock at the time outstanding and entitled to vote) vote separately as a class, alter the provisions of the Series Preferred Stock so as to

---

materially adversely affect its rights; provided, however, that in the event any such materially adverse alteration affects the rights of only the Series A Preferred Stock, then the alteration may be effected with the vote or consent of at least a majority of the votes of the Series A Preferred Stock; provided, further, that an increase in the amount of the authorized Series Preferred Stock and/or the creation and/or issuance of other series of Series Preferred Stock in accordance with the organization certificate shall not be, nor be deemed to be, materially adverse alterations. In connection with the exercise of the voting rights contained in the preceding sentence, holders of all series of Series Preferred Stock which are granted such voting rights (of which the Series A Preferred Stock is the initial series) shall vote as a class (except as specifically provided otherwise) and each holder of Series A Preferred Stock shall have one vote for each share of stock held and each other series shall have such number of votes, if any, for each share of stock held as may be granted to them.

The foregoing voting provisions will not apply if, in connection with the matters specified, provision is made for the redemption or retirement of all outstanding Series A Preferred Stock.

5. Liquidation: Subject to the provisions of section (b) of this Article III, upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall have preference and priority over the Common Stock for payment out of the assets of the corporation or proceeds thereof, whether from capital or surplus, of $1,000,000 per share (the “liquidation value”) together with the amount of all dividends accrued and unpaid thereon, and after such payment the holders of Series A Preferred Stock shall be entitled to no other payments.

6. Redemption: Subject to the provisions of section (b) of this Article III, Series A Preferred Stock may be redeemed, at the option of the corporation in whole or part, at any time or from time to time at a redemption price of $1,000,000 per share, in each case plus accrued and unpaid dividends to the date of redemption.

At the option of the corporation, shares of Series A Preferred Stock redeemed or otherwise acquired may be restored to the status of authorized but unissued shares of Series Preferred Stock.

In the case of any redemption, the corporation shall give notice of such redemption to the holders of the Series A Preferred Stock to be redeemed in the following manner: a notice specifying the shares to be redeemed and the time and place of redemption (and, if less than the total outstanding shares are to be redeemed, specifying the certificate numbers and number of shares to be redeemed) shall be mailed by first class mail, addressed to the holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as the same shall appear upon the books of the corporation, not more than sixty (60) days and not less than thirty (30) days previous to the date fixed for redemption. In the event such notice is not given to any shareholder such failure to give notice shall not affect the notice given to other shareholders. If less than the whole amount of outstanding Series A Preferred Stock is to be redeemed, the shares to be redeemed shall be selected by lot or pro rata in any manner determined by resolution of the Board of Directors to be fair and proper. From and after the date fixed in any such notice as the date of redemption (unless default shall be made by the corporation in providing moneys at the time and place of redemption for the payment of the redemption price) all dividends upon the Series A Preferred Stock so called for redemption shall cease to accrue, and all rights of the holders of said Series A Preferred Stock as stockholders in the corporation, except the right to receive the redemption price (without interest) upon surrender of the certificate representing the Series A Preferred Stock so called for redemption, duly endorsed for transfer, if required, shall cease and terminate. The corporation’s obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the corporation shall deposit with a bank or trust company (which may be an affiliate of the corporation) having an office in the Borough of Manhattan, City of New York, having a capital and surplus of at least $5,000,000 funds necessary for such redemption, in trust with irrevocable instructions that such funds be applied to the redemption of the shares of Series A Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the corporation from time to time. Any funds so deposited and unclaimed at the end of two (2) years from such redemption date shall be released or repaid to the corporation, after which the holders of such shares of Series A Preferred Stock so called for redemption shall look only to the corporation for payment of the redemption price.

IV. The name, residence and post office address of each member of the corporation are as follows:

Name	Residence	Post Office Address
James A. Blair	9 West 50th Street, Manhattan, New York City	33 Wall Street, Manhattan, New York City
James G. Cannon	72 East 54th Street, Manhattan New York City	14 Nassau Street, Manhattan, New York City

---

E. C. Converse	3 East 78th Street, Manhattan, New York City	139 Broadway, Manhattan, New York City
Henry P. Davison	Englewood, New Jersey	2 Wall Street, Manhattan, New York City
Granville W. Garth	160 West 57th Street,	33 Wall Street

	Manhattan, New York City	Manhattan, New York City
A. Barton Hepburn	205 West 57th Street Manhattan, New York City	83 Cedar Street Manhattan, New York City
William Logan	Montclair, New Jersey	13 Nassau Street Manhattan, New York City
George W. Perkins	Riverdale, New York	23 Wall Street, Manhattan, New York City
William H. Porter	56 East 67th Street Manhattan, New York City	270 Broadway, Manhattan, New York City
John F. Thompson	Newark, New Jersey	143 Liberty Street, Manhattan, New York City
Albert H. Wiggin	42 West 49th Street, Manhattan, New York City	214 Broadway, Manhattan, New York City
Samuel Woolverton	Mount Vernon, New York	34 Wall Street, Manhattan, New York City
Edward F.C. Young	85 Glenwood Avenue, Jersey City, New Jersey	1 Exchange Place, Jersey City, New Jersey

V. The existence of the corporation shall be perpetual.

VI. The subscribers, the members of the said corporation, do, and each for himself does, hereby declare that he will accept the responsibilities and faithfully discharge the duties of a director therein, if elected to act as such, when authorized accordance with the provisions of the Banking Law of the State of New York.

VII. The number of directors of the corporation shall not be less than 10 nor more than 25."

4. The foregoing restatement of the organization certificate was authorized by the Board of Directors of the corporation at a meeting held on July 21, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

/s/ James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

/s/ Lea Lahtinen
Lea Lahtinen

State of New York)
) ss:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this
6th day of August, 1998.

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 1998

State of New York,

Banking Department

I, MANUEL KURSKY, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8007 of the Banking Law,"** dated August 6, 1998, providing for the restatement of the Organization Certificate and all amendments into a single certificate.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **31st** day of **August** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

Manuel Kursky
Deputy *Superintendent of Banks*

CERTIFICATE OF AMENDMENT
OF THE
ORGANIZATION CERTIFICATE
OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

---

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 25th day of September, 1998

/s/ James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this 25th day
of September, 1998

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated December 16, 1998, providing for an increase in authorized capital stock from $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,627,308,670 consisting of 212,730,867 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **18th** day of **December** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Six Hundred Twenty-Seven Million, Three Hundred Eight Thousand, Six Hundred Seventy Dollars ($3,627,308,670), divided into Two Hundred Twelve Million, Seven Hundred Thirty Thousand, Eight Hundred Sixty- Seven (212,730,867) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

---

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 16th day of December, 1998

/s/James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/Lea Lahtinen
Lea Lahtinen

Sworn to before me this 16th day
of December, 1998

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

BANKERS TRUST COMPANY
ASSISTANT SECRETARY'S CERTIFICATE

I, Lea Lahtinen, Vice President and Assistant Secretary of Bankers Trust Company, a corporation duly organized and existing under the laws of the State of New York, the United States of America, do hereby certify that attached copy of the Certificate of Amendment of the Organization Certificate of Bankers Trust Company, dated February 27, 2002, providing for a change of name of Bankers Trust Company to Deutsche Bank Trust Company Americas and approved by the New York State Banking Department on March 14, 2002 to effective on April 15, 2002, is a true and correct copy of the original Certificate of Amendment of the Organization Certificate of Bankers Trust Company on file in the Banking Department, State of New York.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Bankers Trust Company this 4th day of April, 2002.

[SEAL]

/s/ Lea Lahtinen
Lea Lahtinen, Vice President and Assistant Secretary
Bankers Trust Company

State of New York)
) ss.:
County of New York)

On the 4th day of April in the year 2002 before me, the undersigned, a Notary Public in and for said state, personally appeared Lea Lahtinen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

/s/ Sonja K. Olsen
Notary Public

SONJA K. OLSEN
Notary Public, State of New York
No. 01OL4974457
Qualified in New York County
Commission Expires November 13, 2002

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY APPROVE the annexed Certificate entitled "CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY under Section 8005 of the Banking Law" dated February 27, 2002, providing for a change of name of BANKERS TRUST COMPANY to DEUTSCHE BANK TRUST COMPANY AMERICAS.

Witness, my hand and official seal of the Banking Department at the City of New York, this 14th day of March two thousand and two.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF

BANKERS TRUST COMPANY

Under Section 8005 of the Banking Law

We, James T. Byrne Jr., and Lea Lahtinen, being respectively the Secretary, and Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th day of March, 1903.

3. Pursuant to Section 8005 of the Banking Law, attached hereto as Exhibit A is a certificate issued by the State of New York, Banking Department listing all of the amendments to the Organization Certificate of Bankers Trust Company since its organization that have been filed in the Office of the Superintendent of Banks.

4. The organization certificate as heretofore amended is hereby amended to change the name of Bankers Trust Company to Deutsche Bank Trust Company Americas to be effective on April 15, 2002.

5. The first paragraph number 1 of the organization of Bankers Trust Company with the reference to the name of the Bankers Trust Company, which reads as follows:

"1. The name of the corporation is Bankers Trust Company."

is hereby amended to read as follows effective on April 15, 2002:

"1. The name of the corporation is Deutsche Bank Trust Company Americas."

---

6. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 27th day of February, 2002.

/s/ James T. Byrne Jr.
James T. Byrne Jr.
Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss.:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements therein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this 27th day
of February, 2002

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public, State of New York
No. 01WE4942401
Qualified in New York County
Commission Expires September 19, 2002

EXHIBIT A

State of New York

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY CERTIFY:

THAT, the records in the Office of the Superintendent of Banks indicate that BANKERS TRUST COMPANY is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

THAT, the Organization Certificate of BANKERS TRUST COMPANY was filed in the Office of the Superintendent of Banks on March 5, 1903, and such corporation was authorized to commence business on March 24, 1903; and

THAT, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 14, 1905

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 4, 1909

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on February 1, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on June 17, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on March 21, 1912

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on January 15, 1915

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on December 18, 1916

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 28, 1918

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 4, 1919

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 15, 1926

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on June 12, 1928

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on April 4, 1929

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 11, 1934

Certificate of Extension to perpetual - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 11, 1944

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 30, 1953

Restated Certificate of Incorporation - filed November 6, 1953

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 8, 1955

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 1, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on July 14, 1960

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 30, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on January 26, 1962

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 9, 1963

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 7, 1964

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 24, 1965

Certificate of Amendment of the Organization Certificate providing for a decrease in capital stock - filed January 24, 1967

Restated Organization Certificate - filed June 1, 1971

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed October 29, 1976

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 22, 1977

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed August 5, 1980

Restated Organization Certificate - filed July 1, 1982

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1984

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 18, 1986

Certificate of Amendment of the Organization Certificate providing for a minimum and maximum number of directors - filed January 22, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 28, 1990

Restated Organization Certificate - filed August 20, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 26, 1992

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 28, 1994

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 21, 1996

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1996

Certificate of Amendment to the Organization Certificate providing for an increase in capital stock - filed June 27, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 26, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 29, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 26, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1998

Restated Organization Certificate - filed August 31, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 25, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 18, 1998; and

Certificate of Amendment of the Organization Certificate providing for a change in the number of directors - filed September 3, 1999; and

THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks except those set forth above; and attached hereto; and

I DO FURTHER CERTIFY THAT, BANKERS TRUST COMPANY is validly existing as a banking organization with its principal office and place of business located at 130 Liberty Street, New York, New York.

