As filed with the Securities and Exchange Commission on October 14, 2010

Registration No. 333-168516

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2 to
Form S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MAGNACHIP SEMICONDUCTOR S.A.

(Exact name of Registrant as specified in its charter)

Luxembourg	3674	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

74, rue de Merl
B.P. 709 L-2146 Luxembourg R.C.S.
Luxembourg, B97483
(352) 45-62-62

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

MAGNACHIP SEMICONDUCTOR FINANCE COMPANY

(Exact name of Registrant as specified in its charter)

Delaware	3674	84-1664144
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

c/o MagnaChip Semiconductor S.A.
74, rue de Merl
B.P. 709 L-2146 Luxembourg R.C.S.
Luxembourg, B97483
(352) 45-62-62

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

John McFarland
Senior Vice President, General Counsel and Secretary
c/o MagnaChip Semiconductor, Inc.
20400 Stevens Creek Boulevard, Suite 370
Cupertino, CA 95014
Telephone: (408) 625-5999
Fax: (408) 625-5990

(Name, address, including zip code, and telephone number, including area code, of agent for service)

See Table of Additional Registrants Below

Copies to:

Micheal J. Reagan
Khoa D. Do
W. Stuart Ogg
Jones Day
1755 Embarcadero Road
Palo Alto, California 94303
Telephone: (650) 739-3939
Fax: (650) 739-3900

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

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: ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) 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: ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑ (Do not check if a smaller reporting company)	Smaller reporting company	☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants 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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Additional Registrants

Exact Name of Additional Registrants	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
MagnaChip Semiconductor LLC	Delaware	83-0406195
MagnaChip Semiconductor B.V.	The Netherlands	Not Applicable
MagnaChip Semiconductor, Inc.	California	77-0478632
MagnaChip Semiconductor SA Holdings LLC	Delaware	Not Applicable
MagnaChip Semiconductor Limited	United Kingdom	98-0439386
MagnaChip Semiconductor Limited	Taiwan	98-0439388
MagnaChip Semiconductor Limited	Hong Kong	98-0439389
MagnaChip Semiconductor Inc.	Japan	Not Applicable
MagnaChip Semiconductor Holding Company Limited	British Virgin Islands	Not Applicable

The principal executive office address for each of the additional registrants is c/o MagnaChip Semiconductor S.A., 74, rue de Merl, B.P. 709 L-2146 Luxembourg R.C.S., Luxembourg, B97483, telephone (352) 45-62-62. The primary standard industrial classification code number for each of the additional registrants is 3674.

The address, including zip code, and telephone number, including area code, of each of the additional registrants is c/o MagnaChip Semiconductor, LLC, 20400 Stevens Creek Boulevard, Suite 370, Cupertino, CA 95014, telephone (408) 625-5999, fax (408) 625-5990 and the name of each of the additional registrant's agent for service is John McFarland, Senior Vice President, General Counsel and Secretary, MagnaChip Semiconductor LLC.

EXPLANATORY NOTE

This Amendment No. 2 to the Registration Statement on Form S-4 (File No. 333-168516) is being filed solely for the purpose of filing Exhibits 10.5, 10.8, 10.10, 10.12, 10.16 and 10.54 to the Registration Statement. This Amendment No. 2 does not modify any provision of the prospectus that forms a part of the Registration Statement. Accordingly, the prospectus has been omitted, and this Amendment No. 2 consists only of the facing page, this Explanatory Note, and Part II of the Registration Statement.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. ***Indemnification of Directors and Officers***

MagnaChip Semiconductor LLC

MagnaChip Semiconductor LLC is a limited liability company organized under the laws of the State of Delaware. Section 18—108 of the Delaware Limited Liability Company Act permits a limited liability company, subject to any restrictions that may be set forth in its limited liability company agreement, to indemnify its members and managers from and against any and all claims and demands.

MagnaChip Semiconductor LLC's limited liability company agreement provides that MagnaChip Semiconductor LLC shall indemnify any person who was or is party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of MagnaChip Semiconductor LLC or a director or officer of a constituent person in a consolidation or merger, or is or was serving at the request of MagnaChip Semiconductor LLC or a constituent person absorbed in a consolidation or merger, as a director or officer of another person, or is or was a director or officer of MagnaChip Semiconductor LLC serving at its request as an administrator, trustee or other fiduciary of one or more of the employee benefit plans of MagnaChip Semiconductor LLC or other enterprise, against expenses (including attorneys' fees), liability and loss actually and reasonably incurred or suffered by such person in connection with such action, suit or proceeding, whether or not the indemnified liability arises or arose from any threatened, pending or completed action, suit or proceeding by or in the right of MagnaChip Semiconductor LLC, except to the extent that such indemnification is prohibited by applicable law.

MagnaChip Semiconductor S.A.

Under Luxembourg law, civil liability of directors both to the company and to third parties is generally considered to be a matter of public policy. It is possible that Luxembourg courts would declare void an explicit or even implicit contractual limitation on directors' liability to MagnaChip Semiconductor S.A. MagnaChip Semiconductor S.A., however, can validly agree to indemnify the directors against the consequences of liability actions brought by third parties (including shareholders if such shareholders have personally suffered a damage which is independent of and distinct from the damage caused to the company).

Under Luxembourg law, an employee of MagnaChip Semiconductor S.A. can only be liable to MagnaChip Semiconductor S.A. for damages brought about by his or her willful acts or gross negligence. Any arrangement providing for the indemnification of officers in case of willful acts or gross negligence against claims of MagnaChip Semiconductor S.A. would in principle be contrary to public policy. Officers are liable to third parties under general tort law and may enter into arrangements with MagnaChip Semiconductor S.A. providing for indemnification against third party claims.

Under Luxembourg law, an indemnification agreement can never cover a willful act or gross negligence.

MagnaChip Semiconductor Finance Company

Indemnification: Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and

reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee of or agent to the Company. The statute provides that it is not exclusive of other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise. MagnaChip Semiconductor Finance Company's bylaws provide for indemnification by the company of any director or officer (as such term is defined in the bylaws) of the company or a constituent corporation absorbed in a consolidation or merger, or any person who, at the request of the company or a constituent corporation, is or was serving as a director or officer of, or in any other capacity for, any other enterprise, except to the extent that such indemnification is prohibited by law. The bylaws also provide that the company shall advance expenses incurred by a director or officer in defending a proceeding prior to the final disposition of such proceeding. The board of directors, by majority vote of a quorum consisting of directors not parties to the proceeding, must determine whether the applicable standards of any applicable statute have been met. The bylaws do not limit the company's ability to provide other indemnification and expense reimbursement rights to directors, officers, employees, agents and other persons otherwise than pursuant to the bylaws. The company may purchase insurance covering the potential liabilities of the directors and officers of the company or any constituent corporations or any person who, at the request of the company or a constituent corporation, is or was serving as a director or officer of, or in any other capacity for, any other enterprise.

Limitation of Liability: Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not 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 stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for payments of unlawful dividends or unlawful stock repurchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. MagnaChip Semiconductor Finance Company's certificate of incorporation provides for such limitation of liability.

Other Subsidiaries

The organizational documents of certain subsidiary guarantors also provide for indemnification of their officers and directors for liability incurred in connection with the performance of their duties as officers and directors.

Employment Agreements

Indemnification: Some of our officers have employment agreements with us that provide for indemnification against losses, costs and expenses arising from or relating to such person's services for us, to the extent permitted by law and the governing documents of the applicable company.

Item 21. ***Exhibits.***

2.1	Second Amended Chapter 11 Plan of Reorganization Proposed by the Official Committee of Unsecured Creditors of MagnaChip Semiconductor Finance Company, et al., dated as of September 24, 2009(1)
3.1	Certificate of Formation of MagnaChip Semiconductor LLC (formerly System Semiconductor Holding LLC)(1)
3.2	Certificate of Amendment to Certificate of Formation of MagnaChip Semiconductor LLC(1)
3.3	Fifth Amended and Restated Limited Liability Company Operating Agreement of MagnaChip Semiconductor LLC(1)
3.4	Articles of Incorporation of MagnaChip Semiconductor S.A.(4)
3.5	Certificate of Incorporation of MagnaChip Semiconductor Finance Company(4)
3.6	Bylaws of MagnaChip Semiconductor Finance Company(4)
3.7	Certificate of Formation for MagnaChip Semiconductor SA Holdings LLC(4)
3.8	Amended and Restated Limited Liability Company Agreement of MagnaChip Semiconductor SA Holdings LLC (USA)(4)
3.9	Deed of Amendment to the Articles of Association of MagnaChip Semiconductor B.V. (English translation)(4)
3.10	Articles of Incorporation of MagnaChip Semiconductor, Inc. (USA) contained in the Agreement and Plan of Merger by and between IC Media Corporation and MagnaChip Semiconductor, Inc. (USA)(4)
3.11	Bylaws of MagnaChip Semiconductor, Inc. (USA), as amended (formerly IC Media Corporation)(4)
3.12	Articles of Incorporation of MagnaChip Semiconductor Inc. (Japan) (English translation)(4)
3.13	Memorandum of Association of MagnaChip Semiconductor Limited (Hong Kong)(4)
3.14	Articles of Association of MagnaChip Semiconductor Limited (Hong Kong)(4)
3.15	Memorandum of Association of MagnaChip Semiconductor Limited (United Kingdom)(4)
3.16	Articles of Association of MagnaChip Semiconductor Limited (United Kingdom)(4)
3.17	Articles of Incorporation of MagnaChip Semiconductor Limited (Taiwan) (English translation)(4)
3.18	Memorandum of Association of MagnaChip Semiconductor Holding Company Limited, as amended (British Virgin Islands) (formerly IC Media Holding Company Limited)(4)
3.19	Articles of Association of MagnaChip Semiconductor Holding Company Limited, as amended (British Virgin Islands) (formerly IC Media Holding Company Limited)(4)
4.1	Registration Rights Agreement, dated as of November 9, 2009, by and among MagnaChip Semiconductor LLC and each of the securityholders named therein(1)
4.2	[reserved]
4.3	[reserved]
4.4	Indenture, dated as of April 9, 2010, by and among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors as named therein and Wilmington Trust FSB, as trustee(1)
4.5	Form of 10.500% Senior Notes due 2018 and notation of guarantee (included in Exhibit 4.4)

4.6	Exchange and Registration Rights Agreement, dated as of April 9, 2010, by and among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors named therein, and Goldman, Sachs & Co., Barclays Capital Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated, as representatives of the several purchasers named therein(1)
5.1	Opinion of Jones Day(4)
5.2	Opinion of Dechert Luxembourg(4)
5.3	Opinion of NautaDutilh N.V.(4)
5.4	Opinion of DLA Piper Tokyo Partnership(4)
5.5	Opinion of DLA Piper Hong Kong(4)
5.6	Opinion of Lee, Tsai & Partners(4)
5.7	Opinion of DLA Piper UK LLP(4)
5.8	Opinion of Harney Westwood & Riegels(4)
10.1	Amended and Restated Credit Agreement, dated as of November 6, 2009, among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors named therein, the lenders named therein, and Wilmington Trust FSB, as Administrative Agent(1)
10.2	Intellectual Property License Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.3	Land Lease and Easement Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)(2)
10.4	First Amendment to Land Lease and Easement Agreement, dated as of December 30, 2005, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.5	General Service Supply Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.6	First Amendment to the General Service Supply Agreement, dated as of December 30, 2005, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.7	License Agreement (ModularBCD), dated as of March 18, 2005, by and between Advanced Analogic Technologies, Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)(2)
10.8	Amended & Restated License Agreement (TrenchDMOS), dated as of September 19, 2007, by and between Advanced Analogic Technologies, Inc. and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.9	Technology License Agreement, dated as of December 16, 1996, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(1)(2)
10.10	Amendment to the Technology License Agreement, dated as of October 16, 2006, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.11	ARM7201TDSP Device License Agreement, dated as of August 26, 1997, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(1)(2)
10.12	Technology License Agreement, dated as of October 5, 1995, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(3)

10.13	Technology License Agreement, dated as of July 2001, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)(2)
10.14	Technology License Agreement, dated as of August 22, 2001, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)(2)
10.15	Technology License Agreement, dated as of May 20, 2004, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)
10.16	Design Migration Agreement, dated as of May 1, 2007, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.17	Basic Agreement on Joint Development and Grant of License, dated as of November 10, 2006, by and between MagnaChip Semiconductor, Ltd. and Silicon Works (English translation)(1)
10.18	Master Service Agreement, dated as of December 27, 2000, by and between Sharp Corporation and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hyundai Electronics Japan Co., Ltd) (English translation)(1)
10.19	Warrant Agreement, dated as of November 9, 2009, between MagnaChip Semiconductor LLC and American Stock Transfer & Trust Company, LLC(1)
10.20	MagnaChip Semiconductor LLC 2009 Common Unit Plan(1)
10.21	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Option Agreement (Non-U.S. Participants)(1)
10.22	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Option Agreement (U.S. Participants)(1)
10.23	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Restricted Unit Agreement (Non-U.S. Participants)(1)
10.24	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Restricted Unit Agreement (U.S. Participants)(1)
10.25	MagnaChip Semiconductor Corporation 2010 Equity Incentive Plan(1)
10.26	MagnaChip Semiconductor Corporation 2010 Employee Stock Purchase Plan(1)
10.27	Amended and Restated Service Agreement, dated as of May 8, 2008, by and between MagnaChip Semiconductor, Ltd. (Korea) and Sang Park(1)
10.28	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Sang Park(1)
10.29	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Sang Park(1)
10.30	Entrustment Agreement, dated as of October 6, 2004, by and between MagnaChip Semiconductor, Ltd. (Korea) and Tae Young Hwang(1)
10.31	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Young Hwang(1)
10.32	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Young Hwang(1)
10.33	Offer Letter dated March 7, 2006, from MagnaChip Semiconductor LLC and MagnaChip Semiconductor, Inc. to Brent Rowe, as supplemented on December 20, 2006(1)
10.34	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Brent Rowe(1)

10.35	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Brent Rowe(1)
10.36	Offer Letter dated September 5, 2006, from MagnaChip Semiconductor LLC and MagnaChip Semiconductor, Ltd. to Margaret Sakai(1)
10.37	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Margaret Sakai(1)
10.38	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Margaret Sakai(1)
10.39	Offer Letter, dated as of July 1, 2007, by and between MagnaChip Semiconductor, Ltd. (Korea) and Heung Kyu Kim(1)
10.40	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Heung Kyu Kim(1)
10.41	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Heung Kyu Kim(1)
10.42	Offer Letter, dated as of June 20, 2007, by and between MagnaChip Semiconductor, Ltd. (Korea) and Tae Jong Lee(1)
10.43	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Jong Lee(1)
10.44	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Jong Lee(1)
10.45	Service Agreement, dated as of April 1, 2006, by and between MagnaChip Semiconductor, Ltd. (Korea) and John McFarland(1)
10.46	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and John McFarland(1)
10.47	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and John McFarland(1)
10.48	Senior Advisor Agreement, dated as of April 10, 2009, by and between MagnaChip Semiconductor, Ltd.(Korea) and Robert J. Krakauer(1)
10.49	MagnaChip Semiconductor LLC Form of Indemnification Agreement with Directors(4)
10.50	Form of Accredited Investor Certification delivered to the Official Committee of Unsecured Creditors of MagnaChip Semiconductor Finance Company, et al.(1)
10.51	Form of Subscription Agreement for common units of MagnaChip Semiconductor LLC (in connection with the Committee's Plan of Reorganization under Chapter 11 of the Bankruptcy Code)(1)
10.52	Subscription Form for Rights Offering in connection with the Committee's Plan of Reorganization under Chapter 11 of the Bankruptcy Code(1)
10.53	$35,000,000 Common Unit Backstop Commitment letter, dated as of September 23, 2009, from Avenue Capital Management II, L.P., solely in its capacity as investment advisor to Avenue Investments, L.P., Avenue International Master, L.P., Avenue Special Situations Fund IV, L.P., Avenue Special Situations Fund V, L.P. and Avenue CDP-Global Opportunities Fund, L.P. (included in Exhibit 2.1)
10.54	MagnaChip Semiconductor LLC Profit Sharing Plan as adopted on December 31, 2009 and as amended on February 15, 2010(3)
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges(4)
21.1	Subsidiaries of MagnaChip Semiconductor LLC(1)

23.1	Consent of Samil PricewaterhouseCoopers(4)
23.2	Consent of Jones Day (contained in Exhibit 5.1)
23.3	Consent of Dechert Luxembourg (contained in Exhibit 5.2)
23.4	Consent of NautaDutilh N.V. (contained in Exhibit 5.3)
23.5	Consent of DLA Piper Tokyo Partnership (contained in Exhibit 5.4)
23.6	Consent of DLA Piper Hong Kong (contained in Exhibit 5.5)
23.7	Consent of Lee, Tsai & Partners (contained in Exhibit 5.6)
23.8	Consent of DLA Piper UK LLP (contained in Exhibit 5.7)
23.9	Consent of Harney Westwood & Riegels (contained in Exhibit 5.8)
24.1	Powers of Attorney(4)
25.1	Statement of Eligibility of the Trustee on Form T-1 under the Trust Indenture Act(4)
99.1	Form of Letter of Transmittal(4)
99.2	Form of Notice of Guaranteed Delivery(4)
99.3	Form of Letter to Brokers, Dealers and Other Nominees(4)
99.4	Form of Letter to Beneficial Owners Regarding Offer to Exchange(4)

Footnotes:

(1) Incorporated by reference to the respective exhibits to MagnaChip Semiconductor LLC's Registration Statement on Form S-1 (Registration No. 333-165467) initially filed on March 15, 2010, as amended.
(2) Certain portions of this document have been omitted pursuant to a grant of confidential treatment by the SEC.
(3) Certain portions of this document have been omitted pursuant to a request for confidential treatment by the SEC.
(4) Previously filed.

Item 17. ***Undertakings.***

(a) 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 of 1933;

(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 thereof) 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 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 of 1933, 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.

(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.

(b) The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.

(c) 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 Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 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 of 1933 and will be governed by the final adjudication of such issue.

(d) The undersigned Registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other 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.

(e) The undersigned Registrants hereby undertake 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR LLC

By: /s/ Sang Park
Name: **Sang Park**
Title: **Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor LLC and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Sang Park **Sang Park**	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	October 14, 2010
* **Margaret Sakai**	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 14, 2010
* **Michael Elkins**	Director	October 14, 2010
* **Randal Klein**	Director	October 14, 2010
* **R. Douglas Norby**	Director	October 14, 2010
* **Gidu Shroff**	Director	October 14, 2010
* **Steven Tan**	Director	October 14, 2010
* **Nader Tavakoli**	Director	October 14, 2010

***By:** /s/ Sang Park
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR SA HOLDINGS LLC

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Chief Financial Officer**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor SA Holdings LLC and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Margaret Sakai **Margaret Sakai**	Chief Financial Officer (Principal Financial Officer and Principal Accounting)	October 14, 2010
* **Michael Elkins**	Director	October 14, 2010
* **Randal Klein**	Director	October 14, 2010
* **John McFarland**	Director	October 14, 2010

* By: /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR S.A.

By: /s/ John McFarland
Name: **John McFarland**
Title: **Director**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor S.A. and in the capacities and on the dates indicated:

Signature	Title	Date
*	Director	October 14, 2010
Michael Elkins		
*	Director	October 14, 2010
Randal Klein		
/s/ John McFarland	Director and	October 14, 2010
John McFarland	Authorized Representative in the United States	

*** By:** /s/ John McFarland
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR FINANCE COMPANY

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Chief Financial Officer**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Finance Company and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Margaret Sakai **Margaret Sakai**	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 14, 2010
* **Michael Elkins**	Director	October 14, 2010
* **Randal Klein**	Director	October 14, 2010
* **John McFarland**	Director	October 14, 2010

*** By:** /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR B.V.

By: /s/ John McFarland
Name: **John McFarland**
Title: **Authorized Representative**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor B.V. and in the capacities and on the dates indicated:

Signature	Title	Date
* **Margaret Sakai**	Authorized Representative and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 14, 2010
* **Stefan Boermans**	Director	October 14, 2010
* **Anne-Marie Kuijpers**	Director	October 14, 2010
/s/ John McFarland **John McFarland**	Authorized Representative in the United States	October 14, 2010

*** By:** /s/ John McFarland
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR, INC. (USA)

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Chief Financial Officer and Treasurer**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor, Inc. (USA) and in the capacities and on the dates indicated:

Signature	Title	Date
*	Director and President (Principal Executive Officer)	October 14, 2010
Brent Rowe		
/s/ Margaret Sakai	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	October 14, 2010
Margaret Sakai		
*	Director	October 14, 2010
Andrew Brown		

*** By:** /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR LTD (UNITED KINGDOM)

By: /s/ John McFarland
Name: **John McFarland**
Title: **Company Secretary**

By: /s/ Brent Rowe
Name: **Brent Rowe**
Title: **Director**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Ltd (United Kingdom) and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ John McFarland **John McFarland**	Company Secretary and Authorized Representative in the United States	October 14, 2010
* **Brent Rowe**	Director	October 14, 2010
* **Andrew Brown**	Director	October 14, 2010

*** By:** /s/ John McFarland
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR LTD
(HONG KONG)

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Director**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Ltd (Hong Kong) and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Margaret Sakai **Margaret Sakai**	Director, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) and Authorized Representative in the United States	October 14, 2010
* **Jong Soo Choi**	Director	October 14, 2010

*** By:** /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR LTD (TAIWAN)

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Director**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Ltd (Taiwan) and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Margaret Sakai **Margaret Sakai**	Director and Authorized Representative in the United States	October 14, 2010
* **Jong Soo Choi**	Director	October 14, 2010

*** By:** /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR INC. (JAPAN)

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Director**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Inc. (Japan) and in the capacities and on the dates indicated:

Signature	Title	Date
*	Co-Representative Director	October 14, 2010
Taeyoung Hwang		
*	Co-Representative Director	October 14, 2010
Yoshio Imamura		
/s/ Margaret Sakai	Director	October 14, 2010
Margaret Sakai		
*	Statutory Auditor and Authorized Representative in the United States	October 14, 2010
John McFarland		

*** By:** /s/ Margaret Sakai
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in Seoul, Republic of Korea, on October 14, 2010.

MAGNACHIP SEMICONDUCTOR HOLDING COMPANY LIMITED

By: /s/ Margaret Sakai
Name: **Margaret Sakai**
Title: **Chief Financial Officer**

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement on Form S-4 has been signed below by the following persons on behalf of MagnaChip Semiconductor Holding Company Limited and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Margaret Sakai **Margaret Sakai**	Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 14, 2010
* **Brent Rowe**	Director	October 14, 2010
* **John McFarland**	Director and Authorized Representative in the United States	October 14, 2010

*** By:** /s/ Margaret Sakai
Attorney-in-fact

EXHIBIT INDEX

2.1	Second Amended Chapter 11 Plan of Reorganization Proposed by the Official Committee of Unsecured Creditors of MagnaChip Semiconductor Finance Company, et al., dated as of September 24, 2009(1)
3.1	Certificate of Formation of MagnaChip Semiconductor LLC (formerly System Semiconductor Holding LLC)(1)
3.2	Certificate of Amendment to Certificate of Formation of MagnaChip Semiconductor LLC(1)
3.3	Fifth Amended and Restated Limited Liability Company Operating Agreement of MagnaChip Semiconductor LLC(1)
3.4	Articles of Incorporation of MagnaChip Semiconductor S.A.(4)
3.5	Certificate of Incorporation of MagnaChip Semiconductor Finance Company(4)
3.6	Bylaws of MagnaChip Semiconductor Finance Company(4)
3.7	Certificate of Formation for MagnaChip Semiconductor SA Holdings LLC(4)
3.8	Amended and Restated Limited Liability Company Agreement of MagnaChip Semiconductor SA Holdings LLC (USA)(4)
3.9	Deed of Amendment to the Articles of Association of MagnaChip Semiconductor B.V. (English translation)(4)
3.10	Articles of Incorporation of MagnaChip Semiconductor, Inc. (USA) contained in the Agreement and Plan of Merger by and between IC Media Corporation and MagnaChip Semiconductor, Inc. (USA)(4)
3.11	Bylaws of MagnaChip Semiconductor, Inc. (USA), as amended (formerly IC Media Corporation)(4)
3.12	Articles of Incorporation of MagnaChip Semiconductor Inc. (Japan) (English translation)(4)
3.13	Memorandum of Association of MagnaChip Semiconductor Limited (Hong Kong)(4)
3.14	Articles of Association of MagnaChip Semiconductor Limited (Hong Kong)(4)
3.15	Memorandum of Association of MagnaChip Semiconductor Limited (United Kingdom)(4)
3.16	Articles of Association of MagnaChip Semiconductor Limited (United Kingdom)(4)
3.17	Articles of Incorporation of MagnaChip Semiconductor Limited (Taiwan) (English translation)(4)
3.18	Memorandum of Association of MagnaChip Semiconductor Holding Company Limited, as amended (British Virgin Islands) (formerly IC Media Holding Company Limited)(4)
3.19	Articles of Association of MagnaChip Semiconductor Holding Company Limited, as amended (British Virgin Islands) (formerly IC Media Holding Company Limited)(4)
4.1	Registration Rights Agreement, dated as of November 9, 2009, by and among MagnaChip Semiconductor LLC and each of the securityholders named therein(1)
4.2	[reserved]
4.3	[reserved]
4.4	Indenture, dated as of April 9, 2010, by and among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors as named therein and Wilmington Trust FSB, as trustee(1)
4.5	Form of 10.500% Senior Notes due 2018 and notation of guarantee (included in Exhibit 4.4)
4.6	Exchange and Registration Rights Agreement, dated as of April 9, 2010, by and among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors named therein, and Goldman, Sachs & Co., Barclays Capital Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated, as representatives of the several purchasers named therein(1)

5.1	Opinion of Jones Day(4)
5.2	Opinion of Dechert Luxembourg(4)
5.3	Opinion of NautaDutilh N.V.(4)
5.4	Opinion of DLA Piper Tokyo Partnership(4)
5.5	Opinion of DLA Piper Hong Kong(4)
5.6	Opinion of Lee, Tsai & Partners(4)
5.7	Opinion of DLA Piper UK LLP(4)
5.8	Opinion of Harney Westwood & Riegels(4)
10.1	Amended and Restated Credit Agreement, dated as of November 6, 2009, among MagnaChip Semiconductor S.A., MagnaChip Semiconductor Finance Company, the guarantors named therein, the lenders named therein, and Wilmington Trust FSB, as Administrative Agent(1)
10.2	Intellectual Property License Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.3	Land Lease and Easement Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)(2)
10.4	First Amendment to Land Lease and Easement Agreement, dated as of December 30, 2005, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.5	General Service Supply Agreement, dated as of October 6, 2004, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.6	First Amendment to the General Service Supply Agreement, dated as of December 30, 2005, by and between Hynix Semiconductor Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)
10.7	License Agreement (ModularBCD), dated as of March 18, 2005, by and between Advanced Analogic Technologies, Inc. and MagnaChip Semiconductor, Ltd. (Korea)(1)(2)
10.8	Amended & Restated License Agreement (TrenchDMOS), dated as of September 19, 2007, by and between Advanced Analogic Technologies, Inc. and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.9	Technology License Agreement, dated as of December 16, 1996, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(1)(2)
10.10	Amendment to the Technology License Agreement, dated as of October 16, 2006, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.11	ARM7201TDSP Device License Agreement, dated as of August 26, 1997, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(1)(2)
10.12	Technology License Agreement, dated as of October 5, 1995, by and between Advanced RISC Machines Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to LG Semicon Company Limited)(3)
10.13	Technology License Agreement, dated as of July 2001, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)(2)
10.14	Technology License Agreement, dated as of August 22, 2001, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)(2)

10.15	Technology License Agreement, dated as of May 20, 2004, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hynix Semiconductor Inc.)(1)
10.16	Design Migration Agreement, dated as of May 1, 2007, by and between ARM Limited and MagnaChip Semiconductor, Ltd. (Korea)(3)
10.17	Basic Agreement on Joint Development and Grant of License, dated as of November 10, 2006, by and between MagnaChip Semiconductor, Ltd. and Silicon Works (English translation)(1)
10.18	Master Service Agreement, dated as of December 27, 2000, by and between Sharp Corporation and MagnaChip Semiconductor, Ltd. (Korea) (successor in interest to Hyundai Electronics Japan Co., Ltd) (English translation)(1)
10.19	Warrant Agreement, dated as of November 9, 2009, between MagnaChip Semiconductor LLC and American Stock Transfer & Trust Company, LLC(1)
10.20	MagnaChip Semiconductor LLC 2009 Common Unit Plan(1)
10.21	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Option Agreement (Non-U.S. Participants)(1)
10.22	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Option Agreement (U.S. Participants)(1)
10.23	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Restricted Unit Agreement (Non-U.S. Participants)(1)
10.24	MagnaChip Semiconductor LLC 2009 Common Unit Plan form of Restricted Unit Agreement (U.S. Participants)(1)
10.25	MagnaChip Semiconductor Corporation 2010 Equity Incentive Plan(1)
10.26	MagnaChip Semiconductor Corporation 2010 Employee Stock Purchase Plan(1)
10.27	Amended and Restated Service Agreement, dated as of May 8, 2008, by and between MagnaChip Semiconductor, Ltd. (Korea) and Sang Park(1)
10.28	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Sang Park(1)
10.29	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Sang Park(1)
10.30	Entrustment Agreement, dated as of October 6, 2004, by and between MagnaChip Semiconductor, Ltd. (Korea) and Tae Young Hwang(1)
10.31	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Young Hwang(1)
10.32	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Young Hwang(1)
10.33	Offer Letter dated March 7, 2006, from MagnaChip Semiconductor LLC and MagnaChip Semiconductor, Inc. to Brent Rowe, as supplemented on December 20, 2006(1)
10.34	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Brent Rowe(1)
10.35	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Brent Rowe(1)
10.36	Offer Letter dated September 5, 2006, from MagnaChip Semiconductor LLC and MagnaChip Semiconductor, Ltd. to Margaret Sakai(1)
10.37	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Margaret Sakai(1)