WITNESS, my hand and official seal of the Banking Department at the City of New York this 16th day of October in the Year Two Thousand and One.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

State of New York

Banking Department

I, DAVID S. FREDSALL*, Deputy Superintendent of Banks of the State of New York,* ***DO HEREBY CERTIFY:***

THAT, DEUTSCHE BANK TRUST COMPANY AMERICAS*, is a corporation duly organized and existing under the laws of the State of New York and has its principal office and place of business at* ***60 Wall Street, New York, New York.*** *Such corporation is validly existing as a banking organization under the Banking Law of the State of New York. The authorization certificate of such corporation has not been revoked or suspended and such corporation is a subsisting* ***trust company*** *under the supervision of this Department.*

WITNESS*, my hand and official seal of the Banking Department at the City of New York, this* ***2nd*** *day of* ***August*** *in the Year* ***two thousand and six****.*

/s/ David S. Fredsall
Deputy Superintendent of Banks

BY-LAWS

APRIL 15, 2002

Deutsche Bank Trust Company Americas

New York

BY-LAWS
of

Deutsche Bank Trust Company Americas

ARTICLE I

MEETINGS OF STOCKHOLDERS

SECTION 1. The annual meeting of the stockholders of this Company shall be held at the office of the Company in the Borough of Manhattan, City of New York, in January of each year, for the election of directors and such other business as may properly come before said meeting.

SECTION 2. Special meetings of stockholders other than those regulated by statute may be called at any time by a majority of the directors. It shall be the duty of the Chairman of the Board, the Chief Executive Officer, the President or any Co-President to call such meetings whenever requested in writing to do so by stockholders owning a majority of the capital stock.

SECTION 3. At all meetings of stockholders, there shall be present, either in person or by proxy, stockholders owning a majority of the capital stock of the Company, in order to constitute a quorum, except at special elections of directors, as provided by law, but less than a quorum shall have power to adjourn any meeting.

SECTION 4. The Chairman of the Board or, in his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, the senior officer present, shall preside at meetings of the stockholders and shall direct the proceedings and the order of business. The Secretary shall act as secretary of such meetings and record the proceedings.

ARTICLE II

DIRECTORS

SECTION 1. The affairs of the Company shall be managed and its corporate powers exercised by a Board of Directors consisting of such number of directors, but not less than seven nor more than fifteen, as may from time to time be fixed by resolution adopted by a majority of the directors then in office, or by the stockholders. In the event of any increase in the number of directors, additional directors may be elected within the limitations so fixed, either by the stockholders or within the limitations imposed by law, by a majority of directors then in office. One-third of the number of directors, as fixed from time to time, shall constitute a quorum. Any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of the Board of Directors or Committee thereof by means of a conference telephone, video conference or similar communications equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

All directors hereafter elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and have qualified.

No Officer-Director who shall have attained age 65, or earlier relinquishes his responsibilities and title, shall be eligible to serve as a director.

SECTION 2. Vacancies not exceeding one-third of the whole number of the Board of Directors may be filled by the affirmative vote of a majority of the directors then in office, and the directors so elected shall hold office for the balance of the unexpired term.

SECTION 3. The Chairman of the Board shall preside at meetings of the Board of Directors. In his absence, the Chief Executive Officer or, in his absence the President or any Co-President or, in their absence such other director as the Board of Directors from time to time may designate shall preside at such meetings.

SECTION 4. The Board of Directors may adopt such Rules and Regulations for the conduct of its meetings and the management of the affairs of the Company as it may deem proper, not inconsistent with the laws of the State of New York, or these By-Laws, and all officers and employees shall strictly adhere to, and be bound by, such Rules and Regulations.

SECTION 5. Regular meetings of the Board of Directors shall be held from time to time provided, however, that the Board of Directors shall hold a regular meeting not less than six times a year, provided that during any three consecutive calendar months the Board of Directors shall meet at least once, and its Executive Committee shall not be required to meet at least once in each thirty day period during which the Board of Directors does not meet. Special meetings of the Board of Directors may be called upon at least two day’s notice whenever it may be deemed proper by the Chairman of the Board or, the Chief

Executive Officer or, the President or any Co-President or, in their absence, by such other director as the Board of Directors may have designated pursuant to Section 3 of this Article, and shall be called upon like notice whenever any three of the directors so request in writing.

SECTION 6. The compensation of directors as such or as members of committees shall be fixed from time to time by resolution of the Board of Directors.

ARTICLE III

COMMITTEES

SECTION 1. There shall be an Executive Committee of the Board consisting of not less than five directors who shall be appointed annually by the Board of Directors. The Chairman of the Board shall preside at meetings of the Executive Committee. In his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, such other member of the Committee as the Committee from time to time may designate shall preside at such meetings.

The Executive Committee shall possess and exercise to the extent permitted by law all of the powers of the Board of Directors, except when the latter is in session, and shall keep minutes of its proceedings, which shall be presented to the Board of Directors at its next subsequent meeting. All acts done and powers and authority conferred by the Executive Committee from time to time shall be and be deemed to be, and may be certified as being, the act and under the authority of the Board of Directors.

A majority of the Committee shall constitute a quorum, but the Committee may act only by the concurrent vote of not less than one-third of its members, at least one of who must be a director other than an officer. Any one or more directors, even though not members of the Executive Committee, may attend any meeting of the Committee, and the member or members of the Committee present, even though less than a quorum, may designate any one or more of such directors as a substitute or substitutes for any absent member or members of the Committee, and each such substitute or substitutes shall be counted for quorum, voting, and all other purposes as a member or members of the Committee.

SECTION 2. There shall be an Audit Committee appointed annually by resolution adopted by a majority of the entire Board of Directors which shall consist of such number of directors, who are not also officers of the Company, as may from time to time be fixed by resolution adopted by the Board of Directors. The Chairman shall be designated by the Board of Directors, who shall also from time to time fix a quorum for meetings of the Committee. Such Committee shall conduct the annual directors' examinations of the Company as required by the New York State Banking Law; shall review the reports of all examinations made of the Company by public authorities and report thereon to the Board of Directors; and shall report to the Board of Directors such other matters as it deems advisable with respect to the Company, its various departments and the conduct of its operations.

In the performance of its duties, the Audit Committee may employ or retain, from time to time, expert assistants, independent of the officers or personnel of the Company, to make studies of the Company's assets and liabilities as the Committee may request and to make an examination of the accounting and auditing methods of the Company and its system of internal protective controls to the extent considered necessary or advisable in order to determine that the operations of the Company, including its fiduciary departments, are being audited by the General Auditor in such a manner as to provide prudent and adequate protection. The Committee also may direct the General Auditor to make such investigation as it deems necessary or advisable with respect to the Company, its various departments and the conduct of its operations. The Committee shall hold regular quarterly meetings and during the intervals thereof shall meet at other times on call of the Chairman.

SECTION 3. The Board of Directors shall have the power to appoint any other Committees as may seem necessary, and from time to time to suspend or continue the powers and duties of such Committees. Each Committee appointed pursuant to this Article shall serve at the pleasure of the Board of Directors.

ARTICLE IV

OFFICERS

SECTION 1. The Board of Directors shall elect from among their number a Chairman of the Board and a Chief Executive Officer; and shall also elect a President, or two or more Co-Presidents, and may also elect, one or more Vice Chairmen, one or more Executive Vice Presidents, one or more Managing Directors, one or more Senior Vice Presidents, one or more Directors, one or more Vice Presidents, one or more General Managers, a Secretary, a Controller, a Treasurer, a General Counsel, a General Auditor, a General Credit Auditor, who need not be directors. The officers of the corporation may also include such other officers or assistant officers as shall from time to time be elected or appointed by the Board. The Chairman of the Board or the Chief Executive Officer or, in their absence, the President or any Co-President, or any Vice Chairman, may from time to time appoint assistant officers. All officers elected or appointed by the Board of Directors shall hold their respective offices during the pleasure of the Board of Directors, and all assistant officers shall hold office at the pleasure of the Board or the Chairman of the Board or the Chief Executive Officer or, in their absence, the President, or any Co-President or any Vice Chairman. The Board of Directors may require any and all officers and employees to give security for the faithful performance of their duties.

SECTION 2. The Board of Directors shall designate the Chief Executive Officer of the Company who may also hold the additional title of Chairman of the Board, or President, or any Co-President, and such person shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee, all of the powers vested in such Chief Executive Officer by law or by these By-Laws, or which usually attach or pertain to such office. The other officers shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee or the Chairman of the Board or, the Chief Executive Officer, the powers vested by law or by these By-Laws in them as holders of their respective offices and, in addition, shall perform such other duties as shall be assigned to them by the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer.

The General Auditor shall be responsible, through the Audit Committee, to the Board of Directors for the determination of the program of the internal audit function and the evaluation of the adequacy of the system of internal controls. Subject to the Board of Directors, the General Auditor shall have and may exercise all the powers and shall perform all the duties usual to such office and shall have such other powers as may be prescribed or assigned to him from

time to time by the Board of Directors or vested in him by law or by these By-Laws. He shall perform such other duties and shall make such investigations, examinations and reports as may be prescribed or required by the Audit Committee. The General Auditor shall have unrestricted access to all records and premises of the Company and shall delegate such authority to his subordinates. He shall have the duty to report to the Audit Committee on all matters concerning the internal audit program and the adequacy of the system of internal controls of the Company which he deems advisable or which the Audit Committee may request. Additionally, the General Auditor shall have the duty of reporting independently of all officers of the Company to the Audit Committee at least quarterly on any matters concerning the internal audit program and the adequacy of the system of internal controls of the Company that should be brought to the attention of the directors except those matters responsibility for which has been vested in the General Credit Auditor.

Should the General Auditor deem any matter to be of special immediate importance, he shall report thereon forthwith to the Audit Committee. The General Auditor shall report to the Chief Financial Officer only for administrative purposes.

The General Credit Auditor shall be responsible to the Chief Executive Officer and, through the Audit Committee, to the Board of Directors for the systems of internal credit audit, shall perform such other duties as the Chief Executive Officer may prescribe, and shall make such examinations and reports as may be required by the Audit Committee. The General Credit Auditor shall have unrestricted access to all records and may delegate such authority to subordinates.