10.38	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Margaret Sakai(1)
10.39	Offer Letter, dated as of July 1, 2007, by and between MagnaChip Semiconductor, Ltd. (Korea) and Heung Kyu Kim(1)
10.40	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Heung Kyu Kim(1)
10.41	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Heung Kyu Kim(1)
10.42	Offer Letter, dated as of June 20, 2007, by and between MagnaChip Semiconductor, Ltd. (Korea) and Tae Jong Lee(1)
10.43	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Jong Lee(1)
10.44	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and Tae Jong Lee(1)
10.45	Service Agreement, dated as of April 1, 2006, by and between MagnaChip Semiconductor, Ltd. (Korea) and John McFarland(1)
10.46	Notice of Grant of Unit Option, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and John McFarland(1)
10.47	Notice of Grant of Restricted Units, dated as of December 8, 2009, by and between MagnaChip Semiconductor LLC and John McFarland(1)
10.48	Senior Advisor Agreement, dated as of April 10, 2009, by and between MagnaChip Semiconductor, Ltd.(Korea) and Robert J. Krakauer(1)
10.49	MagnaChip Semiconductor LLC Form of Indemnification Agreement with Directors(4)
10.50	Form of Accredited Investor Certification delivered to the Official Committee of Unsecured Creditors of MagnaChip Semiconductor Finance Company, et al.(1)
10.51	Form of Subscription Agreement for common units of MagnaChip Semiconductor LLC (in connection with the Committee's Plan of Reorganization under Chapter 11 of the Bankruptcy Code)(1)
10.52	Subscription Form for Rights Offering in connection with the Committee's Plan of Reorganization under Chapter 11 of the Bankruptcy Code(1)
10.53	$35,000,000 Common Unit Backstop Commitment letter, dated as of September 23, 2009, from Avenue Capital Management II, L.P., solely in its capacity as investment advisor to Avenue Investments, L.P., Avenue International Master, L.P., Avenue Special Situations Fund IV, L.P., Avenue Special Situations Fund V, L.P. and Avenue CDP-Global Opportunities Fund, L.P. (included in Exhibit 2.1)
10.54	MagnaChip Semiconductor LLC Profit Sharing Plan as adopted on December 31, 2009 and as amended on February 15, 2010(3)
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges(4)
21.1	Subsidiaries of MagnaChip Semiconductor LLC(1)
23.1	Consent of Samil PricewaterhouseCoopers(4)
23.2	Consent of Jones Day (contained in Exhibit 5.1)
23.3	Consent of Dechert Luxembourg (contained in Exhibit 5.2)
23.4	Consent of NautaDutilh N.V. (contained in Exhibit 5.3)
23.5	Consent of DLA Piper Tokyo Partnership (contained in Exhibit 5.4)
23.6	Consent of DLA Piper Hong Kong (contained in Exhibit 5.5)
23.7	Consent of Lee, Tsai & Partners (contained in Exhibit 5.6)

23.8	Consent of DLA Piper UK LLP (contained in Exhibit 5.7)
23.9	Consent of Harney Westwood & Riegels (contained in Exhibit 5.8)
24.1	Powers of Attorney(4)
25.1	Statement of Eligibility of the Trustee on Form T-1 under the Trust Indenture Act(4)
99.1	Form of Letter of Transmittal(4)
99.2	Form of Notice of Guaranteed Delivery(4)
99.3	Form of Letter to Brokers, Dealers and Other Nominees(4)
99.4	Form of Letter to Beneficial Owners Regarding Offer to Exchange(4)

Footnotes:

(1) Incorporated by reference to the respective exhibits to MagnaChip Semiconductor LLC's Registration Statement on Form S-1 (Registration No. 333-165467) initially filed on March 15, 2010, as amended.
(2) Certain portions of this document have been omitted pursuant to a grant of confidential treatment by the SEC.
(3) Certain portions of this document have been omitted pursuant to a request for confidential treatment by the SEC.
(4) Previously filed.

Exhibit 10.5

Execution Copy

GENERAL SERVICE SUPPLY AGREEMENT

between

Hynix Semiconductor Inc.

and

MagnaChip Semiconductor, Ltd.

October 6, 2004

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

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EXHIBIT E WELFARE FACILITY SERVICES FEES	
EXHIBIT F CHEMICAL PROCUREMENT SERVICES FEES	
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GENERAL SERVICE SUPPLY AGREEMENT

This GENERAL SERVICE SUPPLY AGREEMENT (this "Agreement"), dated as of October 6, 2004 (the "Effective Date"), is entered into by and between:

(1) Hynix Semiconductor Inc., a company organized and existing under the laws of the Republic of Korea ("Korea") with its registered office at San-136-1, Ami-Ri, Bubal-Eub, Ichon-Si, Kyoungki-Do, Korea ("Hynix"); and

(2) MagnaChip Semiconductor, Ltd., a company organized and existing under the laws of Korea with its registered office at 1, Hyangjeong-Dong, Heungduk-Gu, Cheongju-Si, Chungcheongbuk-Do, Korea ("NewCo") (each a "Party" and collectively the "Parties").

RECITALS

WHEREAS, the Parties have entered into a certain business transfer agreement dated June 12, 2004, as amended (the "BTA") pursuant to which, among other things, NewCo has agreed to acquire the Acquired Assets (as defined in the BTA) from Hynix subject to the terms and conditions set forth in the BTA;

WHEREAS, the Parties desire to enter into an agreement as contemplated by the BTA whereby Hynix and NewCo will provide to each other certain services related to goods, utilities and facilities in accordance with the terms and conditions of this Agreement which are required or desirable for the transition, setting-up or continuing operation of the applicable Party's business; and

WHEREAS, the execution and delivery of this Agreement is a condition to the Closing under the BTA.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

Article 1. Definitions

1.1. Unless otherwise defined herein, all capitalized terms shall have the meanings set forth below:

"Affiliate" shall have the meaning ascribed to such term in the BTA.

"AUP" shall mean the agreed-upon-procedures which Samil PricewaterhouseCoopers (formerly Samil Accounting Corporation) has performed in connection with the financial statements attached in Schedule 2.4 of the BTA.

"BTA" shall have the meaning ascribed to such term in the Recitals.

"Business" shall have the meaning ascribed to such term in the BTA. Any reference to the "conduct of the Business" or the "operation of the Business" shall refer to the conduct or operation of the Business as conducted as of the execution date of the BTA.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banks in Seoul are authorized or obligated by relevant law to close.

"CAO Operation Support Services" shall mean on-the-job training of personnel so that such personnel can provide services related to accounting, finance, administration and control of human resources (but excluding planning and decision functions of human resources), which have been historically provided to the Business.

"Chemical Procurement Services" shall mean the sale by Hynix to NewCo of such quantities of CPD-18 in a state of Developer 2.38% CPD2000 (Developer 20%) and produced by mixing with de-ionized water (the "Chemical") as are requested by NewCo from time to time to meet the requirements of NewCo's business, and the services related to such sale in which every morning Hynix will pick up from such locations within the Hynix Complex in Cheongju, Korea as may be designated by NewCo from time to time such drums which NewCo has deposited there for these Services and the following morning Hynix will deliver to the same locations each such drum refilled with the Chemical.

"Closing" shall have the meaning ascribed to such term in the BTA.

"Closing Date" shall have the meaning ascribed to such term in the BTA.

"Confidential Information" shall have the meaning ascribed to such term in Section 15.1.

"Coordinating Committee" shall have the meaning ascribed to such term in Section 6.1.

"Daesung" shall mean Daesung Industrial Gas Co., Ltd., a company organized and existing under the laws of Korea and a party to the Daesung Agreements.

"Daesung Agreements" shall mean all agreements entered into between Hynix and Daesung under which Daesung supplies gas to Hynix by constructing and operating, at Daesung's own cost and responsibility, on-site gas plants within the Hynix Complex in Cheongju, Korea.

"Damages" shall mean any and all losses, settlements, expenses, liabilities, obligations, claims, damages (including any governmental penalty or costs of investigation, clean-up and remediation), deficiencies, royalties, interest, costs and expenses (including reasonable attorneys' fees and all other expenses reasonably incurred in investigating, preparing or defending any litigation or proceeding, commenced or threatened incident to the successful enforcement of this Agreement), the extent of which are recoverable under Korean law. For the purposes of Articles 11 and 12, Damages also shall include any and all increases in insurance premiums that are reasonably demonstrably attributable to the breach by NewCo or Hynix, as the case may be, of its representations, warranties, agreements and covenants expressly contained in this Agreement, or negligence, gross negligence, intentional breach or willful misconduct of NewCo or Hynix, as the case may be, for the two following annual policy periods.

"Environmental Safety & Facility Monitoring Services" shall mean the services related to wastewater treatment, sewage management (to the extent it is not supplied as a part of the Vivendi Services), fire emergency service and drills/training, facility monitoring service, radiation and in-house clinic, which have been historically provided to the Business.

"Event of Force Majeure" shall have the meaning ascribed to such term in Section 9.1.

"Governmental Authorization" shall mean any approval, consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Entity or otherwise pursuant to any applicable laws, or any registration with, or report or notice to, any Governmental Entity pursuant to any applicable laws.

"Governmental Entity" shall mean a court, arbitral tribunal, administrative agency or commission or other governmental or other regulatory authority or agency.

"Hynix Complex" shall mean the Hynix and/or NewCo manufacturing, testing, packaging, research and development and other facilities located at Ichon, Cheongju, Gumi, and Seoul, Korea.

"Hynix Utilities and Infrastructure Support Services" shall mean the services related to electricity (154kV substation and substation of the Korea Electric Power Corporation), water, fuel (city gas and light oil), bulk gasses (of the type historically provided under the Daesung Agreements) and de-ionized water (to the extent it is not supplied by Vivendi as a part of the Vivendi Services), which have been historically provided to the Business in Cheongju, Korea.

"Indemnified Party" shall have the meaning ascribed to such term in Section 11.1.

"Indemnifying Party" shall have the meaning ascribed to such term in Section 11.1.

"Joint Purchasing Services" shall mean, to the extent permitted by applicable law, such cooperation and coordination between the Parties, including by means of information sharing and joint purchasing from the same vendors, as is necessary or advisable to achieve such benefits including volume discounts, cost reductions and efficiency in gathering market information in the purchase of equipment, silicon wafers, photo chemicals and other raw materials and spare parts, which have been historically provided to the Business.

"Leased Premises" shall have the meaning ascribed to such term in Section 3.14(a).

"Long-Term Service" shall mean each of the Vivendi Services and each of the services related to (a) electricity (154kV substation), electricity (substation of the Korea Electric Power Corporation), bulk gasses and de-ionized water (to the extent it is not supplied as a part of the Vivendi Services), which are part of the Hynix Utilities and Infrastructure Support Services; (b) use of and services related to dormitory (including sewage and waste management and disposal services), Hynix culture center, security cameras,

security guard house, commuting bus, cafeteria, communication systems including leased lines, company broadcasting system (other than content), company house (Poolen Apartments, Sawon Apartments and *sa-rang-bang*) and leased apartments (Woojung apartments), sports field, tennis courts and parking lot (near women's dormitories) and reserve troops in Cheongju, Korea, and use of and services relating to Highla Condominiums, Korea Condominiums and, subject to then applicable union contracts and restrictions, other condominiums existing as of the date hereof, which are part of the Welfare Facility Services; and (c) wastewater treatment and sewage management (to the extent they are not supplied as a part of the Vivendi Services), fire emergency service and drills/training and in-house clinic, which are part of the Environmental Safety & Facility Monitoring Services.

"Maintenance Activities" shall have the meaning ascribed to such term in Section 5.1.

"Mask Services" shall mean certain services relating to the Products as defined in the Mask Production and Supply Agreement between the Parties, dated the date hereof, including defect inspection, repair and cleaning of such Products.

"NewCo Utilities and Infrastructure Support Services" shall mean the services related to management of water tank, supply of assembly utility and waste management, which have been historically used or received by Hynix (other than in connection with the Business) in connection with Hynix's use of the R, C1, C2, C3 and Assembly buildings in Cheongju, Korea.

"Notice of Sale" shall have the meaning ascribed to such term in Section 4.5.

"Notice Period" shall have the meaning ascribed to such term in Section 4.5.

"Offered Assets" shall have the meaning ascribed to such term in Section 4.5.

"Permitted Business" shall mean the Business or any other semiconductor, information technology or other technology related business.

"Service Facilities" shall mean those facilities at the Hynix Complex and those assets that are used for or relate to the provision of the Services.

"Services" shall mean such services related to goods, facilities and utilities which are required or desirable for transition, setting-up or continuing operation of the applicable Party's business and consisting of each of the services constituting the Vivendi Services, Hynix Utilities and Infrastructure Support Services, NewCo Utilities and Infrastructure Support Services, Welfare Facility Services, Environmental Safety & Facility Monitoring Services, Mask Services, CAO Operation Support Services, Chemical Procurement Services, Joint Purchasing Services and the other services described herein.

"Subsidiaries" shall have the meaning ascribed to such term in the BTA.

"Term" shall have the meaning ascribed to such term in Article 2.

"Third Party Supplier(s)" shall mean Daesung and/or Vivendi, as applicable, which provide certain services to Hynix for Hynix's provision of such Services hereunder.

"Third Party Supplier Agreement(s)" shall mean the Daesung Agreement and/or the Vivendi Water and Wastewater Services Agreement, as applicable, and any replacements or modifications thereof from time to time.

"Unprotected Long-Term Services" shall mean each of the services related to (a) security cameras, security guard house, commuting bus, cafeteria, communication systems including leased lines, company broadcasting system, company house (Poolen Apartments, Sawon Apartments and *sa-rang-bang*) and leased apartments (Woojung apartments), sports field, tennis courts and parking lot (near the women's dormitories) and reserve troops in Cheongju, Korea, and Highla Condominiums, Korea Condominiums and, subject to then applicable union contracts and restrictions, other condominiums existing as of the date hereof, which are part of the Welfare Facility Services; and (b) fire emergency service and drills/training and in-house clinic, which are part of the Environmental Safety & Facility Monitoring Services.

"Vivendi" shall mean Veolia Water Industrial Development Co., Ltd. (formerly known as "Vivendi Water Industrial Development Co., Ltd."), organized and existing under the laws of Korea and a party to the Vivendi Water and Wastewater Services Agreement.

"Vivendi Services" shall mean the services related to de-ionized water supply and wastewater disposal in the Hynix Complex located in Cheongju, Korea and in Gumi, Korea, and all such other services provided by Vivendi to Hynix under the Vivendi Water and Wastewater Service Agreement.

"Vivendi Water and Wastewater Services Agreement" shall mean the Water and Wastewater Services Agreement dated March 29, 2001 entered into by and between Hynix (then named Hyundai Electronics Industries Co., Ltd.) and Vivendi, as the same may be amended from time to time.

"Warrant Issuer" shall have the meaning ascribed to such term in the BTA.

"Welfare Facility Services" shall mean such welfare and facility services, including the use of and services related to (a) dormitories (including sewage and waste management and disposal services), Hynix culture center, security cameras, security guard house, commuting bus, cafeteria, communication systems, company broadcasting system (other than content), company house (Poolen Apartments, Sawon Apartments and *sa-rang-bang*) and leased apartments (Woojong apartments), sports fields, tennis courts and parking lot (near women's dormitories), and reserve troops in the Hynix Complex located in Cheongju, Korea; (b) leased apartments, dormitory (including sewage and waste management and disposal services), cafeteria, gymnasium, parking lot, communication systems, pavilion/PR center/audience room, kindergarten, reserve troops, security and sports field in the Hynix Complex located in Ichon, Korea; (c) reserve troops, postal and package delivery (among Cheongju, Ichon and Youngdong), security card key system and communication systems in the Hynix Complex located in Youngdong Building,

Seoul, Korea, which have been historically provided to the Business; and (d) Highla Condominiums, Korea Condominiums and, subject to then applicable union contracts and restrictions, other condominiums existing as of the date hereof owned by Hynix.

1.2. Rules of Interpretation.

(a) When a reference is made in this Agreement to a section or article, such reference shall be to a section or article of this Agreement unless otherwise clearly indicated to the contrary.

(b) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(c) The words "hereof", "hereto", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified.

(d) The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

(h) Headings are for convenience only and do not affect the interpretation of the provisions of this Agreement.

(i) Any Exhibits attached hereto are incorporated herein by reference and shall be considered as a part of this Agreement.

Article 2. Term of Agreement; Duration of Services

2.1. This Agreement shall become effective on the Effective Date and continue in full force and effect for so long as any Service is being provided hereunder, unless earlier terminated in accordance with Article 10 (the "Term").

2.2. Unless specified otherwise in this Article 2, each of the Services shall be provided from the Effective Date until the date that is one (1) year after the Effective Date (the "Initial Service Period"), unless otherwise earlier terminated pursuant to this Agreement. Unless specified otherwise in this Article 2, after the Initial Service Period for a Service, such Service shall be provided for one additional one (1) year period NewCo notifies Hynix in writing of its desire not to renew the provision of such Service at least sixty (60) days prior to the expiration of the Initial Service Period or the Service is earlier terminated pursuant to this Agreement.

2.3. The provision of Services in the Hynix Complex located in Youngdong Building, Seoul, and Ichon, Korea, respectively, will terminate after the applicable lease for the Hynix Complex located in Youngdong Building, Seoul, and Ichon, Korea, respectively, terminates, provided, however, that with respect to the leased apartments in Ichon, Korea, NewCo or the NewCo employee (as applicable) shall have the right to early termination of such leased apartment without penalty and shall, subject to the regulations of Hynix concerning the leased apartments, have the option to renew a leased apartment for one additional term.

2.4. Each Long-Term Service shall be provided for the Initial Service Period and for successive additional one (1) year periods, unless NewCo notifies Hynix in writing of its desire not to renew the provision of such Long-Term Service at least sixty (60) days prior to the expiration of the Initial Service Period or any annual anniversary thereof or the Long-Term Service is earlier terminated pursuant to this Agreement.

2.5. NewCo and Hynix shall, for a period of one year from the date hereof, cooperate with each other and negotiate in good faith with Vivendi regarding, and use commercially reasonable efforts to enter into, separate water and wastewater services agreements with Vivendi under which Vivendi shall directly provide NewCo and Hynix with services that are identical to the services provided by Vivendi to Hynix under the Vivendi Water and Wastewater Services Agreement, with terms at least as favorable as those on which the services are currently provided to Hynix. To the extent that NewCo is able to enter into such an agreement, Hynix will no longer be obligated to provide such services as are provided directly from Vivendi to NewCo under such agreement. To the extent that NewCo is unable to receive the applicable services directly from Vivendi, Hynix shall remain obligated to provide Vivendi Services to NewCo in accordance with the terms and conditions of this Agreement. NewCo and Hynix shall, for a period of one year from the date hereof, cooperate with each other and negotiate in good faith with Daesung regarding, and use commercially reasonable efforts to enter into, separate gas agreements with Daesung under which Daesung shall directly provide NewCo and Hynix with services that are identical to the services provided by Daesung to Hynix under the Daesung Agreements, with terms at least as favorable as those on which the services currently are

provided to Hynix. To the extent that NewCo is able to enter into such an agreement, Hynix will no longer be obligated to provide such services as are provided directly from Daesung to NewCo under such agreement. To the extent that NewCo is unable to receive the applicable services directly from Daesung, Hynix shall remain obligated to provide such services to NewCo in accordance with the terms and conditions of this Agreement.

2.6. NewCo Utilities and Infrastructure Support Services shall be provided for the Initial Service Period and for successive one (1)-year periods, unless Hynix notifies NewCo in writing of its desire not to renew the provision of the NewCo Utilities and Infrastructure Support Services at least sixty (60) days prior to the expiration of the Initial Service Period or any annual anniversary thereof or the NewCo Utilities and Infrastructure Support Services are earlier terminated pursuant to this Agreement.

2.7. Notwithstanding any other provision of this Agreement to the contrary, each Party may terminate the provision of any Service, in whole or in part, by providing the other Party with sixty (60) days prior notice of such termination (or such shorter time period of notice as is specified for such Service in Exhibit A). The terminating Party shall not be obligated to pay the other Party the service fees attributable to such cancelled Service(s), or part thereof, to the extent such fees are for services provided for any period beginning on or after the effective date of such termination.

2.8. Chemical Procurement Services shall be provided from the Effective Date until the date that is five (5) years after the Effective Date, and thereafter for so long as Hynix has the capacity to provide such Service, unless otherwise earlier terminated pursuant to this Agreement.

2.9. With respect to the Services related to the company broadcasting system under the Welfare Facility Services relating to production and development of content, such services shall be provided from the Effective Date until the date that is five (5) years after the Effective Date, unless otherwise earlier terminated pursuant to this Agreement.

2.10. The Mask Services shall be provided from the Effective Date until the date that is five (5) years after the Effective Date, unless otherwise earlier terminated pursuant to this Agreement.

Article 3. Services and Fees

3.1. Hynix shall provide, or cause the applicable Third Party Supplier to provide, NewCo with the Vivendi Services, Hynix Utilities and Infrastructure Support Services, Welfare Facility Services, Environmental Safety & Facility Monitoring Services, Mask Services, CAO Operation Support Services and Chemical Procurement Services, and NewCo shall receive such Services from Hynix, for the periods determined in accordance with Article 2. NewCo shall provide Hynix with the NewCo Utilities and Infrastructure Support Services, and Hynix shall receive such Services from NewCo, for the periods determined in accordance with Article 2.

3.2. The Parties shall each provide the Joint Purchasing Services to the other at no cost to the other and, to the extent permitted by applicable law, shall jointly purchase equipment,

silicon wafers, photo chemicals and other materials or spare parts if such joint purchasing would reduce the cost of any such item. For such purpose, Hynix and NewCo shall form a joint purchasing steering committee composed of an equal number of representatives designated by each Party to, to the extent permitted by applicable laws, coordinate information sharing and the joint purchasing of equipment, silicon wafers, photo chemicals and other raw materials and spare parts.

3.3. The fees for the Environmental Safety & Facility Monitoring Services, Hynix Utilities and Infrastructure Support Services, NewCo Utilities and Infrastructure Support Services, Welfare Facility Services and Chemical Procurement Services shall be determined in accordance with Exhibits B, C.1, C.2, E and F, respectively. Until the expiration and/or termination of the Vivendi Water and Wastewater Service Agreement, the fees for the Vivendi Services shall be determined in accordance with Exhibit D.

3.4. Hynix shall provide NewCo with the CAO Operation Support Services, at no additional cost, for the period set forth in Article 2. Hynix shall provide NewCo with the Mask Services at actual cost incurred for the period set forth in Article 2.

3.5. Upon the expiration of the Vivendi Water and Wastewater Service Agreement, Hynix will be entitled to receive certain assets (the "Vivendi Assets") from Vivendi used in connection with the provision of services under such agreement. In such case, upon NewCo's request, Hynix shall promptly transfer, assign and convey to NewCo, at no additional cost, those Vivendi Assets which are listed on Exhibit D hereto. Upon the early termination of the Vivendi Water and Wastewater Service Agreement, Hynix also will be entitled to receive the Vivendi Assets from Vivendi used in connection with the provision of services under such agreement. In such case, upon NewCo's request, Hynix shall promptly transfer, assign and convey to NewCo those Vivendi Assets which are listed on Exhibit D hereto at the same price paid by Hynix to Vivendi for such Vivendi Assets under the Vivendi Water and Wastewater Services Agreement. To the extent that there are any benefits provided to either Party under the Vivendi Water and Wastewater Service Agreement, both Parties shall work in good faith to divide such benefits between them in an equitable manner.

3.6. With respect to the Welfare Facility Services related to the dormitories, NewCo shall provide Hynix with the names and identities of NewCo's employees who intend to use such Welfare Facility Services as soon as reasonably practical in advance of the first day of such use.

3.7. NewCo agrees that it shall, and shall cause NewCo's directors, officers, employees, agents, representatives or any other permitted users of the Welfare Facility Services to, abide by all reasonable safety and administrative rules and regulations of Hynix related to the Welfare Facility Services, if any.

3.8. Subject to Section 3.14, Hynix and NewCo shall have equal rights for the use of all relevant facilities for the Welfare Facility Services. NewCo and its directors, officers and employees shall, at all times, receive the benefits of the Welfare Facility Services on terms and conditions that are as favorable as those enjoyed by Hynix, and its directors, officers and employees at such time without any additional incremental cost to NewCo or its directors, officers or employees.

3.9. Hynix shall provide, at no additional cost, NewCo and NewCo's representatives with access at all reasonable times to any historical data relating to the Business that NewCo may request. In furtherance of the forgoing, at the reasonable request of NewCo, Hynix shall provide NewCo and NewCo's representatives with access to, or shall otherwise provide to NewCo and NewCo's representatives, electronic data in electronic form relating to the Business. NewCo shall provide, at no additional cost, Hynix and Hynix's representatives with access at all reasonable times to any historical data relating to Hynix's business, except for information relating to the Business, that Hynix may request. Neither Party shall, for a period of six years after the date hereof, destroy any such data without giving the other Party at least 30 days prior written notice, during which time the other Party shall have the right (subject to Article 15) to examine, remove, to the extent not prohibited by operation of applicable law, or make and retain a copy of, any such data prior to destruction. Nothing herein shall limit or modify or be deemed to limit or modify the Parties' rights and obligations under Section 6.2 of the BTA.

3.10. If either Party receives any payment after the Closing Date to which the other Party is entitled pursuant to the BTA, such Party shall promptly (and in no event later than ten (10) Business Days after receipt of such payment) remit such payment to the other Party.

3.11. In addition to the Services set forth herein, Hynix and NewCo acknowledge and agree that there may be additional services which have not been identified but which historically have been provided by Hynix to the Business and which shall continue to be required or desired by NewCo. If, within one year of the Closing Date, any such additional services are identified and requested reasonably in advance by NewCo, Hynix shall provide such additional services to NewCo in a manner consistent with the other Services, at a price no greater than actual cost, and, to the extent applicable, calculated by taking into account the AUP. Any such additional services which are consistent with the type and subject matter of other Long-Term Services under this Agreement shall be deemed to be Long-Term Services for the purposes of Article 2 and any other such additional services shall be provided until the second anniversary of the date hereof, subject to Section 2.7. With respect to additional services which historically have not been provided by Hynix with respect to the Business ("New Service"), at the request of NewCo, the Parties will discuss in good faith the provision of any such New Service by Hynix to NewCo.

3.12. Any fees for the Services to be provided hereunder are set forth on the applicable Exhibit and there are no other fees for the Services except as set forth thereon. To the extent applicable, calculations hereunder shall be made by taking into account the AUP.

3.13. Notwithstanding anything herein to the contrary, but subject to the last sentence of Section 3.11, the Parties acknowledge and agree that it is their mutual intent that the fees for the Services provided hereunder shall be no greater than the actual cost reasonably incurred to provide such Services. The Parties agree to cooperate in good faith in furtherance of the foregoing, including by adjusting the fees from time to time if

necessary in order to effectuate this intent and by conducting, at the request of either Party, an audit of the fees in each calendar year during which services are provided (at a time within the first six months of the succeeding calendar year mutually agreed to in good faith) to compare the costs actually incurred to provide the Services hereunder during such period with the fees paid for such Services. The audited Party may dispute the results of any such audit, provided that the audited Party shall notify the requesting Party in writing of such disputed results within 30 days of the audited Party's receipt of the results of the audit. In the event of any such dispute, Hynix and NewCo shall attempt to reconcile their differences and any resolution by them as to any disputed amounts shall be final, binding and conclusive on Hynix and NewCo. If Hynix and NewCo are unable to reach a resolution to such effect of all disputed amounts within 30 days of receipt of the audited Party's written notice of dispute to the requesting Party, NewCo and Hynix shall submit the amounts remaining in dispute for resolution to the Independent Accounting Firm, which shall, within 30 days after such submission, determine and report to Hynix and NewCo with respect to the amounts disputed. The findings of the Independent Accounting Firm shall be final, binding and conclusive on Hynix and NewCo. If the results of any such audit as finally determined indicate that the requesting Party has, in the aggregate with respect to all costs audited, paid more than the amount otherwise required to have been paid pursuant to this Agreement, the audited Party shall promptly (and in no event later than 30 days from the date of such determination) refund the amount of such overpayment to the requesting Party. If the results of any such audit as finally determined indicate that the requesting Party has, in the aggregate with respect to all costs audited, paid less than the amount otherwise required to have been paid pursuant to this Agreement, the requesting Party shall promptly (and in no event later than 30 days from the date of such determination) pay the amount of such underpayment to the audited Party. For any individual deficiency or overpayment indicated by the results of any such audit as finally determined, the Party owing the payment shall pay to the other Party, in addition to such payment due, interest thereon at a rate of eight (8%) percent per annum of such deficiency or overpayment for the period from the date of such deficiency or overpayment until the date finally paid or reimbursed, as the case may be. The total costs involved in any such audit shall be paid by: (i) the requesting Party, in the case that the audit demonstrates a deviation in the aggregate with respect to all audited costs of less than 5% from the amount otherwise required to have been paid pursuant to this Agreement, (ii) both Parties equally, in the case that the audit demonstrates a deviation from 5% to 10% and (iii) the audited Party, in the event that the audit demonstrates a deviation greater than 10%. Each Party shall use its commercially reasonable efforts to minimize the costs incurred to provide the Services. The Parties agree that the audit contemplated hereunder shall be conducted only once in each calendar year for all of the following agreements entered into by and between the Parties and/or their Affiliates as of the date hereof: General Service Supply Agreement, R&D Equipment Utilization Agreement, IT & FA Service Agreement, Taiwan Overseas Sales Services Agreement, U.S. Overseas Sales Services Agreement, Japan Overseas Sales Services Agreement, U.K. Overseas Sales Services Agreement and Hong Kong Overseas Sales Services Agreement.