SECTION 3. The compensation of all officers shall be fixed under such plan or plans of position evaluation and salary administration as shall be approved from time to time by resolution of the Board of Directors.

SECTION 4. The Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any person authorized for this purpose by the Chief Executive Officer, shall appoint or engage all other employees and agents and fix their compensation. The employment of all such employees and agents shall continue during the pleasure of the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer or any such authorized person; and the Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any such authorized person may discharge any such employees and agents at will.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

SECTION 1. The Company shall, to the fullest extent permitted by Section 7018 of the New York Banking Law, indemnify any person who is or was made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened in any court or administrative or legislative body or agency, including an action by or in the right of the Company to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Company is servicing or served in any capacity at the request of the Company by reason of the fact that he, his testator or intestate, is or was a director or officer of the Company, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement, and costs, charges and expenses, including attorneys' fees, or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 2. The Company may indemnify any other person to whom the Company is permitted to provide indemnification or the advancement of expenses by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Banking Law or other rights created by (i) a resolution of stockholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

SECTION 3. The Company shall, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 4. Any director or officer of the Company serving (i) another corporation, of which a majority of the shares entitled to vote in the election of its directors is held by the Company, or (ii) any employee benefit plan of the Company or any corporation referred to in clause (i) in any capacity shall be deemed to be doing so at the request of the Company. In all other cases, the provisions of this Article V will apply (i) only if the person serving another corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise so served at the specific request of the Company, evidenced by a written communication signed by the Chairman of the Board, the Chief Executive Officer, the President or any Co-President, and (ii) only if and to the extent that, after making such efforts as the Chairman of the Board, the Chief Executive Officer, the President or any Co-President shall deem adequate in the circumstances, such person shall be unable to obtain indemnification from such other enterprise or its insurer.

SECTION 5. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article V may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of occurrence of the event or events giving rise to the action or proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time indemnification is sought.

SECTION 6. The right to be indemnified or to the reimbursement or advancement of expense pursuant to this Article V (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Company and the director or officer, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

SECTION 7. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Company within thirty days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the

Company (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstance, nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

SECTION 8. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 shall be entitled to indemnification only as provided in Sections 1 and 3, notwithstanding any provision of the New York Banking Law to the contrary.

ARTICLE VI

SEAL

SECTION 1. The Board of Directors shall provide a seal for the Company, the counterpart dies of which shall be in the charge of the Secretary of the Company and such officers as the Chairman of the Board, the Chief Executive Officer or the Secretary may from time to time direct in writing, to be affixed to certificates of stock and other documents in accordance with the directions of the Board of Directors or the Executive Committee.

SECTION 2. The Board of Directors may provide, in proper cases on a specified occasion and for a specified transaction or transactions, for the use of a printed or engraved facsimile seal of the Company.

ARTICLE VII

CAPITAL STOCK

SECTION 1. Registration of transfer of shares shall only be made upon the books of the Company by the registered holder in person, or by power of attorney, duly executed, witnessed and filed with the Secretary or other proper officer of the Company, on the surrender of the certificate or certificates of such shares properly assigned for transfer.

ARTICLE VIII

CONSTRUCTION

SECTION 1. The masculine gender, when appearing in these By-Laws, shall be deemed to include the feminine gender.

ARTICLE IX

AMENDMENTS

SECTION 1. These By-Laws may be altered, amended or added to by the Board of Directors at any meeting, or by the stockholders at any annual or special meeting, provided notice thereof has been given.

I, Annie Jaghatspanyan, Assistant Vice President, of Deutsche Bank Trust Company Americas, New York, New York, hereby certify that the foregoing is a complete, true and correct copy of the By-Laws of Deutsche Bank Trust Company Americas, and that the same are in full force and effect at this date.

Assistant Vice President

DATED AS OF: April 19, 2007

State Zip Code

FDIC Certificate Number: 00623
Printed on 2/12/2007 at 5:35 PM

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for December 31, 2006

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands			RCFD	Tril | Bil | Mil | Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	2,119,000	1.a
b. Interest-bearing balances (2)			0071	397,000	1.b
2. Securities:					
a. Held-to-maturity securities (from schedule RC-B, column A)			1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	1,572,000	2.b
3. Federal funds sold and securities purchased under agreements to resell:			RCON		
a. Federal funds sold in domestic offices			B987	216,000	3.a
			RCFD		
b. Securities purchased under agreements to resell (3)			B989	1,336,000	3.b
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	944,000	4.a
b. Loans and leases, net of unearned income	B528	10,759,000			4.b
c. LESS: Allowance for loan and lease losses	3123	196,000			4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)			B529	**10,563,000**	4.d
5. Trading assets (from Schedule RC-D)			3545	16,874,000	5
6. Premises and fixed assets (including capitalized leases)			2145	135,000	6
7. Other real estate owned (from Schedule (RC-M)			2150	0	7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	8,000	8
9. Not applicable					
10. Intangible assets:					
a. Goodwill			3163	0	10.a
b. Other intangible assets (from Schedule RC-M)			0426	47,000	10.b
11. Other assets (from Schedule RC-F)			2160	5,526,000	11
12. Total assets (sum of items 1 through 11)			2170	**39,737,000**	12

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.
(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Dollar Amounts in Thousands			RCFD	Tril | Bil | Mil | Thou	
LIABILITIES					
13. Deposits:			RCON		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)			2200	10,814,000	13.a
(1) Noninterest-bearing (1)	6631	2,147,000			13.a.1
(2) Interest-bearing	6636	8,667,000			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs			RCFN		
(from Schedule RC-E, part II)			2200	7,569,000	13.b
(1) Noninterest-bearing	6631	1,512,000			13.b.1
(2) Interest-bearing	6636	6,057,000			13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase:			RCON		
a. Federal funds purchased in domestic offices (2)			B993	8,213,000	14.a
			RCFD		
b. Securities sold under agreements to repurchase (3)			B995	0	14.b
15. Trading liabilities (from Schedule RC-D)			3548	422,000	15
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)			3190	722,000	16
17. and 18. Not applicable					
19. Subordinated notes and debentures (4)			3200	8,000	19
20. Other liabilities (from Schedule RC-G)			2930	3,343,000	20

21.	Total liabilities (sum of items 13 through 20)	2948	**31,091,000**	21
22.	Minority interest in consolidated subsidiaries	3000	432,000	22
EQUITY CAPITAL				
23.	Perpetual preferred stock and related surplus	3838	1,500,000	23
24.	Common stock	3230	2,127,000	24
25.	Surplus (exclude all surplus related to preferred stock)	3839	584,000	25
26.	a. Retained earnings	3632	4,028,000	26.a
	b. Accumulated other comprehensive income (5)	B530	(25,000)	26.b
27.	Other equity capital components (6)	A130	0	27
28.	Total equity capital (sum of item 23 through 27)	3210	**8,214,000**	28
29.	Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	3300	**39,737,000**	29

Memorandum

To be reported with the March Report of Condition.

1.	Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2005	RCFD 6724	Number N/A	M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm
4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
6 = Review of the bank's financial statements by external auditors
7 = Compilation of the bank's financial statements by external auditors
8 = Other audit procedures (excluding tax preparation work)
9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.
(2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
(3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.
(4) Includes limited-life preferred stock and related surplus.
(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
(6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

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

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)

DEUTSCHE BANK TRUST COMPANY AMERICAS
(formerly BANKERS TRUST COMPANY)
(Exact name of trustee as specified in its charter)

NEW YORK (Jurisdiction of Incorporation or organization if not a U.S. national bank)	**13-4941247** (I.R.S. Employer Identification no.)
60 WALL STREET **NEW YORK, NEW YORK** (Address of principal executive offices)	**10005** (Zip Code)

Deutsche Bank Trust Company Americas
Attention: Lynne Malina
Legal Department
60 Wall Street, 37th Floor
New York, New York 10005
(212) 250 – 0677
(Name, address and telephone number of agent for service)

NXP B.V.
(Exact name of obligor as specified in its charter)
* see table of additional obligors *

The Netherlands (State or other jurisdiction of incorporation or organization)	**Not Applicable** (IRS Employer Identification No.)

High Tech Campus 60
5656 AG
Eindhoven, The Netherlands
Tel. No.: 011-31-40-2745678
(Address and telephone number of Registrant's principal executive offices)

NXP Semiconductors USA Inc.
2711 Centerville Road
Suite 400
Wilmington, Delaware 19809
Tel. No.: (212) 536-0620
(Address and Zip Code of agent for service)

with a copy to:
Andrew D. Soussloff
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
(212) 558-4000

Debt Securities

$8^{5}/_{8}$% Senior Notes due 2015

$9^1/_2$% Senior Notes due 2015
Guarantees of $8^5/_8$% Senior Notes due 2015
Guarantees of $9^1/_2$% Senior Notes due 2015

TABLE OF ADDITIONAL REGISTRANT CO-ISSUERS AND SUBSIDIARY GUARANTORS

Exact Name as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	I.R.S. Employer Identification Number	Address,Including Zip Code and Telephone Number, Including Area Code, of Principal Executive Offices
NXP Funding LLC	Delaware, United States	3674	20-5542096	2711 Centerville Road, Ste. 400, Wilmington, DE 19808 Tel: +1 212 536-0620
NXP Semiconductors Netherlands B.V.	The Netherlands	3674	N/A	High Tech Campus 60, 5656 AG Eindhoven, The Netherlands Tel: +31 40 27 45678
NXP Semiconductors Germany GmbH	Germany	3674	N/A	Stresemannallee 101 22529 Hamburg, Germany Tel: +49 40 5613 2891
NXP Semiconductors Taiwan Ltd.	Taiwan	3674	N/A	No. 10 Chin 5th Road, Nantze Export Processing Zone, Kaohsiung, 811 Taiwan Tel: +886 7 367 8100
NXP Semiconductors Philippines Inc.	Philippines	3674	N/A	Philips Avenue, SEPZ, LISP 1 Brgy, Diezmo, Cabuyao, Laguna, 1227 Philippines Tel: +63 49 545 7800 ext 3101
NXP Semiconductors USA Inc	Delaware, United States	3674	20-5060850	2711 Centerville Road, Suite 400 Wilmington, DE 19808, USA Tel: +1 212 536-0620
NXP Semiconductors Hong Kong Limited	Hong Kong	3674	N/A	Levels 5-9, Three Pacific Place, Queen's Road East, Wanchai, Hong Kong Tel: +86 21 6354 8819
NXP Manufacturing (Thailand) Co., Ltd.	Thailand	3674	N/A	Moo 3 303 Changwattana Road, Talad Bangkhen, Laksi, 10210 Bangkok, Thailand Tel: +66 2 973 3719
NXP Semiconductors UK Limited.	United Kingdom	3674	N/A	Millbrook Industrial Estate Southampton, Hampshire SO15 0DJ United Kingdom Tel: +44 23 80702701
NXP Semiconductors Singapore Pte. Ltd.	Singapore	3674	N/A	188 Joo Chiat Road, #02-01, Singapore 427407 Tel: +65 6248 7001

Item 1. General Information

Furnish the following information as to the trustee.