3.14. (a) Hynix and NewCo shall have the right to use up to 54.7% and 45.3%, respectively, of the units in each dormitory and apartment in Cheongju, Korea

which is a part of the Welfare Facility Services. Each Party shall have the right to use such additional amount of the units in each such dormitory or apartment as the Parties may agree from time to time. In order to secure NewCo's right described in the first sentence of this Section 3.14 (a), on or after the Effective Date, NewCo shall have the right to register lease rights (the "Lease Rights") over 45.3% of the total floor area of each dormitory in the Hynix Complex in Cheongju, Korea (the "Leased Premises") with the relevant real property registry offices for the Term, such Lease Right registration having priority over any lien or encumbrance established on such dormitories other than statutory liens and liens established thereon as of one (1) day prior to the Closing Date by Hynix's financing creditors; provided, however, that with respect to the women's dormitory, Hynix shall conduct the registration to preserve ownership with respect to the women's dormitory within one (1) year from the Effective Date and shall thereafter register the Lease Rights over 45.3% of the total floor area of the women's dormitory having priority over any lien or encumbrance established on the women's dormitory other than statutory liens and liens to be established thereon by Hynix's financing creditors. Hynix shall take any action necessary to maintain or cause to be maintained the priority of the Lease Right, subordinate only to such Hynix's senior financing and statutory liens, with respect to the Leased Premises during the Term. Hynix shall provide to NewCo all necessary documents normally required of a lessor for the registration of the Lease Right on the Leased Premises on the Effective Date. For the avoidance of doubt, the Parties agree and acknowledge that notwithstanding the registration of the Lease Rights pursuant to this Section 3.14(a), NewCo shall not have the right to exclusively use the Leased Premises and the Parties shall have the right to use all dormitories in existence as of the date hereof on a pro rata shared basis as indicated in the first sentence of this Section 3.14(a).

(b) With respect to the leased apartments in Ichon, Korea which are a part of the Welfare Facility Services, only the employees of NewCo who reside in such apartments on the date hereof or who apply to Hynix for occupancy within one day prior to the Closing Date shall be eligible to occupy such apartments.

3.15. Hynix shall provide e-mail forwarding services for NewCo employees for up to six (6) months from the Closing Date at no additional cost so that any e-mail addressed to the former Hynix e-mail account of a NewCo employee shall automatically forward to the NewCo e-mail account of such NewCo employee. Each NewCo employee shall be entitled to use the same telephone numbers and fax numbers as it used prior to the Closing Date and NewCo shall also be entitled to use the same telephone numbers and fax numbers as were used by the Business prior to the Closing Date.

3.16. With respect to the sports field and the parking lot near the women's dormitories as set forth on Exhibit G, Hynix may cease to provide these facilities to NewCo on three months prior written notice in the event Hynix determines to put such space to a different use or sells such facilities, but if such facilities are replaced with a substitute recreational facility or parking lot, respectively, such facilities shall be made available to NewCo and its employees as part of the Welfare Facilities Services to the extent such substitute

facilities are available to Hynix or its employees. If Hynix makes any other sports field or parking lot available to Hynix employees in lieu of the removed facilities, such other sports field and parking lot shall be made available to NewCo and its employees as part of the Welfare Facilities Services.

3.17. Hynix may, on three months prior written notice to NewCo, remove the tennis courts set forth in Exhibit G in Cheongju, Korea, but only in the event that such tennis courts are replaced with a substitute recreational facility, such facility to be made available to NewCo and its employees as part of the Welfare Facilities Services.

3.18. With respect to the Highla Condominiums, Korea Condominiums and, subject to then applicable union contracts and restrictions, other condominiums existing as of the date hereof under the Welfare Facilities Services, Hynix shall make such condominiums available to NewCo employees on the same terms applicable to Hynix employees. There shall be no additional fees paid by NewCo's employees with regard to such condominiums except the usage fees paid by the employee using such condominiums, which shall be consistent with fees paid by Hynix employees.

3.19. With respect to fire emergency drills/training under the Environmental Safety & Facility Monitoring Services, the Parties shall cooperate in good faith in determining the scheduling of such drills and training at mutually agreeable times.

3.20. Beginning upon the expiration and/or early termination of the Vivendi Water and Wastewater Service Agreement, each Party will cooperate and coordinate with each other as is reasonably necessary or advisable for the joint operation of the Vivendi Assets, including entering into an agreement with a third party service provider, in order that both Parties receive services that are identical to the services provided by Vivendi as of the expiration and/or early termination of the Vivendi Water and Wastewater Service Agreement. Beginning upon the expiration and/or early termination of the Vivendi Water and Wastewater Service Agreement, each Party shall provide back up services to the other Party with respect to the Vivendi Services, including use of de-ionized water systems, waste water treatment facilities and other applicable facilities.

Article 4. Supply of the Services; Right of First Refusal

4.1. The obligations of Hynix to provide each of the Vivendi Services, and the part of the Hynix Utilities and Infrastructure Support Services provided by Daesung, set forth in this Agreement shall be subject, to the extent applicable, to the terms and conditions of the applicable Third Party Supplier Agreements; provided that NewCo shall be entitled to participate in any negotiations that Hynix may have with any third party supplier regarding the provision of services by such third party supplier, including any renewal, replacement, modification or termination of any third party supplier agreement and Hynix shall not agree to any renewal, replacement, modification or termination of the Vivendi Water and Wastewater Service Agreement or Daesung Agreements without NewCo's prior written consent (which consent shall not be unreasonably withheld).

4.2. Unless Hynix otherwise agrees and subject to Article 13, NewCo shall use the Services for the sole purpose of operating and maintaining NewCo's business and may not sell, transfer, supply or grant access to any of the Services to any third party without Hynix's prior written consent (which shall not be unreasonably withheld).

4.3. All Services under this Agreement shall be performed in compliance with all applicable laws and regulations in all material respects, in a manner, to the extent and at a time, substantially consistent with past practice and in the manner, extent and time in which the applicable Party performs similar services for its own benefit (including with respect to using employees with similar levels and experience). The Parties agree to take timely and adequate action to correct any deficiency in the performance of any Service.

4.4. The Parties shall cooperate in good faith to increase overall site safety and reduce insurance costs.

4.5. In the event that Hynix wishes to sell or otherwise dispose of all or any part of its assets ("Offered Assets") that are used for or relate to the provision of the Services at any time during the Term, Hynix shall first make an offer for the sale of such Offered Assets to NewCo by giving NewCo a written notice setting forth the price and other terms and conditions thereof ("Notice of Sale"). NewCo shall notify Hynix in writing whether NewCo accepts or rejects such offer made in the Notice of Sale within thirty (30) days after the receipt thereof (such thirty-day period, the "Notice Period"). Unless NewCo accepts in writing such offer made in the Notice of Sale prior to the expiration of the Notice Period, Hynix shall be free to sell or otherwise dispose of such Offered Assets offered through the Notice of Sale to a third party within thirty (30) days from the date of expiration of the Notice Period; provided, however, that such sale or disposal to a third party shall not be made under terms and conditions more favorable than the offer made to NewCo in the Notice of Sale. If Hynix sells or otherwise disposes of any of such Offered Assets, it shall nonetheless continue to provide NewCo with the Services in accordance with this Agreement without any other change in the terms and conditions thereof; provided, however, that Hynix shall not be obligated to provide an Unprotected Long-Term Service following the fifth anniversary of the date hereof if NewCo has rejected the offer made in a Notice of Sale with respect to the assets used to provide such Unprotected Long-Term Service.

Article 5. Maintenance of the Services

5.1. During the Term of this Agreement if Hynix or any third party supplier (including Third Party Suppliers) has scheduled, or otherwise has planned to undertake inspection, testing, preventative maintenance, corrective maintenance, repairs, replacement, improvement or other similar activities to all or any portion of the Service Facilities (collectively, the "Maintenance Activities"), Hynix or the relevant third party supplier, as applicable, may, for the duration of such Maintenance Activities, interrupt, suspend or curtail the provision of relevant Services to the extent that the Maintenance Activities for the affected parts of the Service Facilities are necessary or advisable. In the event that Hynix is required to perform corrective maintenance, repairs due to malfunction or non-routine inspection due to a suspected malfunction, Hynix shall give NewCo prior written notice of such

activities to the extent reasonably possible. In the event that Hynix proposes to conduct any other Maintenance Activities, Hynix shall give NewCo as much prior written notice as reasonably possible of such activities, which in any event shall not be less than 30 days prior written notice, and Hynix shall consult with NewCo prior to undertaking or permitting to occur any such Maintenance Activity. Upon Hynix's receipt of any notice of any Maintenance Activities by any third party suppliers, Hynix promptly shall provide NewCo written notice thereof and shall consult with NewCo to the extent reasonably possible prior to permitting any such Maintenance Activities to occur.

5.2. If NewCo receives such notice as set forth in Section 5.1, then to the extent that the affected Services are insufficient to meet NewCo's requirements for NewCo's use thereof in accordance with the terms and conditions hereof, Hynix shall (i) to the extent Hynix has alternative sources available internally, provide alternate sources for the affected Services for the duration of the Maintenance Activities, (ii) to the extent that Hynix obtains any alternate sources for such Services, Hynix shall make available a pro-rata share of these alternate sources to NewCo, and (iii) if the foregoing are not available or are insufficient to meet NewCo's requirements, Hynix shall cooperate with NewCo to locate alternate sources for such Services. To the extent the foregoing alternate sources are provided by Hynix, there shall be no incremental cost or expense to NewCo. To the extent the foregoing alternate sources are provided by third-parties, NewCo shall bear the actual costs of the services it uses.

Article 6. Coordinating Committee

6.1. Within thirty (30) days after the Effective Date, the Parties shall establish a coordinating committee (the "Coordinating Committee") which shall consist of four (4) members, two (2) of which shall be appointed by Hynix and two (2) of which shall be appointed by NewCo. Each Party, upon prior written notice to the other Party, may from time to time remove or replace any member appointed by such Party.

6.2. Except as the Parties may otherwise agree in writing, the Coordinating Committee shall have the power and the responsibility under this Agreement to:

(a) act as a forum for the liaison between the Parties with respect to the day-to-day implementation of this Agreement;

(b) subject to Article 14, seek to resolve disputes; and

(c) undertake such other functions as the Parties may agree in writing.

Article 7. Payments for the Services

7.1. Hynix shall invoice NewCo on the tenth (10th) day (except that for the Vivendi Services this shall be the fourteenth (14) day, until the expiration and/or termination of the Vivendi Water and Wastewater Service Agreement) of each calendar month for the fees for the Environmental Safety & Facility Monitoring Services, Hynix Utilities and Infrastructure Support Services (except for the fees for electricity (substation of the Korea Electric Power Corporation), water and fuel, which will be invoiced as set forth in the

third sentence of this Section 7.1), Vivendi Services, Welfare Facility Services and Chemical Procurement Services, provided during the immediately preceding calendar month specifying the Services provided during that month and the amount of fees for such Services calculated in accordance with Exhibits B, C, D, E and F, respectively, and Article 3. By the twenty-fifth (25th) day of each calendar month so invoiced (except with respect to the Vivendi Services for which the due date will be the twenty-fourth (24th) day of each calendar month so invoiced, until the expiration and/or termination of the Vivendi Water and Wastewater Service Agreement), NewCo shall pay the invoiced amount and value added tax thereto to Hynix's designated account by means of a wire transfer in cash. In addition, by the fifth (5th) day prior to the due date for the fees for electricity (substation of the Korea Electric Power Corporation), water and fuel supplied by Hynix to NewCo as part of the Hynix Utilities and Infrastructure Support Services as such due date is set forth on the relevant invoice therefor, Hynix shall invoice NewCo for the fees for such Services in the amounts for which such fees are set forth on the relevant invoice issued by relevant agencies and NewCo shall pay such invoiced amount and value added tax thereto to Hynix's designated account by means of a wire transfer in cash by one (1) Business Day prior to such due date.

7.2. NewCo shall invoice Hynix on the tenth (10th) day of each calendar month for the fees for the NewCo Utilities and Infrastructure Support Services provided during the immediately preceding calendar month specifying the Services provided during that month and the amount of fees for such Services calculated in accordance with Exhibit C. By the twenty-fifth (25th) day of each calendar month so invoiced, Hynix shall pay the invoiced amount and value added tax thereto to NewCo's designated account by means of a wire transfer in cash.

7.3. All payments hereunder shall be made in Korean Won.

7.4. If a Party fails to make any payment due hereunder by the date it is due, such non-paying Party shall pay the other party, in addition to the amount of such payment due, a late charge of eight (8%) percent per annum of the outstanding amount, prorated to reflect a pro rata portion of such late charge for the period from the due date of the payment until finally paid.

7.5. Notwithstanding any dispute on the amount of payment under this Agreement, each Party shall continue to perform its obligations hereunder (including obligations to make payments of the amounts included on the invoices for the Services which are not disputed in good faith) and be entitled to exercise its rights under this Agreement; provided, however, that if a Party fails to pay in full the portion of sums invoiced by the other which are not disputed by the invoiced Party in good faith for three (3) calendar months after such sums become due, the invoicing Party may suspend or curtail the applicable Services for which payment was not made until such payment is made in full. Any invoice amount which remains disputed after thirty (30) days shall be referred to the Coordinating Committee in accordance with Section 14.2.

7.6. Each Party shall, at the request of the other Party, provide the other Party with relevant data and records for the determination of such Party's compliance with its obligations

under this Agreement (other than with respect to calculation of fees hereunder which is governed by Section 3.13); provided that a Party may make no more than one such request per calendar quarter and any such request must be reasonably specific. In this regard, each Party shall prepare and maintain proper books and records of all matters pertaining to the Services under this Agreement. Subject to Article 15 and the first sentence of this Section 7.6, upon seven (7) days prior written notice, either Party, or its authorized representatives, may examine during normal business hours, the books, records and documents of the other Party to the extent reasonably necessary for verification of compliance under this Agreement; provided, however, that if a Party is to provide such books and records to the other Party for such Party's examination and photocopying purposes, the other Party may blackout any information contained in such books and records that relates to the other Party other than information that is required for the determination of the other Party's compliance with its obligations under this Agreement.

7.7. Notwithstanding anything herein to the contrary, in the event of a bankruptcy filing with respect to NewCo, NewCo shall deposit with Hynix an amount equal to the fees paid by NewCo during the immediately preceding full calendar month under the terms of this Agreement, against which will be credited fees payable by NewCo over the thirty day period following such deposit. NewCo shall renew such deposit each thirty days in each case by reference to the fees paid by NewCo during the full calendar month immediately preceding any such renewal until such bankruptcy protection filing has been accepted by the bankruptcy court. For the avoidance of doubt, NewCo shall not be relieved of responsibility for, and shall pay when due, any fees for services hereunder during any such thirty day period to the extent in excess of the then actual deposit.

Article 8. Representations, Warranties and Covenants

8.1. Each Party hereby represents and warrants to the other Party that all of the statements contained in this Section 8.1 are true and correct with respect to such Party as of the Effective Date and at all times thereafter during the Term.

(a) Organization. Such Party is duly incorporated and validly existing under the laws of Korea and has full power and authority to perform its respective obligations herein.

(b) Authorization. Such Party has full corporate power and authority to execute and deliver this Agreement. The execution, delivery and performance by such Party of this Agreement have been duly authorized by all corporate actions on the part of such Party that are necessary to authorize the execution, delivery and performance by such Party of this Agreement.

(c) Binding Agreement. This Agreement has been duly executed and delivered by such Party and, assuming due and valid authorization, execution and delivery hereof by the other Party, is a valid and binding obligation of such Party, enforceable against such Party in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) the availability of the remedy of injunctive relief may be subject to the discretion of the court before which any proceeding therefor may be brought or the general principle of good faith and fairness provided for in the Korean Civil Code.

(d) No Violation of Laws or Agreements. The execution, delivery and performance of this Agreement does not, (i) contravene any provision of the articles of incorporation or bylaws, or other similar organizational documents, of such Party; or (ii) violate, conflict with, result in a breach of, or constitute a default (or an event which might, with the passage of time or the giving of notice, or both, constitute a default) under any agreement to which such Party is a party or by which it is bound.

(e) Governmental Authorizations. Such Party has obtained all required Governmental Authorizations in connection with the supply of the Services.

8.2. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT OR IN THE BTA, NEITHER PARTY NOR ANY OTHER PERSON OR ENTITY ACTING ON BEHALF OF SUCH PARTY, MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED (INCLUDING ANY REPRESENTATION OR WARRANTY FOR SUFFICIENCY, SATISFACTORY RESULT OR FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER).

8.3. Each Party covenants and agrees to endeavor to cooperate with the other Party so as to minimize any interference with the other Party's operation of its business.

Article 9. Force Majeure

9.1. Neither Party shall be liable to the other Party for failure of or delay in the performance of any obligations under this Agreement due to causes reasonably beyond its control including (i) war, insurrections, riots, explosions and inability to obtain raw materials due to then current market situations; (ii) natural disasters and acts of God, such as violent storms, earthquakes, floods and destruction by lightning; (iii) the intervention of any governmental authority or changes in relevant laws or regulations which restrict or prohibit either Party's performance of its obligations under this Agreement or implementation of this Agreement; or (iv) strikes, lock-outs and work-stoppages (each, an "Event of Force Majeure"). Upon the occurrence of an Event of Force Majeure, the affected Party shall notify the other Party as soon as reasonably possible of such occurrence, describing the nature of the Event of Force Majeure and the expected duration thereof. Notwithstanding the foregoing, the Party receiving Services hereunder shall be under a continuing obligation to make payments for such Services which have already been supplied to the Party prior to the occurrence of an Event of Force Majeure.

9.2. If a Party is unable, by reason of an Event of Force Majeure, to perform any of its obligations under this Agreement, then such obligations shall be suspended to the extent

and for the period that the affected Party is unable to perform. If this Agreement requires an obligation to be performed by a specified date, such date shall be extended for the period during which the relevant obligation is suspended due to such an Event of Force Majeure under this Agreement.

9.3. Notwithstanding anything to the contrary contained herein, a third party supplier's (including Third Party Suppliers) failure to meet its obligations in accordance with the applicable third party supplier agreement (including Third Party Supplier Agreements) shall not constitute an Event of Force Majeure and Hynix shall be liable to NewCo for any breach of this Agreement resulting from such failure; provided that any such liability to NewCo shall be limited to the extent that such third party supplier's liability to Hynix is limited under the applicable third party supplier agreement; provided, further, that any such liability to NewCo shall be limited to the amount that Hynix actually recovers from such third party supplier. In the case of a material breach by a third party supplier, and in the event that NewCo incurs Damages resulting from such breach of the applicable third party supplier agreement material to NewCo, Hynix shall use commercially reasonable efforts to vigorously pursue all available actions for Damage compensation from any such third party supplier. In the event Hynix receives any compensation for Damages from the third party supplier for any breach, Hynix shall pay to NewCo a pro rata portion of such Damages received from the third party supplier based on the amount of Damages suffered by NewCo relative to the aggregate amount of Damages suffered by both Parties. Each Party shall be responsible for a portion of the reasonable and documented expenses of any such actions for Damage compensation in proportion to the allocation of any recovery of Damages pursuant to the preceding sentence; provided that the Parties shall cooperate in good faith to minimize such expenses and consult with each other in advance with respect to the conduct of any such action.

9.4. To the extent that the Services affected due to a third party's failure to meet its obligations under the applicable third party supplier agreement are insufficient to meet NewCo's requirements for NewCo's use thereof in accordance with the terms and conditions hereof, Hynix shall (i) to the extent Hynix has alternative sources available internally, provide such alternate sources for the affected Services for the duration the Services are affected, (ii) to the extent that Hynix obtains any alternate sources for such Services, Hynix shall make available a pro-rata share of such alternate sources to NewCo, and (iii) if the foregoing are not available or are insufficient to meet NewCo's requirements, Hynix shall cooperate with NewCo to locate alternate sources for such Services. To the extent the foregoing alternate sources are provided by Hynix, there shall be no incremental cost or expense to NewCo. To the extent the foregoing alternate sources are provided by third parties, NewCo shall bear the actual costs of the services it uses. To the extent that any service which both Parties utilize for their respective businesses remains partially available during an Event of Force Majeure (e.g., Hynix makes some quantity of service available but not the usual amount or Hynix otherwise accesses an alternative source of some quantity of service), each Party shall receive, to the extent practically possible, equal provision of such service up to the amount it would otherwise receive if there were no Event of Force Majeure.

Article 10. Termination; Effect of Termination

10.1. Termination. This Agreement may be terminated at any time during the Term upon occurrence of any of the following:

(a) by the non-breaching Party serving a written notice thereof to the other Party and the Coordinating Committee in the event of a material breach or default by the other Party of its obligations hereunder, which default shall not have been cured by other Party, or otherwise resolved by the Coordinating Committee, within sixty (60) days after written notice is provided by the non-breaching Party to the other Party and the Coordinating Committee; or

(b) by Hynix's serving sixty (60) days prior written notice thereof to NewCo if NewCo ceases to conduct any Permitted Business (provided that an assignment pursuant to Article 13 shall not trigger the application of this provision in so far as such assignee does not cease to conduct any Permitted Business).

10.2. Upon termination of this Agreement, each Party shall discontinue the use of all Confidential Information provided by the other Party in connection with this Agreement, and shall promptly return to the other Party any and all Confidential Information, including documents originally conveyed to it by the other Party and any copies thereof made thereafter.

10.3. Except as provided in this Section 10.3 and Section 10.4, following the termination or expiration of this Agreement all obligations and liabilities of the Parties under or arising from this Agreement shall cease and be of no effect, and neither Party shall have any liability under or arising from this Agreement as a consequence of the termination or expiration of this Agreement in accordance with Section 10.1 except for fraud or willful breach of this Agreement. Notwithstanding the foregoing, termination of this Agreement shall be without prejudice to the accrued rights and liabilities of the Parties prior to the termination of this Agreement.

10.4. The respective rights and obligations of the Parties under Sections 3.9, 3.10 and 3.11 and Articles 11, 14 and 15 and other Sections which by their nature are intended to extend beyond termination, shall survive the termination or expiry of this Agreement.

Article 11. Indemnification

11.1. Subject to Article 12 hereof, each Party (the "Indemnifying Party") shall defend, indemnify and hold harmless the other Party (and its shareholders, partners, members, directors, officers, employees, agents and representatives) (collectively, the "Indemnified Party") from and against, and shall pay to the Indemnified Party the amount of any Damages arising from any breach of any representation, warranty, agreement or covenant made by the Indemnifying Party under this Agreement or the negligence, gross negligence or willful misconduct of the Indemnifying Party.

Article 12. Limitation on Liability

12.1. Notwithstanding anything to the contrary herein, neither Party shall have any liability whatsoever to the other Party, and the other Party shall have no rights or remedies whatsoever (in each case whether in contract, tort, including negligence, or otherwise), for or in connection with any failure to provide (a) any Services in accordance with this Agreement to the extent such failure is attributable to the occurrence of an Event of Force Majeure or (b) electricity, except to the extent such failure is attributable to the Party's gross negligence, willful misconduct or intentional breach.

12.2. Notwithstanding anything to the contrary, no Party shall be liable to the other Party, whether by way of indemnity or otherwise, for any punitive damages, whether any such damages arise out of contract, equity, tort (including negligence), strict liability or otherwise arising out of, or related to, this Agreement and each Party hereby waives, to the fullest extent permitted by law, all rights with respect to punitive damages.

12.3. Notwithstanding anything to the contrary contained herein, the liability of each Party (the "Breaching Party") hereunder for Damages resulting from the Breaching Party's breach of this Agreement or its negligence, gross negligence or willful misconduct shall be limited to (a) in the event that the Breaching Party proves that such breach was the result of the negligence of the Breaching Party and no other reason or, in the case of a tort claim, the Indemnifying Party proves that such Damages resulted from the negligence of the Indemnifying Party and no other reason, the aggregate amount received by the Breaching Party in fees hereunder for the calendar year prior to the year of determination for the Service affected by such breach and (b) in all other events, including if the breach was the result of gross negligence, willful misconduct or intentional breach, the maximum amount permitted by Korean law.

12.4. If any Indemnified Party is at any time entitled to recover under any third-party policy of insurance (excluding any self-insurance that is not reinsured with a third party), in respect of any Damages for which indemnification is sought under Article 11, the Indemnified Party shall, at the request of the Indemnifying Party, use its commercially reasonable efforts to enforce such recovery for the benefit of the Indemnifying Party and, upon recovery under such policy, reduce the amount of Damages for which it is seeking indemnification under Article 11 by the amount actually recovered under the policy (net of all costs, charges and expenses of the Indemnified Party in connection with such recovery).

12.5. Each Party shall subscribe for and maintain in effect, at its own expense, such insurance covering the Damages incurred from any electricity failure, with such amounts and other terms as a reasonably prudent business would maintain under like circumstances.

Article 13. Assignment

13.1. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that no Party will assign its rights or delegate its obligations under this Agreement without the express prior

written consent of the other Party, except that (i) NewCo may assign its rights hereunder as collateral security to any bona fide financial institution engaged in financing in the ordinary course providing financing to the Warrant Issuer or its Subsidiaries and any of the foregoing financial institutions may assign such rights in connection with a sale of NewCo in the form then being conducted by NewCo substantially as an entirety; (ii) Hynix and NewCo each may, upon written notice to the other Party (but without the obligation to obtain the consent of such other Party), assign this Agreement or any of its rights and obligations under this Agreement to any person, entity or organization that succeeds (by purchase, merger, operation of law or otherwise) to all or substantially all of the capital stock, assets or business of such party, to all or substantially all of its assets and liabilities or to all or substantially all of the assets and liabilities of the portion of the Party's business to which the subject of this Agreement relates or of a division of the Party, if such person or entity agrees in writing to assume and be bound by all of the relevant obligations of such Party under this Agreement; and (iii) NewCo may, upon written notice to Hynix (but without the obligation to obtain the consent of Hynix), assign this Agreement or any of its rights and obligations under this Agreement to one or more direct or indirect Subsidiaries of Warrant Issuer.

13.2. Notwithstanding anything to the contrary contained herein, Hynix may be entitled to utilize any subcontractor or supplementary provider in performing all or any parts of its obligations under this Agreement without any prior written consent of NewCo; provided that Hynix remains liable under this Agreement for the performance of all of its obligations.

Article 14. Governing Law; Dispute Resolution

14.1. This Agreement shall be governed by and construed in accordance with the laws of Korea without reference to the choice of law principles thereof.

14.2. Each Party seeking the resolution of a dispute arising under this Agreement must provide written notice of such dispute to the other Party, which notice shall describe the nature of such dispute. All such disputes shall be referred initially to the Coordinating Committee for resolution. Decisions of the Coordinating Committee under this Section 14.2 shall be made by unanimous vote of all members and shall be final and legally binding on the Parties. If a dispute is resolved by the Coordinating Committee, then the terms of the resolution and settlement of such dispute shall be set forth in writing and signed by both Parties. In the event that the Coordinating Committee does not resolve a dispute within thirty (30) days of the submission thereof, such dispute shall be resolved in accordance with Section 14.3. Notwithstanding the foregoing, Hynix and NewCo shall each continue to perform its obligations under this Agreement during the pendency of such dispute in accordance with this Agreement.

14.3. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction to prevent any breach of this Agreement and to enforce specifically the terms and provisions of this Agreement by bringing a relevant action in the Seoul Central

District Court in Seoul, Korea, in addition to any other remedy to which any Party may be entitled at law or in equity. In addition, the Parties agree that any dispute, claims or controversy between the Parties arising out of or relating to this Agreement, whether in contract, tort, equity or otherwise and whether relating to the meaning, interpretation, effect, validity, performance or enforcement of this Agreement, which is not resolved by the Coordinating Committee pursuant to Section 14.2 may be submitted to the exclusive jurisdiction of the Seoul Central District Court, in Seoul, Korea. Each of the Parties irrevocably waives, to the fullest extent permitted by law, any objection which it may now, or hereafter, have with respect to the jurisdiction of, or the venue in, the Seoul Central District Court.

Article 15. Confidentiality

15.1. Neither Party shall, except as expressly permitted by the terms of this Agreement, disclose to any third party the terms and conditions of this Agreement, the existence of this Agreement and any Confidential Information which either Party obtains from the other Party in connection with this Agreement and/or use such Confidential Information for any purposes whatsoever other than those contemplated hereunder; provided, however, that this Agreement (and its terms and conditions) may be disclosed and filed publicly in connection with a public offering of securities by NewCo or its Affiliates. "Confidential Information" shall mean any and all information including technical data, trade secrets or know-how, disclosed by either Party to the other Party in connection with this Agreement, which is marked as "Proprietary" or "Confidential" or is declared by the other Party, whether in writing or orally, to be confidential, or which by its nature would reasonably be considered confidential.

15.2. The obligation of confidentiality in Section 15.1 shall not apply to any information that: (a) was known to the other Party without an obligation of confidentiality prior to its receipt thereof from the disclosing Party; (b) is or becomes generally available to the public without breach of this Agreement, other than as a result of a disclosure by the recipient Party, its representatives, its Affiliates or the representatives of its Affiliates in violation of this Agreement; (c) is rightfully received from a third party with the authority to disclose without obligation of confidentiality and without breach of this Agreement; or (d) is required by law or regulation to be disclosed by a recipient Party or its representatives (including by oral question, interrogatory, subpoena, civil investigative demand or similar process), provided that written notice of any such disclosure shall be provided to the disclosing Party in advance. If a Party determines that it is required to disclose any information pursuant to applicable law (including the requirements of any law, rule or regulation in connection with a public offering of securities by NewCo or its Affiliates) or receives any demand under lawful process to disclose or provide information of the other Party that is subject to the confidentiality provisions hereof, such Party shall notify the other Party prior to disclosing and providing such information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the Party that receives such request may thereafter disclose or provide information to the extent required by such law or by lawful process.

Article 16. Miscellaneous

16.1. Exercise of Right. A Party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a Party does not prevent a further exercise of that or of any other right, power or remedy. A failure to exercise a right, power or remedy or a delay in exercising a right, power or remedy by a Party does not prevent such Party from exercising the same right thereafter.

16.2. Extension; Waiver. At any time during the Term, each of Hynix and NewCo may (a) extend the time for the performance of any of the obligations or other acts of the other or (b) waive any inaccuracies in the representations and warranties of the other contained in this Agreement or in any document delivered pursuant to this Agreement. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights. Any rights under this Agreement may not be waived except in writing signed by the Party granting the waiver or varied except in writing signed by the Parties.

16.3. Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted to be given to any Party shall be in writing and shall be deemed duly given only upon delivery to the Party personally (including by reputable overnight courier service), when telecopied (with confirmation of transmission having been received) during normal business hours or three days after being mailed by registered or certified mail (return receipt requested), with postage and registration or certification fees thereon prepaid, addressed to the Party at its address set forth below (or at such other address for a party as shall be specified by such Party by like notice):

If to Hynix, to:
Hynix Semiconductor Inc.
Hynix Youngdong Building
891 Daechi-dong, Gangnam-gu
Seoul 135-738, Korea
Attention: Mr. O.C. Kwon
Facsimile: 82-2-3459-5955
If to NewCo, to:
MagnaChip Semiconductor, Ltd.
1 Hyangjeong-dong
Heungduk-gu
Cheongju City
Chung Cheong Bok-do, Korea
Facsimile: 82-43-270-2134
Attention: Dr. Youm Huh

with a copy to:

Dechert LLP
30 Rockefeller Plaza
New York, NY 10112
Telephone: (212) 698-3500
Facsimile: (212) 698-3599
Attention: Geraldine A. Sinatra, Esq.
Sang H. Park, Esq.