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Federal Reserve Bank (2nd District)	New York, NY
Federal Deposit Insurance Corporation	Washington, D.C.
New York State Banking Department	Albany, NY

(b) Whether it is authorized to exercise corporate trust powers.
Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the Trustee, describe each such affiliation.

None.

Item 3. -15. Not Applicable

To the best of the Trustee's knowledge, the obligor is not in default under ant Indenture for which the Trustee acts as Trustee.

Item 16. List of Exhibits.

Exhibit 1 - Restated Organization Certificate of Bankers Trust Company dated August 6, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated September 25, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated December 16, 1998, and Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated February 27, 2002, copies attached.

Exhibit 2 - Certificate of Authority to commence business. Copy attached.

Exhibit 3 - Authorization of the Trustee to exercise corporate trust powers. Copy attached.

Exhibit 4 - Existing By-Laws of Bankers Trust Company, as amended on April 15, 2002. Copy attached.

Exhibit 5 - Not applicable.

Exhibit 6 - Consent of Bankers Trust Company required by Section 321(b) of the Act. - Incorporated herein by reference to Exhibit 4 filed with Form T-1 Statement, Registration No. 22-18864.

Exhibit 7 - The latest report of condition of Deutsche Bank Trust Company Americas dated as of December 31, 2006. Copy attached.

Exhibit 8 - Not Applicable.

Exhibit 9 - Not Applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 19th day of April, 2007.

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____
Annie Jaghatspanyan
Assistant Vice President

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 19th day of April, 2007.

DEUTSCHE BANK TRUST COMPANY AMERICAS

/s/ Annie Jaghatspanyan
By: Annie Jaghatspanyan
Assistant Vice President

State of New York,

Banking Department

I, MANUEL KURSKY, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated September 16, 1998, providing for an increase in authorized capital stock from $3,001,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of $1,000,000 each designated as Series Preferred Stock to

$3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **25th** day of **September** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

/s/ Manuel Kursky
Deputy Superintendent of Banks

RESTATED
ORGANIZATION
CERTIFICATE
OF
BANKERS TRUST COMPANY

Under Section 8007
Of the Banking Law

Bankers Trust Company
1301 6th Avenue, 8th Floor
New York, N.Y. 10019

Counterpart Filed in the Office of the Superintendent of Banks, State of New York, August 31, 1998

RESTATED ORGANIZATION CERTIFICATE
OF
BANKERS TRUST
Under Section 8007 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and an Assistant Secretary and a Vice President and an Assistant Secretary of BANKERS TRUST COMPANY, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of the corporation was filed by the Superintendent of Banks of the State of New York on March 5, 1903.

3. The text of the organization certificate, as amended heretofore, is hereby restated without further amendment or change to read as herein-set forth in full, to wit:

"Certificate of Organization
of
Bankers Trust Company"

Know All Men By These Presents That we, the undersigned, James A. Blair, James G. Cannon, E. C. Converse, Henry P. Davison, Granville W. Garth, A. Barton Hepburn, Will Logan, Gates W. McGarrah, George W. Perkins, William H. Porter, John F. Thompson, Albert H. Wiggin, Samuel Woolverton and Edward F. C. Young, all being persons of full age and citizens of the United States, and a majority of us being residents of the State of New York, desiring to form a corporation to be known as a Trust Company, do hereby associate ourselves together for that purpose under and pursuant to the laws of the State of New York, and for such purpose we do hereby, under our respective hands and seals, execute and duly acknowledge this Organization Certificate in duplicate, and hereby specifically state as follows, to wit:

I. The name by which the said corporation shall be known is Bankers Trust Company.

II. The place where its business is to be transacted is the City of New York, in the State of New York.

III. Capital Stock: The amount of capital stock which the corporation is hereafter to have is Three Billion One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock.

(a) *Common Stock*

1. Dividends: Subject to all of the rights of the Series Preferred Stock, dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the corporation legally available for the payment of dividends.

2. Voting Rights: Except as otherwise expressly provided with respect to the Series Preferred Stock or with respect to any series of the Series Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, each holder of the Common Stock being entitled to one vote for each share thereof held.

3. Liquidation: Upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, and after the holders of the Series Preferred Stock of each series shall have been paid in full the amounts to which

---

they respectively shall be entitled, or a sum sufficient for the payment in full set aside, the remaining net assets of the corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests, to the exclusion of the holders of the Series Preferred Stock.

4. Preemptive Rights: No holder of Common Stock of the corporation shall be entitled, as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend or other distribution.

(b) *Series Preferred Stock*

1. Board Authority: The Series Preferred Stock may be issued from time to time by the Board of Directors as herein provided in one or more series. The designations, relative rights, preferences and limitations of the Series Preferred Stock, and particularly of the shares of each series thereof, may, to the extent permitted by law, be similar to or may differ from those of any other series. The Board of Directors of the corporation is hereby expressly granted authority, subject to the provisions of this Article III, to issue from time to time Series Preferred Stock in one or more series and to fix from time to time before issuance thereof, by filing a certificate pursuant to the Banking Law, the number of shares in each such series of such class and all designations, relative rights (including the right, to the extent permitted by law, to convert into shares of any class or into shares of any series of any class), preferences and limitations of the shares in each such series, including, buy without limiting the generality of the foregoing, the following:

(i) The number of shares to constitute such series (which number may at any time, or from time to time, be increased or decreased by the Board of Directors, notwithstanding that shares of the series may be outstanding at the time of such increase or decrease, unless the Board of Directors shall have otherwise provided in creating such series) and the distinctive designation thereof;

(ii) The dividend rate on the shares of such series, whether or not dividends on the shares of such series shall be cumulative, and the date or dates, if any, from which dividends thereon shall be cumulative;

(iii) Whether or not the share of such series shall be redeemable, and, if redeemable, the date or dates upon or after which they shall be redeemable, the amount or amounts per share (which shall be, in the case of each share, not less than its preference upon involuntary liquidation, plus an amount equal to all dividends thereon accrued and unpaid, whether or not earned or declared) payable thereon in the case of the redemption thereof, which amount may vary at different redemption dates or otherwise as permitted by law;

(iv) The right, if any, of holders of shares of such series to convert the same into, or exchange the same for, Common Stock or other stock as permitted by law, and the terms and conditions of such conversion or exchange, as well as provisions for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) The amount per share payable on the shares of such series upon the voluntary and involuntary liquidation, dissolution or winding up of the corporation;

(vi) Whether the holders of shares of such series shall have voting power, full or limited, in addition to the voting powers provided by law and, in case additional voting powers are accorded, to fix the extent thereof; and

(vii) Generally to fix the other rights and privileges and any qualifications, limitations or restrictions of such rights and privileges of such series, provided, however, that no such rights, privileges, qualifications, limitations or restrictions shall be in conflict with the organization certificate of the corporation or with the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of which there are shares outstanding.

All shares of Series Preferred Stock of the same series shall be identical in all respects, except that shares of any one series issued at different times may differ as to dates, if any, from which dividends thereon may accumulate. All shares of Series Preferred Stock of all series shall be of equal rank and shall be identical in all respects except that to the extent not otherwise limited in this Article III any series may differ from any other series with respect to any one or more of the designations, relative rights, preferences and limitations described or referred to in subparagraphs (I) to (vii) inclusive above.

---

2. Dividends: Dividends on the outstanding Series Preferred Stock of each series shall be declared and paid or set apart for payment before any dividends shall be declared and paid or set apart for payment on the Common Stock with respect to the same quarterly dividend period. Dividends on any shares of Series Preferred Stock shall be cumulative only if and to the extent set forth in a certificate filed pursuant to law. After dividends on all shares of Series Preferred Stock (including cumulative dividends if and to the extent any such shares shall be entitled thereto) shall have been declared and paid or set apart for payment with respect to any quarterly dividend period, then and not otherwise so long as any shares of Series Preferred Stock shall remain outstanding, dividends may be declared and paid or set apart for payment with respect to the same quarterly dividend period on the Common Stock out the assets or funds of the corporation legally available therefor.

All Shares of Series Preferred Stock of all series shall be of equal rank, preference and priority as to dividends irrespective of whether or not the rates of dividends to which the same shall be entitled shall be the same and when the stated dividends are not paid in full, the shares of all series of the Series Preferred Stock shall share ratably in the payment thereof in accordance with the sums which would be payable on such shares if all dividends were paid in full, provided, however, that any two or more series of the Series Preferred Stock may differ from each other as to the existence and extent of the right to cumulative dividends, as aforesaid.

3. Voting Rights: Except as otherwise specifically provided in the certificate filed pursuant to law with respect to any series of the Series Preferred Stock, or as otherwise provided by law, the Series Preferred Stock shall not have any right to vote for the election of directors or for any other

purpose and the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

4. Liquidation: In the event of any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, each series of Series Preferred Stock shall have preference and priority over the Common Stock for payment of the amount to which each outstanding series of Series Preferred Stock shall be entitled in accordance with the provisions thereof and each holder of Series Preferred Stock shall be entitled to be paid in full such amount, or have a sum sufficient for the payment in full set aside, before any payments shall be made to the holders of the Common Stock. If, upon liquidation, dissolution or winding up of the corporation, the assets of the corporation or proceeds thereof, distributable among the holders of the shares of all series of the Series Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable if all amounts payable thereon were paid in full. After the payment to the holders of Series Preferred Stock of all such amounts to which they are entitled, as above provided, the remaining assets and funds of the corporation shall be divided and paid to the holders of the Common Stock.

5. Redemption: In the event that the Series Preferred Stock of any series shall be made redeemable as provided in clause (iii) of paragraph 1 of section (b) of this Article III, the corporation, at the option of the Board of Directors, may redeem at any time or times, and from time to time, all or any part of any one or more series of Series Preferred Stock outstanding by paying for each share the then applicable redemption price fixed by the Board of Directors as provided herein, plus an amount equal to accrued and unpaid dividends to the date fixed for redemption, upon such notice and terms as may be specifically provided in the certificate filed pursuant to law with respect to the series.

6. Preemptive Rights: No holder of Series Preferred Stock of the corporation shall be entitled, as such, as a matter or right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend.

(c) *Provisions relating to Floating Rate Non-Cumulative Preferred Stock, Series A. (Liquidation value $1,000,000 per share.)*

1. Designation: The distinctive designation of the series established hereby shall be “Floating Rate Non-Cumulative Preferred Stock, Series A” (hereinafter called “Series A Preferred Stock”).