16.4. Fees and Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the Party incurring such expenses, except as specifically provided to the contrary in this Agreement.

16.5. Entirety; No Third Party Beneficiaries. This Agreement (a) constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, both written or oral, between the Parties with respect to the subject matter hereof and (b) is not intended to confer upon any person other than the Parties hereto any rights or remedies hereunder.

16.6. Severability of Provisions. Any term or provision of this Agreement that is held by a court of competent jurisdiction or other authority to be unlawful, invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is unlawful, invalid, void or unenforceable, the Parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any unlawful, invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the unlawful, invalid or unenforceable term or provision.

16.7. Amendment and Modification. This Agreement (for the avoidance of doubt, including Exhibits attached hereto) may be amended, modified and supplemented in any and all respects, but only by a written instrument signed by the Parties expressly stating that such instrument is intended to amend, modify or supplement this Agreement.

16.8. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

16.9. Election of Remedies. Neither the exercise of nor the failure to exercise a right or to give notice of a claim under this Agreement shall constitute an election of remedies or limit any Party in any manner in the enforcement of any other remedies that may be available to such Party, whether at law or in equity.

16.10. Language. This Agreement is being originally executed in the English language only. In the event that the Parties agree to have a Korean version of this Agreement following

signing, this Agreement may be translated into Korean. The Parties acknowledge that the Korean version of this Agreement shall be for reference purposes only, and in the event of any inconsistency between the two texts, the English version shall control.

16.11. Relationship of the Parties. Each Party shall perform its obligations hereunder as an independent contractor. This Agreement does not create a fiduciary or agency relationship between Hynix and NewCo, each of which shall be and at all times remain independent companies for all purposes hereunder. Nothing in this Agreement is intended to make either Party a general or special agent, joint venturer, partner or employee of the other for any purpose.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized representatives as of the date first above written.

Hynix Semiconductor Inc.

By: /s/ [ILLEGIBLE]
Name:
Title:

MagnaChip Semiconductor, Ltd.

By: /s/ [ILLEGIBLE]
Name:
Title:

Exhibit A

SHORT TERM SERVICES

Service	Notice Period for Termination
waste management or disposal service	**15 days**
CAO Operation Support Services	**30 days**

(STAMP)

Exhibit B

ENVIRONMENTAL SAFETY & FACILITY MONITORING SERVICES FEES

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit C.1

HYNIX UTILITIES AND INFRASTRUCTURE SUPPORT SERVICE FEES

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit C.2

NEWCO UTILITIES AND INFRASTRUCTURE SUPPORT SERVICES FEES

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit D

VIVIENDI SERVICES FEES & CERTAIN VIVENDI ASSETS

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit E.1

WELFARE FACILITY SERVICES FEES FOR CHEONGJU

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit E.2

WELFARE FACILITY SERVICES FEES FOR ICHON

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit E.3

WELFARE FACILITY SERVICES FEES FOR SEOUL

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit F

CHEMICAL PROCUREMENT SERVICES FEES

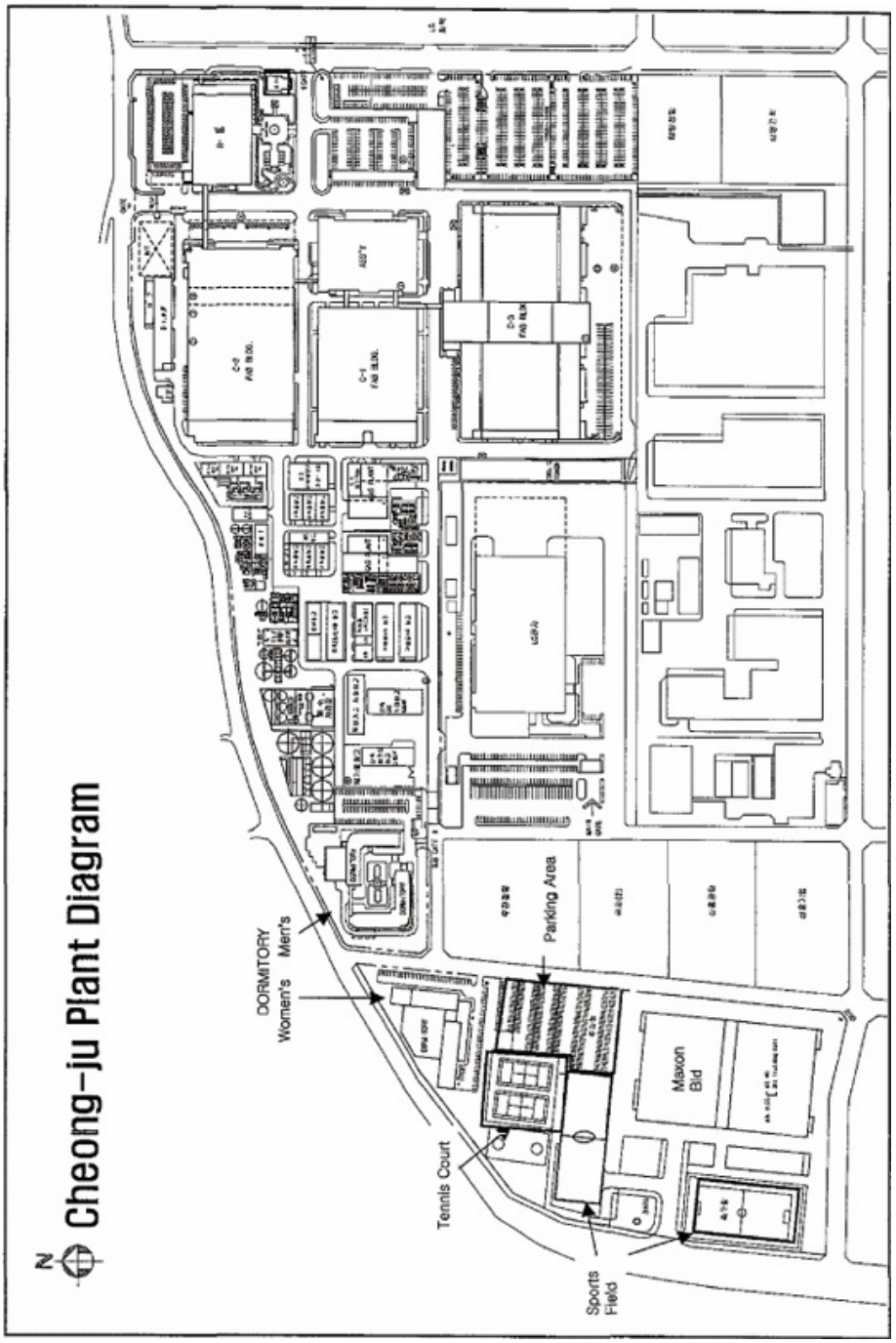
[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit G

PARKING LOT, SPORTS FIELD AND TENNIS COURT NEAR THE WOMEN'S DORMITORIES

The parking lot, sports field and tennis court near the women's dormitories shall be diagramed on a separate page (STAMP)

Exhibit G


Cheong-ju Plant Diagram
N
DORMITORY
Men's
Women's
Parking Area
Maxon
Bld
Tennis Court
Sports
Field

APPENDIX I

SAMPLE CALCULATION OF FEES

[***** Note: This exhibit has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.]

Exhibit 10.8

AMENDED AND RESTATED LICENSE AGREEMENT
(TrenchDMOS)
DATED September 19, 2007
BETWEEN
ADVANCED ANALOGIC TECHNOLOGIES INC.
AND
MAGNACHIP SEMICONDUCTOR, LTD.

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

AMENDED AND RESTATED

LICENSE AGREEMENT
(TrenchDMOS)

This agreement (the **"Agreement")** is made effective as of September 19, 2007 **("Effective Date"),** by and between Advanced Analogic Technologies Inc., a California corporation with its principal place of business located at 830 E. Arques Ave, Sunnyvale California 94085 (hereafter called **"AATI")** and MagnaChip Semiconductor, Ltd. with its principal place of business located 1, Hyangjeong-dong, Hungduk-gu, Cheongju-si,Chungbuk, South Korea (hereafter called **"MAGNACHIP").**

RECITALS

WHEREAS, AATI and MAGNACHIP entered into a License Agreement on or about March 30, 2005 **("Original Agreement")** providing for the license of certain of AATI's technology related to TrenchDMOS Technology (as defined below), and

WHEREAS, MAGNACHIP and AATI wishes to amend and restate such Original Agreement on the terms and conditions set forth below as of the Effective Date hereof.

NOW, THEREFORE, the MAGNACHIP and AATI agree as follows:

AGREEMENT

1. DEFINITIONS. The following terms will have the meanings attributed thereto, unless otherwise provided herein:

1.1 "AATI Field" means the design, manufacturing, testing, sale, offer for sale, or distribution of Products, which are using AATI TrenchDMOS Technology described hereunder.

1.2 "AATI Improvements" shall have the meaning attributed thereto in **Section 4.3.**

1.3 "AATI Intellectual Property" means those Intellectual Property Rights that AATI owns or has a right to license consistent with the scope of the license hereunder.

1.4 "AATI Licensed Products" means those AATI Products whose manufacture includes the use of MAGNACHIP Technology.

1.5 "AATI Products" means those Low-Voltage TrenchDMOS Products of AATI, including, but not limited to, those identified on **Exhibit A,** as may be amended by AATI from time to time.

1.6 "AATI Discrete Technology" means the designs, technology and other information provided by AATI to MAGNACHIP related to TrenchDMOS Technology and related device and processing under this Agreement **AATI Discrete Technology** includes the processes, methods, devices and apparatus described in the United States and foreign patents and patent applications listed on **Exhibit B** along with any improvements, derivatives, continuation patents, foreign filings, continuation in part ("CIP") applications, and all work by AATI or its employees related to TrenchDMOS Technology preceding said applications (dating back to September 1998) continuing through the term of this Agreement. **AATI Discrete Technology** also includes the

features, devices, processes, apparatus and methods identified in **Exhibit C__including** those protected by the Patents in **Exhibit** B. For the purposes of clarity (and notwithstanding the above definition of **AATI Discrete Technology), AATI Discrete Technology)** does not include integrated circuit technology (including IC processes incorporating CMOS, BiCMOS, CBiC, and BCD device arsenals), IC processes used to produce power management integrated circuits (such as AATI's proprietary ModularBCD Technology), circuit designs, packaging technology, the multi-chip combination of TrenchDMOS or discrete transistors with integrated circuits, the multi-chip combination of TrenchDMOS or discrete devices with Schottky diodes, and other related designs, technologies and information.

1.7 "Basic Semiconductor Technology" means designs, technology and other information used to design, manufacture and test semiconductors, including etching, depositions, diffusion, cleaning, photolithography, and other semiconductor processes or sequences (such as LOCOS). Basic **Semiconductor Technology** ***does not include*** process architecture or the process integration (and resulting process flow) of an integrated process such as TrenchDMOS Technology. It also does not include "specialized" unit process steps such as directionally deposited oxides, chained and non-Gaussian implants, etc.

1.8 "Competing Products" means Products that compete with the AATI Products after the date of this Agreement. If any portion of a Product includes or integrates the functions of a Competing Product, then such product is a **"Competing Product."**

1.9 "Confidential Information" means any information disclosed by either Party (the **"Disclosing Party")** to the other Party (the **"Receiving Party")** under this Agreement, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples and equipment), which ts designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally or through inspection shall be considered **Confidential Information** if such information is confirmed in writing as being Confidential Information within a reasonable time after the initial disclosure. **Confidential Information** may also include information disclosed to a Disclosing Party by Third Parties. Notwithstanding any designation of "Confidential", **Confidential Information** includes the AATI Discrete Technology.

1.10 "Effective Date" means the date set forth in the recital.

1.11 "Facility" means the MAGNACHIP-owned wafer fabrication facility located in Gumi, Korea and Cheong-ju, Korea or such other MAGNACHIP-owned facility that the Parties may agree upon in writing.

1.12 "MAGNACHIP Field" means Basic Semiconductor Technology, along with the design, manufacture, test, and sales of products not related to analog semiconductors, power semiconductors, or the AATI Field (such as memory ICs, digital ICs, displays, sensors, and other non-analog or non-power semiconductor products).

1.13 "MAGNACHIP Licensed Products" means (1) those Non-Competing Products of MAGNACHIP, i.e., Non-Competing Products marketed and sold under a MAGNACHIP-owned brand or sold by MAGNACHIP to a Third Party as wafer sales, die sales or finished good sales through MAGNACHIP's foundry services business that include or rely upon AATI Discrete Technology and (2) those Competing Products sold to the Customers designated in **Exhibit H** ("Customers"), as may be amended by AATI in its sole discretion, and with MagnaChip's approval of such, from time to time. "MAGNACHIP Licensed Products" exclude Competing Products sold to any other Customer and Products that utilize Other Technology.

1.14 "MAGNACHIP Improvements" shall have the meaning attributed thereto in Section 3.3.

1.15 "MAGNACHIP Intellectual Property" means those Intellectual Property Rights that MAGNACHIP owns or has a right to license consistent with the scope of the license hereunder.

1.16 "MAGNACHIP Technology" means the Basic Semiconductor Technology, and technology *not related* to analog and power semiconductor manufacture such as memory IC and digital 1C processes, provided by MAGNACHIP to AATI.

1.17 "Intellectual Property Rights" means any intellectual property right existing now or during the term of this Agreement recognized throughout the world, including without limitation copyright, maskwork rights, patent rights, trade secrets and know-how. For the purposes of this Agreement, **"Intellectual Property Rights"** excludes trademarks, service marks and domain names.

1.18 "Improvements" means all copyrightable material, notes, records, drawings, designs, inventions, patents, improvements, developments, discoveries and trade secrets first conceived, made or discovered by a Party during the period of this Agreement which relate in any manner to, or are derived from, the AATI Discrete Technology, the MAGNACHIP Technology or Confidential Information licensed or provided hereunder, including any enhancements, modifications or derivations thereto.

1.19 "Joint Improvements" shall have the meaning attributed thereto in **Section 4.3.**

1.20 "Low-Voltage TrenchDMOS Products" means those TrenchDMOS products that have low- voltage characteristics. For the purpose of this Agreement, **"Low-Voltage"** shall be defined as semiconductor components rated at *35 volts or less,* i.e., devices who drain-to-source breakdown specification not exceeding 35V. **"TrenchDMOS Products"** include the following semiconductor components: (1) Discrete power MOSFETs produced using TrenchDMOS Technology or portions of TrenchDMOS Technology (2) Multichip packages containing at least one discrete power MOSFET produced using TrenchDMOS Technology or portions of TrenchDMOS Technology (3) Monolithically integrated power MOSFETs produced using TrenchDMOS Technology or portions of TrenchDMOS Technology (including dual common-drain devices). **"TrenchDMOS Products"** collectively comprise N-channel or P-channel devices of differing drain and gate voltage ratings (i.e., Process Types). Some **TrenchDMOS Products** may also include gate-to-source ESD protection diodes.