2. Number: The number of shares of Series A Preferred Stock shall initially be 250 shares. Shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall revert to authorized but unissued Series Preferred Stock undesignated as to series.

---

3. Dividends:

(a) Dividend Payments Dates. Holders of the Series A Preferred Stock shall be entitled to receive non-cumulative cash dividends when, as and if declared by the Board of Directors of the corporation, out of funds legally available therefor, from the date of original issuance of such shares (the “Issue Date”) and such dividends will be payable on March 28, June 28, September 28 and December 28 of each year (“Dividend Payment Date”) commencing September 28, 1990, at a rate per annum as determined in paragraph 3(b) below. The period beginning on the Issue Date and ending on the day preceding the first Dividend Payment Date and each successive period beginning on a Dividend Payment Date and ending on the date preceding the next succeeding Dividend Payment Date is herein called a “Dividend Period”. If any Dividend Payment Date shall be, in The City of New York, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment will be postponed to the next succeeding business day with the same force and effect as if made on the Dividend Payment Date, and no interest shall accrue for such Dividend Period after such Dividend Payment Date.

(b) Dividend Rate. The dividend rate from time to time payable in respect of Series A Preferred Stock (the “Dividend Rate”) shall be determined on the basis of the following provisions:

(i) On the Dividend Determination Date, LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date, as such rates appear on the Reuters Screen LIBO Page as of 11:00 A.M. London time, on such Dividend Determination Date. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR in respect of such Dividend Determination Dates will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such offered rates. If fewer than those offered rates appear, LIBOR in respect of such Dividend Determination Date will be determined as described in paragraph (ii) below.

(ii) On any Dividend Determination Date on which fewer than those offered rates for the applicable maturity appear on the Reuters Screen LIBO Page as specified in paragraph (I) above, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time are offered by three major banks in the London interbank market selected by the corporation at approximately 11:00 A.M., London time, on such Dividend Determination Date to prime banks in the London market. The corporation will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such quotations. If fewer than two quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of the rates quoted by three major banks in New York City selected by the corporation at approximately 11:00 A.M., New York City time, on such Dividend Determination Date for loans in U.S. dollars to leading European banks having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the corporation are not quoting as aforementioned in this sentence, then, with respect to such Dividend Period, LIBOR for the preceding Dividend Period will be continued as LIBOR for such Dividend Period.

(ii) The Dividend Rate for any Dividend Period shall be equal to the lower of 18% or 50 basis points above LIBOR for such Dividend Period as LIBOR is determined by sections (I) or (ii) above.

As used above, the term “Dividend Determination Date” shall mean, with respect to any Dividend Period, the second London Business Day prior to the commencement of such Dividend Period; and the term “London Business Day” shall mean any day that is not a Saturday or Sunday and that, in New York

City, is not a day on which banking institutions generally are authorized or required by law or executive order to close and that is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

4. Voting Rights: The holders of the Series A Preferred Stock shall have the voting power and rights set forth in this paragraph 4 and shall have no other voting power or rights except as otherwise may from time to time be required by law.

So long as any shares of Series A Preferred Stock remain outstanding, the corporation shall not, without the affirmative vote or consent of the holders of at least a majority of the votes of the Series Preferred Stock entitled to vote outstanding at the time, given in person or by proxy, either in writing or by resolution adopted at a meeting at which the holders of Series A Preferred Stock (alone or together with the holders of one or more other series of Series Preferred Stock at the time outstanding and entitled to vote) vote separately as a class, alter the provisions of the Series Preferred Stock so as to

---

materially adversely affect its rights; provided, however, that in the event any such materially adverse alteration affects the rights of only the Series A Preferred Stock, then the alteration may be effected with the vote or consent of at least a majority of the votes of the Series A Preferred Stock; provided, further, that an increase in the amount of the authorized Series Preferred Stock and/or the creation and/or issuance of other series of Series Preferred Stock in accordance with the organization certificate shall not be, nor be deemed to be, materially adverse alterations. In connection with the exercise of the voting rights contained in the preceding sentence, holders of all series of Series Preferred Stock which are granted such voting rights (of which the Series A Preferred Stock is the initial series) shall vote as a class (except as specifically provided otherwise) and each holder of Series A Preferred Stock shall have one vote for each share of stock held and each other series shall have such number of votes, if any, for each share of stock held as may be granted to them.

The foregoing voting provisions will not apply if, in connection with the matters specified, provision is made for the redemption or retirement of all outstanding Series A Preferred Stock.

5. Liquidation: Subject to the provisions of section (b) of this Article III, upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall have preference and priority over the Common Stock for payment out of the assets of the corporation or proceeds thereof, whether from capital or surplus, of $1,000,000 per share (the “liquidation value”) together with the amount of all dividends accrued and unpaid thereon, and after such payment the holders of Series A Preferred Stock shall be entitled to no other payments.

6. Redemption: Subject to the provisions of section (b) of this Article III, Series A Preferred Stock may be redeemed, at the option of the corporation in whole or part, at any time or from time to time at a redemption price of $1,000,000 per share, in each case plus accrued and unpaid dividends to the date of redemption.

At the option of the corporation, shares of Series A Preferred Stock redeemed or otherwise acquired may be restored to the status of authorized but unissued shares of Series Preferred Stock.

In the case of any redemption, the corporation shall give notice of such redemption to the holders of the Series A Preferred Stock to be redeemed in the following manner: a notice specifying the shares to be redeemed and the time and place of redemption (and, if less than the total outstanding shares are to be redeemed, specifying the certificate numbers and number of shares to be redeemed) shall be mailed by first class mail, addressed to the holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as the same shall appear upon the books of the corporation, not more than sixty (60) days and not less than thirty (30) days previous to the date fixed for redemption. In the event such notice is not given to any shareholder such failure to give notice shall not affect the notice given to other shareholders. If less than the whole amount of outstanding Series A Preferred Stock is to be redeemed, the shares to be redeemed shall be selected by lot or pro rata in any manner determined by resolution of the Board of Directors to be fair and proper. From and after the date fixed in any such notice as the date of redemption (unless default shall be made by the corporation in providing moneys at the time and place of redemption for the payment of the redemption price) all dividends upon the Series A Preferred Stock so called for redemption shall cease to accrue, and all rights of the holders of said Series A Preferred Stock as stockholders in the corporation, except the right to receive the redemption price (without interest) upon surrender of the certificate representing the Series A Preferred Stock so called for redemption, duly endorsed for transfer, if required, shall cease and terminate. The corporation’s obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the corporation shall deposit with a bank or trust company (which may be an affiliate of the corporation) having an office in the Borough of Manhattan, City of New York, having a capital and surplus of at least $5,000,000 funds necessary for such redemption, in trust with irrevocable instructions that such funds be applied to the redemption of the shares of Series A Preferred Stock so called for redemption. Any interest accrued on such funds shall be paid to the corporation from time to time. Any funds so deposited and unclaimed at the end of two (2) years from such redemption date shall be released or repaid to the corporation, after which the holders of such shares of Series A Preferred Stock so called for redemption shall look only to the corporation for payment of the redemption price.

IV. The name, residence and post office address of each member of the corporation are as follows:

Name	Residence	Post Office Address
James A. Blair	9 West 50th Street, Manhattan, New York City	33 Wall Street, Manhattan, New York City
James G. Cannon	72 East 54th Street, Manhattan New York City	14 Nassau Street, Manhattan, New York City

---

E. C. Converse	3 East 78th Street, Manhattan, New York City	139 Broadway, Manhattan, New York City
Henry P. Davison	Englewood, New Jersey	2 Wall Street, Manhattan, New York City
Granville W. Garth	160 West 57th Street,	33 Wall Street

	Manhattan, New York City	Manhattan, New York City
A. Barton Hepburn	205 West 57th Street |Manhattan, New York City	83 Cedar Street Manhattan, New York City
William Logan	Montclair, New Jersey	13 Nassau Street Manhattan, New York City
George W. Perkins	Riverdale, New York	23 Wall Street, Manhattan, New York City
William H. Porter	56 East 67th Street Manhattan, New York City	270 Broadway, Manhattan, New York City
John F. Thompson	Newark, New Jersey	143 Liberty Street, Manhattan, New York City
Albert H. Wiggin	42 West 49th Street, Manhattan, New York City	214 Broadway, Manhattan, New York City
Samuel Woolverton	Mount Vernon, New York	34 Wall Street, Manhattan, New York City
Edward F.C. Young	85 Glenwood Avenue, Jersey City, New Jersey	1 Exchange Place, Jersey City, New Jersey

V. The existence of the corporation shall be perpetual.

VI. The subscribers, the members of the said corporation, do, and each for himself does, hereby declare that he will accept the responsibilities and faithfully discharge the duties of a director therein, if elected to act as such, when authorized accordance with the provisions of the Banking Law of the State of New York.

VII. The number of directors of the corporation shall not be less than 10 nor more than 25."

4. The foregoing restatement of the organization certificate was authorized by the Board of Directors of the corporation at a meeting held on July 21, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

/s/ James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

/s/ Lea Lahtinen
Lea Lahtinen

State of New York)
) ss:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this
6th day of August, 1998.

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 1998

State of New York,

Banking Department

I, MANUEL KURSKY, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8007 of the Banking Law,"** dated August 6, 1998, providing for the restatement of the Organization Certificate and all amendments into a single certificate.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **31st** day of **August** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

Manuel Kursky
Deputy *Superintendent of Banks*

CERTIFICATE OF AMENDMENT
OF THE
ORGANIZATION CERTIFICATE
OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

---

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 25th day of September, 1998

/s/ James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this 25th day
of September, 1998

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated December 16, 1998, providing for an increase in authorized capital stock from $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,627,308,670 consisting of 212,730,867 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

*this **18th** day of **December** in the Year of our Lord one thousand nine hundred and **ninety-eight**.*

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

"III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Six Hundred Twenty-Seven Million, Three Hundred Eight Thousand, Six Hundred Seventy Dollars ($3,627,308,670), divided into Two Hundred Twelve Million, Seven Hundred Thirty Thousand, Eight Hundred Sixty- Seven (212,730,867) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

---

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 16th day of December, 1998

/s/James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

/s/Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

/s/Lea Lahtinen
Lea Lahtinen

Sworn to before me this 16th day
of December, 1998

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

BANKERS TRUST COMPANY
ASSISTANT SECRETARY'S CERTIFICATE

I, Lea Lahtinen, Vice President and Assistant Secretary of Bankers Trust Company, a corporation duly organized and existing under the laws of the State of New York, the United States of America, do hereby certify that attached copy of the Certificate of Amendment of the Organization Certificate of Bankers Trust Company, dated February 27, 2002, providing for a change of name of Bankers Trust Company to Deutsche Bank Trust Company Americas and approved by the New York State Banking Department on March 14, 2002 to effective on April 15, 2002, is a true and correct copy of the original Certificate of Amendment of the Organization Certificate of Bankers Trust Company on file in the Banking Department, State of New York.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Bankers Trust Company this 4th day of April, 2002.

[SEAL]

/s/ Lea Lahtinen
Lea Lahtinen, Vice President and Assistant Secretary
Bankers Trust Company

State of New York)
) ss.:
County of New York)

On the 4th day of April in the year 2002 before me, the undersigned, a Notary Public in and for said state, personally appeared Lea Lahtinen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

/s/ Sonja K. Olsen
Notary Public

SONJA K. OLSEN
Notary Public, State of New York
No. 01OL4974457
Qualified in New York County
Commission Expires November 13, 2002

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY APPROVE the annexed Certificate entitled "CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY under Section 8005 of the Banking Law" dated February 27, 2002, providing for a change of name of BANKERS TRUST COMPANY to DEUTSCHE BANK TRUST COMPANY AMERICAS.

Witness, my hand and official seal of the Banking Department at the City of New York, this 14th day of March two thousand and two.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF

BANKERS TRUST COMPANY

Under Section 8005 of the Banking Law

We, James T. Byrne Jr., and Lea Lahtinen, being respectively the Secretary, and Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th day of March, 1903.

3. Pursuant to Section 8005 of the Banking Law, attached hereto as Exhibit A is a certificate issued by the State of New York, Banking Department listing all of the amendments to the Organization Certificate of Bankers Trust Company since its organization that have been filed in the Office of the Superintendent of Banks.

4. The organization certificate as heretofore amended is hereby amended to change the name of Bankers Trust Company to Deutsche Bank Trust Company Americas to be effective on April 15, 2002.

5. The first paragraph number 1 of the organization of Bankers Trust Company with the reference to the name of the Bankers Trust Company, which reads as follows:

"1. The name of the corporation is Bankers Trust Company."

is hereby amended to read as follows effective on April 15, 2002:

"1. The name of the corporation is Deutsche Bank Trust Company Americas."

---

6. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 27th day of February, 2002.

/s/ James T. Byrne Jr.
James T. Byrne Jr.
Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss.:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements therein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this 27th day
of February, 2002

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public, State of New York
No. 01WE4942401
Qualified in New York County
Commission Expires September 19, 2002

EXHIBIT A

State of New York

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY CERTIFY:

THAT, the records in the Office of the Superintendent of Banks indicate that BANKERS TRUST COMPANY is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

THAT, the Organization Certificate of BANKERS TRUST COMPANY was filed in the Office of the Superintendent of Banks on March 5, 1903, and such corporation was authorized to commence business on March 24, 1903; and

THAT, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 14, 1905

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 4, 1909

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on February 1, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on June 17, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on March 21, 1912

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on January 15, 1915

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on December 18, 1916

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 28, 1918

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 4, 1919

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 15, 1926

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on June 12, 1928

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on April 4, 1929

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 11, 1934

Certificate of Extension to perpetual - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 11, 1944

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 30, 1953

Restated Certificate of Incorporation - filed November 6, 1953

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 8, 1955

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 1, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on July 14, 1960

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 30, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on January 26, 1962

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 9, 1963

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 7, 1964

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 24, 1965

Certificate of Amendment of the Organization Certificate providing for a decrease in capital stock - filed January 24, 1967

Restated Organization Certificate - filed June 1, 1971

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed October 29, 1976

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 22, 1977

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed August 5, 1980

Restated Organization Certificate - filed July 1, 1982

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1984

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 18, 1986

Certificate of Amendment of the Organization Certificate providing for a minimum and maximum number of directors - filed January 22, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 28, 1990

Restated Organization Certificate - filed August 20, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 26, 1992

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 28, 1994

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 21, 1996

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1996

Certificate of Amendment to the Organization Certificate providing for an increase in capital stock - filed June 27, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 26, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 29, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 26, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1998

Restated Organization Certificate - filed August 31, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 25, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 18, 1998; and

Certificate of Amendment of the Organization Certificate providing for a change in the number of directors - filed September 3, 1999; and

THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks except those set forth above; and attached hereto; and

I DO FURTHER CERTIFY THAT, BANKERS TRUST COMPANY is validly existing as a banking organization with its principal office and place of business located at 130 Liberty Street, New York, New York.

WITNESS, my hand and official seal of the Banking Department at the City of New York this 16th day of October in the Year Two Thousand and One.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

State of New York

Banking Department

I, DAVID S. FREDSALL*, Deputy Superintendent of Banks of the State of New York,* ***DO HEREBY CERTIFY:***

THAT, DEUTSCHE BANK TRUST COMPANY AMERICAS*, is a corporation duly organized and existing under the laws of the State of New York and has its principal office and place of business at* ***60 Wall Street, New York, New York.*** *Such corporation is validly existing as a banking organization under the Banking Law of the State of New York. The authorization certificate of such corporation has not been revoked or suspended and such corporation is a subsisting* ***trust company*** *under the supervision of this Department.*

WITNESS*, my hand and official seal of the Banking Department at the City of New York, this* ***2nd*** *day of* ***August*** *in the Year* ***two thousand and six****.*

/s/ David S. Fredsall
Deputy Superintendent of Banks

BY-LAWS
of

Deutsche Bank Trust Company Americas

ARTICLE I

MEETINGS OF STOCKHOLDERS

SECTION 1. The annual meeting of the stockholders of this Company shall be held at the office of the Company in the Borough of Manhattan, City of New York, in January of each year, for the election of directors and such other business as may properly come before said meeting.

SECTION 2. Special meetings of stockholders other than those regulated by statute may be called at any time by a majority of the directors. It shall be the duty of the Chairman of the Board, the Chief Executive Officer, the President or any Co-President to call such meetings whenever requested in writing to do so by stockholders owning a majority of the capital stock.

SECTION 3. At all meetings of stockholders, there shall be present, either in person or by proxy, stockholders owning a majority of the capital stock of the Company, in order to constitute a quorum, except at special elections of directors, as provided by law, but less than a quorum shall have power to adjourn any meeting.

SECTION 4. The Chairman of the Board or, in his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, the senior officer present, shall preside at meetings of the stockholders and shall direct the proceedings and the order of business. The Secretary shall act as secretary of such meetings and record the proceedings.

ARTICLE II

DIRECTORS

SECTION 1. The affairs of the Company shall be managed and its corporate powers exercised by a Board of Directors consisting of such number of directors, but not less than seven nor more than fifteen, as may from time to time be fixed by resolution adopted by a majority of the directors then in office, or by the stockholders. In the event of any increase in the number of directors, additional directors may be elected within the limitations so fixed, either by the stockholders or within the limitations imposed by law, by a majority of directors then in office. One-third of the number of directors, as fixed from time to time, shall constitute a quorum. Any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of the Board of Directors or Committee thereof by means of a conference telephone, video conference or similar communications equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

All directors hereafter elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and have qualified.

No Officer-Director who shall have attained age 65, or earlier relinquishes his responsibilities and title, shall be eligible to serve as a director.

SECTION 2. Vacancies not exceeding one-third of the whole number of the Board of Directors may be filled by the affirmative vote of a majority of the directors then in office, and the directors so elected shall hold office for the balance of the unexpired term.

SECTION 3. The Chairman of the Board shall preside at meetings of the Board of Directors. In his absence, the Chief Executive Officer or, in his absence the President or any Co-President or, in their absence such other director as the Board of Directors from time to time may designate shall preside at such meetings.

SECTION 4. The Board of Directors may adopt such Rules and Regulations for the conduct of its meetings and the management of the affairs of the Company as it may deem proper, not inconsistent with the laws of the State of New York, or these By-Laws, and all officers and employees shall strictly adhere to, and be bound by, such Rules and Regulations.

SECTION 5. Regular meetings of the Board of Directors shall be held from time to time provided, however, that the Board of Directors shall hold a regular meeting not less than six times a year, provided that during any three consecutive calendar months the Board of Directors shall meet at least once, and its Executive Committee shall not be required to meet at least once in each thirty day period during which the Board of Directors does not meet. Special

meetings of the Board of Directors may be called upon at least two day's notice whenever it may be deemed proper by the Chairman of the Board or, the Chief Executive Officer or, the President or any Co-President or, in their absence, by such other director as the Board of Directors may have designated pursuant to Section 3 of this Article, and shall be called upon like notice whenever any three of the directors so request in writing.

SECTION 6. The compensation of directors as such or as members of committees shall be fixed from time to time by resolution of the Board of Directors.

ARTICLE III

COMMITTEES

SECTION 1. There shall be an Executive Committee of the Board consisting of not less than five directors who shall be appointed annually by the Board of Directors. The Chairman of the Board shall preside at meetings of the Executive Committee. In his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, such other member of the Committee as the Committee from time to time may designate shall preside at such meetings.

The Executive Committee shall possess and exercise to the extent permitted by law all of the powers of the Board of Directors, except when the latter is in session, and shall keep minutes of its proceedings, which shall be presented to the Board of Directors at its next subsequent meeting. All acts done and powers and authority conferred by the Executive Committee from time to time shall be and be deemed to be, and may be certified as being, the act and under the authority of the Board of Directors.

A majority of the Committee shall constitute a quorum, but the Committee may act only by the concurrent vote of not less than one-third of its members, at least one of who must be a director other than an officer. Any one or more directors, even though not members of the Executive Committee, may attend any meeting of the Committee, and the member or members of the Committee present, even though less than a quorum, may designate any one or more of such directors as a substitute or substitutes for any absent member or members of the Committee, and each such substitute or substitutes shall be counted for quorum, voting, and all other purposes as a member or members of the Committee.

SECTION 2. There shall be an Audit Committee appointed annually by resolution adopted by a majority of the entire Board of Directors which shall consist of such number of directors, who are not also officers of the Company, as may from time to time be fixed by resolution adopted by the Board of Directors. The Chairman shall be designated by the Board of Directors, who shall also from time to time fix a quorum for meetings of the Committee. Such Committee shall conduct the annual directors' examinations of the Company as required by the New York State Banking Law; shall review the reports of all examinations made of the Company by public authorities and report thereon to the Board of Directors; and shall report to the Board of Directors such other matters as it deems advisable with respect to the Company, its various departments and the conduct of its operations.

In the performance of its duties, the Audit Committee may employ or retain, from time to time, expert assistants, independent of the officers or personnel of the Company, to make studies of the Company's assets and liabilities as the Committee may request and to make an examination of the accounting and auditing methods of the Company and its system of internal protective controls to the extent considered necessary or advisable in order to determine that the operations of the Company, including its fiduciary departments, are being audited by the General Auditor in such a manner as to provide prudent and adequate protection. The Committee also may direct the General Auditor to make such investigation as it deems necessary or advisable with respect to the Company, its various departments and the conduct of its operations. The Committee shall hold regular quarterly meetings and during the intervals thereof shall meet at other times on call of the Chairman.

SECTION 3. The Board of Directors shall have the power to appoint any other Committees as may seem necessary, and from time to time to suspend or continue the powers and duties of such Committees. Each Committee appointed pursuant to this Article shall serve at the pleasure of the Board of Directors.

ARTICLE IV

OFFICERS

SECTION 1. The Board of Directors shall elect from among their number a Chairman of the Board and a Chief Executive Officer; and shall also elect a President, or two or more Co-Presidents, and may also elect, one or more Vice Chairmen, one or more Executive Vice Presidents, one or more Managing Directors, one or more Senior Vice Presidents, one or more Directors, one or more Vice Presidents, one or more General Managers, a Secretary, a Controller, a Treasurer, a General Counsel, a General Auditor, a General Credit Auditor, who need not be directors. The officers of the corporation may also include such other officers or assistant officers as shall from time to time be elected or appointed by the Board. The Chairman of the Board or the Chief Executive Officer or, in their absence, the President or any Co-President, or any Vice Chairman, may from time to time appoint assistant officers. All officers elected or appointed by the Board of Directors shall hold their respective offices during the pleasure of the Board of Directors, and all assistant officers shall hold office at the pleasure of the Board or the Chairman of the Board or the Chief Executive Officer or, in their absence, the President, or any Co-President or any Vice Chairman. The Board of Directors may require any and all officers and employees to give security for the faithful performance of their duties.

SECTION 2. The Board of Directors shall designate the Chief Executive Officer of the Company who may also hold the additional title of Chairman of the Board, or President, or any Co-President, and such person shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee, all of the powers vested in such Chief Executive Officer by law or by these By-Laws, or which usually attach or pertain to such office. The other officers shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee or the Chairman of the Board or, the Chief Executive Officer, the powers vested by law or by these By-Laws in them as holders of their respective offices and, in addition, shall perform such other duties as shall be assigned to them by the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer.

The General Auditor shall be responsible, through the Audit Committee, to the Board of Directors for the determination of the program of the internal audit function and the evaluation of the adequacy of the system of internal controls. Subject to the Board of Directors, the General Auditor shall have and may

exercise all the powers and shall perform all the duties usual to such office and shall have such other powers as may be prescribed or assigned to him from time to time by the Board of Directors or vested in him by law or by these By-Laws. He shall perform such other duties and shall make such investigations, examinations and reports as may be prescribed or required by the Audit Committee. The General Auditor shall have unrestricted access to all records and premises of the Company and shall delegate such authority to his subordinates. He shall have the duty to report to the Audit Committee on all matters concerning the internal audit program and the adequacy of the system of internal controls of the Company which he deems advisable or which the Audit Committee may request. Additionally, the General Auditor shall have the duty of reporting independently of all officers of the Company to the Audit Committee at least quarterly on any matters concerning the internal audit program and the adequacy of the system of internal controls of the Company that should be brought to the attention of the directors except those matters responsibility for which has been vested in the General Credit Auditor.

Should the General Auditor deem any matter to be of special immediate importance, he shall report thereon forthwith to the Audit Committee. The General Auditor shall report to the Chief Financial Officer only for administrative purposes.

The General Credit Auditor shall be responsible to the Chief Executive Officer and, through the Audit Committee, to the Board of Directors for the systems of internal credit audit, shall perform such other duties as the Chief Executive Officer may prescribe, and shall make such examinations and reports as may be required by the Audit Committee. The General Credit Auditor shall have unrestricted access to all records and may delegate such authority to subordinates.

SECTION 3. The compensation of all officers shall be fixed under such plan or plans of position evaluation and salary administration as shall be approved from time to time by resolution of the Board of Directors.

SECTION 4. The Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any person authorized for this purpose by the Chief Executive Officer, shall appoint or engage all other employees and agents and fix their compensation. The employment of all such employees and agents shall continue during the pleasure of the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer or any such authorized person; and the Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any such authorized person may discharge any such employees and agents at will.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

SECTION 1. The Company shall, to the fullest extent permitted by Section 7018 of the New York Banking Law, indemnify any person who is or was made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened in any court or administrative or legislative body or agency, including an action by or in the right of the Company to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Company is servicing or served in any capacity at the request of the Company by reason of the fact that he, his testator or intestate, is or was a director or officer of the Company, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement, and costs, charges and expenses, including attorneys' fees, or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 2. The Company may indemnify any other person to whom the Company is permitted to provide indemnification or the advancement of expenses by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Banking Law or other rights created by (i) a resolution of stockholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

SECTION 3. The Company shall, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 4. Any director or officer of the Company serving (i) another corporation, of which a majority of the shares entitled to vote in the election of its directors is held by the Company, or (ii) any employee benefit plan of the Company or any corporation referred to in clause (i) in any capacity shall be deemed to be doing so at the request of the Company. In all other cases, the provisions of this Article V will apply (i) only if the person serving another corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise so served at the specific request of the Company, evidenced by a written communication signed by the Chairman of the Board, the Chief Executive Officer, the President or any Co-President, and (ii) only if and to the extent that, after making such efforts as the Chairman of the Board, the Chief Executive Officer, the President or any Co-President shall deem adequate in the circumstances, such person shall be unable to obtain indemnification from such other enterprise or its insurer.

SECTION 5. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article V may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of occurrence of the event or events giving rise to the action or proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time indemnification is sought.

SECTION 6. The right to be indemnified or to the reimbursement or advancement of expense pursuant to this Article V (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Company and the director

or officer, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

SECTION 7. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Company within thirty days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the

Company (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstance, nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

SECTION 8. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 shall be entitled to indemnification only as provided in Sections 1 and 3, notwithstanding any provision of the New York Banking Law to the contrary.

ARTICLE VI

SEAL

SECTION 1. The Board of Directors shall provide a seal for the Company, the counterpart dies of which shall be in the charge of the Secretary of the Company and such officers as the Chairman of the Board, the Chief Executive Officer or the Secretary may from time to time direct in writing, to be affixed to certificates of stock and other documents in accordance with the directions of the Board of Directors or the Executive Committee.

SECTION 2. The Board of Directors may provide, in proper cases on a specified occasion and for a specified transaction or transactions, for the use of a printed or engraved facsimile seal of the Company.

ARTICLE VII

CAPITAL STOCK

SECTION 1. Registration of transfer of shares shall only be made upon the books of the Company by the registered holder in person, or by power of attorney, duly executed, witnessed and filed with the Secretary or other proper officer of the Company, on the surrender of the certificate or certificates of such shares properly assigned for transfer.

ARTICLE VIII

CONSTRUCTION

SECTION 1. The masculine gender, when appearing in these By-Laws, shall be deemed to include the feminine gender.

ARTICLE IX

AMENDMENTS

SECTION 1. These By-Laws may be altered, amended or added to by the Board of Directors at any meeting, or by the stockholders at any annual or special meeting, provided notice thereof has been given.

I, Annie Jaghatspanyan, Assistant Vice President, of Deutsche Bank Trust Company Americas, New York, New York, hereby certify that the foregoing is a complete, true and correct copy of the By-Laws of Deutsche Bank Trust Company Americas, and that the same are in full force and effect at this date.

Assistant Vice President

DATED AS OF: April 19, 2007

NY State | **10005-2858** Zip Code

FDIC Certificate Number: 00623
Printed on 2/12/2007 at 5:35 PM

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for December 31, 2006

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands			RCFD	Tril | Bil | Mil | Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	2,119,000	1.a
b. Interest-bearing balances (2)			0071	397,000	1.b
2. Securities:					
a. Held-to-maturity securities (from schedule RC-B, column A)			1754	0	2.a
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	1,572,000	2.b
3. Federal funds sold and securities purchased under agreements to resell:			RCON		
a. Federal funds sold in domestic offices			B987	216,000	3.a
			RCFD		
b. Securities purchased under agreements to resell (3)			B989	1,336,000	3.b
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	944,000	4.a
b. Loans and leases, net of unearned income	B528	10,759,000			4.b
c. LESS: Allowance for loan and lease losses	3123	196,000			4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)			B529	**10,563,000**	4.d
5. Trading assets (from Schedule RC-D)			3545	16,874,000	5
6. Premises and fixed assets (including capitalized leases)			2145	135,000	6
7. Other real estate owned (from Schedule (RC-M)			2150	0	7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	8,000	8
9. Not applicable					
10. Intangible assets:					
a. Goodwill			3163	0	10.a
b. Other intangible assets (from Schedule RC-M)			0426	47,000	10.b
11. Other assets (from Schedule RC-F)			2160	5,526,000	11
12. Total assets (sum of items 1 through 11)			2170	**39,737,000**	12

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.
(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Dollar Amounts in Thousands			RCFD	Tril | Bil | Mil | Thou	
LIABILITIES					
13. Deposits:			RCON		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)			2200	10,814,000	13.a
(1) Noninterest-bearing (1)	6631	2,147,000			13.a.1
(2) Interest-bearing	6636	8,667,000			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs			RCFN		
(from Schedule RC-E, part II)			2200	7,569,000	13.b
(1) Noninterest-bearing	6631	1,512,000			13.b.1
(2) Interest-bearing	6636	6,057,000			13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase:			RCON		
a. Federal funds purchased in domestic offices (2)			B993	8,213,000	14.a
			RCFD		
b. Securities sold under agreements to repurchase (3)			B995	0	14.b
15. Trading liabilities (from Schedule RC-D)			3548	422,000	15
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)			3190	722,000	16
17. and 18. Not applicable					
19. Subordinated notes and debentures (4)			3200	8,000	19

20.	Other liabilities (from Schedule RC-G)	2930	3,343,000	20
21.	Total liabilities (sum of items 13 through 20)	2948	**31,091,000**	21
22.	Minority interest in consolidated subsidiaries	3000	432,000	22
EQUITY CAPITAL				
23.	Perpetual preferred stock and related surplus	3838	1,500,000	23
24.	Common stock	3230	2,127,000	24
25.	Surplus (exclude all surplus related to preferred stock)	3839	584,000	25
26.	a. Retained earnings	3632	4,028,000	26.a
	b. Accumulated other comprehensive income (5)	B530	(25,000)	26.b
27.	Other equity capital components (6)	A130	0	27
28.	Total equity capital (sum of item 23 through 27)	3210	**8,214,000**	28
29.	Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	3300	**39,737,000**	29

Memorandum

To be reported with the March Report of Condition.

1.	Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2005	RCFD 6724	Number N/A	M.1

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm
4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
6 = Review of the bank's financial statements by external auditors
7 = Compilation of the bank's financial statements by external auditors
8 = Other audit procedures (excluding tax preparation work)
9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.
(2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
(3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.
(4) Includes limited-life preferred stock and related surplus.
(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
(6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.1

NXP B.V.
NXP FUNDING LLC

Offers to Exchange

€1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7 1/8% Senior Secured Notes due 2014, €525,000,000 principal amount 8 5/8% Senior Notes due 2015 and $1,250,000,000 principal amount 9 1/2% Senior Notes due 2015, all of which have been registered under the Securities Act of 1933, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7 7/8% Senior Secured Notes due 2014, euro-denominated 8 5/8% Senior Notes due 2015 and dollar-denominated 9 1/2% Senior Notes due 2015, pursuant to the prospectus dated • , 2007

To Our Clients:

Enclosed for your consideration is a Prospectus, dated April • , 2007 (as the same may be amended, supplemented or modified from time to time, the "Prospectus"), relating to the offers (each such exchange offer, individually, an "Exchange Offer" and, collectively, the "Exchange Offers") of NXP B.V. and NXP Funding LLC (the "Company") to exchange its €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7 7/8% Senior Secured Notes due 2014, €525,000,000 principal amount 8 5/8% Senior Notes due 2015 and $1,250,000,000 principal amount 9 1/2% Senior Notes due 2015, (the "New Notes"), which have been registered under the Securities Act of 1933, as amended, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7 7/8% Senior Secured Notes due 2014, euro-denominated 8 5/8% Senior Notes due 2015 and dollar-denominated 9 1/2% Senior Notes due 2015 (the "Old Notes"), respectively, issued on October 12, 2006, upon the terms and subject to the conditions described in the Prospectus. The Exchange Offers are being made in order to satisfy certain obligations of the Company contained in the Registration Rights Agreements, dated October 12, 2006, relating to the Old Notes, by and among the Company and the initial purchasers referred to therein.

This material is being forwarded to you as the beneficial owner of the Old Notes held by us for your account but not registered in your name. **A tender of such Old Notes may only be made by us as the holder of record and pursuant to your instructions.**

Accordingly, we request instructions as to whether you wish us to tender on your behalf the Old Notes held by us for your account, pursuant to the terms and conditions set forth in the enclosed Prospectus.

Your instructions should be forwarded to us as promptly as possible in order to permit us to tender the Old Notes on your behalf in accordance with the provisions of the applicable Exchange Offer. Each Exchange Offer will expire at 5:00 P.M., New York City time, on May , 2007, unless extended by the Company (such time and date as to each Exchange Offer, as the same may be extended, an "Expiration Date"). Any Old Notes tendered pursuant to the applicable Exchange Offer may be withdrawn at any time before the applicable Expiration Date.

Your attention is directed to the following:

1. Each Exchange Offer is for any and all Old Notes of the relevant series.

2. Each Exchange Offer is subject to certain conditions set forth in the Prospectus in the section captioned "The Exchange Offers—Conditions."

3. Any transfer taxes incident to the transfer of Old Notes from the holder to the Company will be paid by the Company, except as otherwise provided in the Prospectus.

4. Each Exchange Offer expires at 5:00 P.M., New York City time, on May • , 2007, unless extended by the Company.

If you wish to have us tender your Old Notes, please so instruct us by completing, executing and returning to us the instruction form on the back of this letter. **The Letter of Transmittal is furnished to you for information only and may not be used directly by you to tender Old Notes.**

INSTRUCTIONS WITH RESPECT TO THE EXCHANGE OFFERS

The undersigned acknowledge(s) receipt of your letter and the enclosed material referred to therein relating to the Exchange Offers made by NXP B.V. and NXP Funding LLC with respect to its Old Notes.

This will instruct you to tender the Old Notes held by you for the account of the undersigned, upon and subject to the terms and conditions set forth in the Prospectus and the related Letter of Transmittal.

The aggregate principal amount of Old Notes held by you for the account of the undersigned is (fill in amounts, as applicable):

€_____ Floating Rate Senior Secured Notes due 2013

$_____ Floating Rate Senior Secured Notes due 2013

$_____ 7 7/8% Senior Secured Notes due 2014

€_____ 8 5/8% Senior Notes due 2015

$_____ 9 1/2% Senior Notes due 2015

With respect to the Exchange Offers, the undersigned hereby instructs you (check appropriate box):

o To TENDER of Old Notes held by you for the account of the undersigned (insert principal amount of Old Notes to be tendered (if any)).

o NOT to TENDER any Old Notes held by you for the account of the undersigned.

If the undersigned instructs you to tender Old Notes held by you for the account of the undersigned, it is understood that you are authorized to make, on behalf of the undersigned (and the undersigned, by its signature below, hereby makes to you), the representations and warranties contained in the Prospectus that are to be made with respect to the undersigned as a beneficial owner, including but not limited to the representations that (i) the New Notes acquired pursuant to the applicable Exchange Offer are being acquired in the ordinary course of business of the person receiving such New Notes, whether or not such person is the undersigned, (ii) neither the undersigned nor any such other person is participating in, intends to participate in or has an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of Old Notes or New Notes, (iii) neither the undersigned nor any such other person is an "affiliate," as defined in Rule 405 under the Securities Act, of the Company, and (iv) neither the undersigned nor any such other person is acting on behalf of any person who could not truthfully make the foregoing representations and warranties. If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes, it represents that the Old Notes to be exchanged for the New Notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus meeting the requirements of the Securities Act, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

SIGN HERE

Dated: , 2007

Signature(s):

Print name(s) here:

Print Address(es):

Area Code and Telephone Number(s):

Tax Identification or Social Security Number(s):

None of the Old Notes held by us for your account will be tendered unless we receive written instructions from you to do so. Unless a specific contrary instruction is given in the space provided, your signature(s) hereon shall constitute an instruction to us to tender all the Old Notes held by us for your account.

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.2

NXP B.V.
NXP FUNDING LLC

Offers to Exchange
€1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7$^{7}/_{8}$% Senior Secured Notes due 2014, €525,000,000 principal amount 8$^{5}/_{8}$% Senior Notes due 2015 and $1,250,000,000 principal amount 9$^{1}/_{2}$% Senior Notes due 2015, all of which have been registered under the Securities Act of 1933, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7$^{7}/_{8}$% Senior Secured Notes due 2014, euro-denominated 8$^{5}/_{8}$% Senior Notes due 2015 and dollar-denominated 9$^{1}/_{2}$% Senior Notes due 2015, pursuant to the prospectus dated April, 2007

EACH EXCHANGE OFFER EXPIRES AT 5:00 P.M., NEW YORK CITY TIME, ON , 2007, UNLESS EXTENDED BY THE COMPANY.

April • , 2007

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We are offering, upon the terms and subject to the conditions set forth in the prospectus dated April • , 2007 (the "Prospectus"), relating to the offers (each such offer, individually, an "Exchange Offer" and, collectively, the "Exchange Offers") of NXP B.V. and NXP Funding LLC (the "Company") to exchange its €1,000,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,535,000,000 principal amount Floating Rate Senior Secured Notes due 2013, $1,026,000,000 principal amount 7$^{7}/_{8}$% Senior Secured Notes due 2014, €525,000,000 principal amount 8$^{5}/_{8}$% Senior Notes due 2015 and $1,250,000,000 principal amount 9$^{1}/_{2}$% Senior Notes due 2015, (the "New Notes"), which have been registered under the Securities Act of 1933, as amended, for any and all outstanding unregistered euro-denominated Floating Rate Senior Secured Notes due 2013, dollar-denominated Floating Rate Senior Secured Notes due 2013, 7$^{7}/_{8}$% Senior Secured Notes due 2014, euro-denominated 8?% Senior Notes due 2015 and dollar-denominated 9$^{1}/_{2}$% Senior Notes due 2015 (the "Old Notes"), respectively, issued on October 12, 2006. The Exchange Offers are being made in order to satisfy certain of our obligations contained in the Registration Rights Agreement dated as of October 12, 2006 among us, the Guarantor and the Initial Purchasers named therein (the "Regulation Rights Agreement"). As set forth in the Prospectus, the terms of the New Notes are identical in all material respects to the Old Notes, except that the New Notes have been registered under the Securities Act and therefore will not be subject to certain restrictions on their transfer and will not contain certain provisions providing for an increase in the interest rate thereon under the circumstances set forth in the Registration Rights Agreement described in the Prospectus. Old Notes may be tendered in a principal amount of $1,000 and integral multiples of $1,000.

The Exchange Offers are subject to certain conditions. See "The Exchange Offers—Conditions to the Exchange Offer" in the Prospectus.

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. the Prospectus, dated April • , 2007;

2. a form of letter which may be sent to your clients for whose accounts you hold Old Notes registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Exchange Offer; and

Your prompt action is requested. Please note the Exchange Offers will expire at 5:00 P.M., New York City time, on May, 2007, unless extended as to one or more series. Please furnish copies of the enclosed materials to those of your clients for whom you hold Old Notes registered in your name or in the name of your nominee as quickly as possible. The Old Notes tendered pursuant to the Exchange Offers may be withdrawn at any time before the related expiration times.

In all cases, exchanges of Old Notes pursuant to the Exchange Offers will be made only after timely receipt by the exchange agent (as defined in the Prospectus) of (a) certificates representing such Old Notes, or a book-entry confirmation (as defined in the Prospectus), as the case may be and (b) any other required documents.

Holders who wish to tender their Old Notes and (1) whose Old Notes are not immediately available or (2) who cannot deliver their Old Notes or an agent's message and any other documents required by the Prospectus to the exchange agent prior to 5:00 P.M., New York City time, on May, 2007 (unless extended) must tender their Old Notes according to the guaranteed delivery procedures set forth under the caption "The Exchange Offers—Procedures for Tendering Dollar Denominated Outstanding Notes" and "The Exchange Offers—Procedures for Tendering Euro Denominated Outstanding Notes" in the Prospectus.

We are not making the Exchange Offers to, nor will we accept tenders from or on behalf of, holders of Old Notes residing in any jurisdiction in which the making of the Exchange Offers or the acceptance of tenders would not be in compliance with the laws of such jurisdiction.

We will not make any payments to brokers, dealers or other persons for soliciting acceptances of the Exchange Offers. We will, however, upon request, reimburse you for customary clerical and mailing expenses incurred by you in forwarding any of the enclosed materials to your clients. We will pay or cause to be paid any transfer taxes payable on the transfer of Old Notes to us, except as otherwise provided in the Prospectus.

Questions and requests for assistance with respect to the Exchange Offers or for copies of the Prospectus may be directed to the exchange agent at its numbers and address set forth in the prospectus.

Very truly yours,

NXP B.V.

Nothing contained in this letter or in the enclosed documents shall constitute you or any other person our agent or the agent of any of our affiliates or of the Exchange Agent, or authorize you or any other person to make any statements or use any document on behalf of any of us in connection with the Exchange Offer other than the enclosed documents and the statements contained therein.

QuickLinks

NXP B.V. NXP FUNDING LLC