1.21 "Starting Material" means un-patterned epitaxial silicon wafers comprising either N-epi on an N++ Substrate or P-epi on a P++ Substrate, as applicable. Epitaxial doping and thickness vary with Process Type.

1.22 "TrenchDMOS Technology" means that technology related to the fabrication of semiconductor electronic components comprising or containing at least one trench-gated MOSFET device having *vertical* current flow (i.e., where current flows between a topside source contact and a backside drain contact in a manner which is substantially perpendicular to the wafer's surface in the drain and/or channel regions of the device) and incorporating any of several unique features, processes, or characteristics (as described in **Exhibit C**) including;

(a) A *"chained implant DMOS body"* (or CIDB) using sequential multiple and high energy (including MeV) ion implantations to form an active MOS channel;

(b) A trench gate with *"thick bottom oxide"* (TBOX) formed by *directional deposition* of dielectric material;

(c) A *"dual polysilicon trench gate"* process comprising an embedded trench gate contacted by a second polysilicon (also used to form optional PN polysilicon diodes);

(d) A *"hardmask self-aligned trench gate"* photolithographically defined by a dielectric hardmask layer *not removed* prior to the trench-etch and trench-fill processing steps;

(e) A *"super-self aligned"* (or SSA) trench gate photolithographically defined by a dielectric hardmask layer subsequently removed by chemical and/or CMP methods to facilitate contact across the entire silicon mesa (i.e., trench-to-trench);

(f) A high-speed embedded *"polycide"* trench gate comprising a *polysilicon-sealed silicide* trench gate structure (i.e., where the silicide does not touch the gate oxide);

(g) A *"planarized gate bus"* comprising the integration of narrow (trench-gates) and wide (trench-gate-bus) regions, sharing a common embedded polysilicon, planarized by CMP or etchback

(h) A rugged trench-gated DMOS combining thick bottom oxide (TBOX) with an embedded PN drain clamping diode (or *"TBOX clamping diode"),* said clamping diode being shallower than trenches but deeper than the polysilicon gates;

(i) A *"planarized silicided trench contact"* for a trench gated DMOS with improved ruggedness (avalanche capability);

(j) A "*salicide trench gate DMOS",* comprising self aligned silicided (i.e., salicide) polysilicon and mesa regions;

1.23 TrenchDMOS Technology can also be characterized by its low thermal budget fabrication (no long or high temperature diffusions), its high-density-capable device construction (287 Mcells/in^2 and up), a highly-reproducible short channel capable of low thresholds without punchthrough, and the unique benefits of its thick bottom oxide including lower gate charge (per trench width), reduced field-plate-induced breakdown, and improved reliability (since impact ionization and avalanche occur near the thick bottom oxide, not in the vicinity of thin gate oxide). **TrenchDMOS Technology** includes but is not limited to the processes, methods, devices, mask designs, and apparatus described in United States and foreign Patents and Patent applications listed in **Exhibit** B along with any improvements, derivatives, continuation patents, foreign filings, CIP applications, and all work by AATI or its employees related to **TrenchDMOS Technology** preceding said applications (dating back to September 1998) continuing through the term of this Agreement. **TrenchDMOS Technology** features includes but is not limited to the features, device structures, apparatus and fabrication methods listed in **Exhibit C. TrenchDMOS Technology** collectively comprises processes and methods to manufacture N-channel and P-channel TrenchDMOS Products, for any and all drain-to-source and gate-to-source device voltage ratings (referred to herein as "Process Types").

1.24 "Net Sales" means the gross selling die or wafer price (depending on how such is sold) invoiced by MAGNACHIP, its affiliates and authorized manufacturers on sales or other dispositions of MAGNACHIP Licensed Products, less the following items to the extent they are included in such gross revenues and separately stated on the invoice: (i) normal and customary rebates, refunds and discounts actually given by seller, (ii) insurance, transportation and other delivery charges actually paid by seller, (iii) sales, excise, value-added and other taxes, and (iv) testing and packaging costs (v) backmetal and backgrind performed as a service to MAGNACHIP by any 3rd party vendor. Sales between MAGNACHIP, its affiliates and authorized manufacturers shall not be included in Net Sales (but sales or dispositions by MAGNACHIP, its affiliates and authorized manufacturers to third parties shall count as Net Sales). If any MAGNACHIP Licensed Products are

sold or transferred in whole or in part for consideration other than cash, Net Sales shall include the fair market value of such MAGNACHIP Licensed Product. For purposes of this definition of **Net Sales,** "authorized manufacturer" means any entity (other than a MAGNACHIP affiliate) that manufacturers (including any assembly and packaging of MAGNACHIP Licensed Products) and sells MAGNACHIP Licensed Products under authority, directly or indirectly, from MAGNACHIP.

1.25 "Non-Competing Products" means (i) Products comprising or containing vertical power MOSFETs that operate above 35V (i.e., have a drain to source breakdown voltage specification in excess of 35V), or (ii) Products that do not comprise or contain vertical power MOSFETs (including conventional planar lateral MOSFETs). For clarity, vertical MOS-bipolar merged devices such as the MOS gated thyristor, emitter switch thyristors, or IGBTs (insulated gate bipolar transistors) whether conventional or trench-gated are **Non-Competing Products.** Specific examples of Non-Competing Products are listed in **Exhibit D.**

1.26 "Other Technology" means all designs, technology and information other than AATI Discrete Technology and beyond the scope of this Agreement. Other Technology includes, without limitation, ModularBCD Technology as defined in the License Agreement (ModularBCD) between AATI and MAGNACHIP of even date with this Agreement.

1.27 "Party" means each of AATI and MAGNACHIP (and collectively **"Parties"** means both MAGNACHIP and AATI). The term Party (whether referred to as a "Party" or "Parties" or "AATI" or "MAGNACHIP") does not include any affiliates of such Party except for wholly owned subsidiaries, unless expressly agreed upon in writing by both Parties. In addition, the terms Party, AATI, MAGNACHIP and Parties shall not include any assignees or successors in interest except as provided for under **Section 13.3.**

1.28 "Process Type" means the process variations of TrenchDMOS Technology in conductivity type, epitaxial doping, and gate oxide thickness that sets the device voltage ratings for drain minimum avalanche breakdown (i.e., BVdss) and for maximum gate voltage (i.e., itsV_{GS}(max) specification). **Process Types** are coded by their ratings using the nomenclature Polarity-BV_{DSS}-V_{GS}(max). A TrenchDMOS Process Type P3020, for example, refers to a P-channel device with a 30V drain rating and a 20V maximum gate voltage rating. Other **Process Types** in TrenchDMOS Technology include; P2012, P1208, N3020, N3012, and N2012.

1.29 "Products" means semiconductor devices; integrated circuits, discrete transistors; or semiconductor components; whether in wafer form or separated into individual dice (chips), whether assembled into packages, modules, chip-scale packages, bumped, or otherwise unassembled, whether tested or untested. Products include both Competing Products and Non-Competing Products.

1.31 "Customer" means any third party purchaser of products under this Agreement who is not an affiliate, parent company or subsidiary of MAGNACHIP or AATI.

1.32 "Release-to-Manufacturing (RTM) Date" means the date when the first TrenchDMOS Product using TrenchDMOS Technology is successfully qualified for a particular TrenchDMOS Process Type, i.e., for a given drain and gate voltage specification. The **RTM Date** requires the successful fabrication and burn-in qualification of three (3) wafer runs of said Product for that Product Type. Thereafter both Product and TrenchDMOS Technology are qualified and manufacturing production *for that particular* Process Type can commence. Each specific Process Type (e.g. N2012, P3020) will require separate qualification to constitute a Release-to-Manufacturing (RTM) for that Process Type.

1.33 "Third Party" means any company, corporation, partnership, person or commercial entity other than a Party.

2. TERMINATION OF ORIGINAL AGREEMENT

AATI and MAGNACHIP hereby tenninate the Original Agreement in its entirety, and notwithstanding anything therein to the contrary all terms and conditions thereof are hereby terminated, no longer in force or effect and hereby replaced by the terms and conditions of this Agreement; *provided however,* (1) all Confidential Information and technology delivered or provided under the Original Agreement is hereby deemed subject to the terms of this Agreement and (2) all amounts owing under the Original Agreement shall continue to be owed, and the respective audit and reporting provisions of the Restated Agreement shall apply thereto. The Parties hereby waive all rights to notice of termination as may be otherwise provided under the Original Agreement or applicable laws. Except as expressly provided herein, all other Agreements between the Parties remain in effect in accordance with their own terms.

3. LICENSE

3.1 License by AATI

(a) Subject to the terms and conditions set forth in this Agreement, AATI hereby grants and agrees to grant to MAGNACHIP, and MAGNACHIP accepts, the following license:

(i) a non-exclusive and non-transferable (except pursuant to **Section 13.3),** license under the AATI Intellectual Property to:

(1) make at the Facility (but not have made elsewhere), design, develop, offer to sell, sell, use, import, and otherwise dispose of the MAGNACHIP Licensed Products;

(2) practice, at the Facility, any *process or method* involved in the manufacture or use of MAGNACHIP Licensed Products; and

(3) to make, use and have made any *manufacturing apparatus* involved in the manufacture or use of MAGNACHIP Licensed Products.

(ii) a non-exclusive nontransferable (except pursuant to **Section 13.3)** license under the AATT Intellectual Property to use the AATI Discrete Technology for the sole purpose of manufacturing and repairing AATI Products, at the Facility, for distribution to AATI and such other third parties that AATI may designate in writing from time to time.

(iii) a non-exclusive and non-transferable (except pursuant to **Section 13.3),** license on a world-wide basis under the AATI Intellectual Property to use, reproduce modify and make derivative works of the copyrightable materials of the AATI Discrete Technology solely for use in connection with the exercise of the license granted in **Section 3.1(a)(i)** and **(ii).**

(b) MAGNACHIP Licensed Products shall be royalty-bearing in accordance with **Section 6.**

(c) MAGNACHIP shall have no license under the AATI Intellectual Property to supply AATI Products or Competing Products to any party other than AATI or, in the case of Competing Products only, to the Customers designated on **Exhibit H's** without AATI's prior written approval. Further, for clarity and notwithstanding anything to the contrary set forth in this Agreement, to the extent **(i)** a MAGNACHIP License Product includes or relies upon both AATI Discrete Technology and Other Technology, or (ii) the practice of any rights granted under this **Section 3.1** infringes or misappropriates any AATI Intellectual Property due to such Other Technology, then (iii) the use of the Other Technology shall not be considered licensed under this

Agreement, but shall instead require a separate license from AATI (which AATI may grant or withhold in its sole discretion). The parties acknowledge that AATI and MAGNACHIP have executed a separate License Agreement (ModularBCD) concurrently with this Agreement.

(d) MAGNACHIP shall have the right, upon prior approval of AATI in writing, to sublicense to Third Parties its right under **Section 3.1(a).** Except as expressly provided in this **Section 3.1,** MAGNACHIP shall have no right to sublicense the rights granted in this **Section 3.1.**

3.2 License by MAGNACHIP

(a) Subject to the terms and conditions set forth in this Agreement, MAGNACHIP hereby grants and agrees to grant to AATI, and AATI accepts, a non-exclusive, irrevocable, royalty free, fully paid-up and non-transferable (except pursuant to Section **13.3,** and, under no circumstances, to any other manufacturer of the Products apart from MAGNACHIP), and only for the Term of this Agreement, license on a world-wide basis under the MAGNACHIP Intellectual Property to:

(i) make and have made AATI Licensed Products solely in the Facility,

(ii) offer to sell, sell, use, design, develop, import, and otherwise dispose of AATI Licensed Products made or to be made in the Facility,

(iii) practice, solely within the Facility, any *process or method* involved in the manufacture of the AATI Licensed Products,

(iv) to practice any process or method involved in the use of the AATI Licensed Products made in the Facility, and

(v) make and have made any *manufacturing apparatus* involved in the manufacture or use of AATI Licensed Products that incorporates or is based upon MAGNACHIP Technology and to use such apparatus exclusively at the Facility.

3.3 Restrictions. Except as expressly authorized herein, in no event shall MAGNACHIP utilize any AATI Discrete Technology in connection with the design, manufacturing, distribution or sale of any Competing Product without the prior written permission of AATI. In no event shall MAGNACHIP utilize any AATI Discrete Technology in connection with the design, manufacturing, distribution or sale of any Product that includes an integrated circuit and a Product that uses AATI Discrete Technology in a single package without the prior written permission of AATI. MAGNACHIP agrees to provide AATI at least thirty (30) days prior written notice prior to MAGNACHIP**'s** manufacture, distribution or sale (or assisting others with regard to the same) of any Competing Product, except as provided for under **Exhibit H.** At no time may AATI utilize MAGNACHIP Licensed Products or MAGNACHIP Intellectual property in connection with the design or manufacturing of AATI Products or AATI Licensed Products outside of MAGNACHIP's Facility without MAGNACHIP's expressed written approval.

4. OWNERSHIP AND RESERVATION

4.1 By AATI. Subject to the rights granted to or retained by MAGNACHIP under **Sections 3, 4.2** and **4.3,** the Parties acknowledge and agree that as between the Parties, all title to and ownership of all AATI Intellectual Property and AATI Discrete Technology not expressly granted herein shall remain the sole and exclusive property of AATI. Nothing herein shall be construed as granting MAGNACHIP any ownership rights

in the AATI Intellectual Property and AATI Discrete Technology. AATI grants no rights, license or title to its technology beyond the scope of this Agreement, unless otherwise agreed to in writing by both parties.

4.2 By MAGNACHIP Subject to the rights granted to or retained by AATI under **Sections 3, 4.1** and **4.3,** the Parties acknowledge and agree that as between the Parties, all title to and ownership of all MAGNACHIP Technology and MAGNACHIP Intellectual Property not expressly granted herein shall remain the sole and exclusive property of MAGNACHIP. Nothing herein shall be construed as granting AATI any ownership rights in the MAGNACHIP Intellectual Property and MAGNACHIP Technology. MAGNACHIP grants no rights, license or title to its technology beyond the scope of this Agreement, unless otherwise agreed to in writing by both parties.

4.3 Improvements. With respect to any Improvements, ownership shall be allocated as follows:

(a) **AATI Improvements.** All Improvements to AATI Discrete Technology that are created or conceived solely by AATI shall be solely owned by AATI (the **"AATI Improvements").** AATI shall own all right, title, and interest in the **AATI Improvements** and all Intellectual Property therein (excluding MagnaChip' rights in and ownership of any Joint Improvement under **Section 4.3(c)** below), AATI shall have the exclusive right to apply for or register any patents, mask work rights, copyrights, and such other proprietary protections with respect thereto. Nothing herein shall be construed as granting MAGNACHIP any ownership rights in the AATI Intellectual Property and AATI Discrete Technology. AATI grants no rights, license or title to such technology and/or Intellectual Property outside the scope of this Agreement.

(b) **MAGNACHIP Improvements** All Improvements to MAGNACHIP Technology that are created or conceived solely by MAGNACHIP shall be solely owned by MAGNACHIP (the **"MAGNACHIP Improvements"**). MAGNACHIP shall own all right, **title,** and interest in the MAGNACHIP Improvements, and all Intellectual Property therein (excluding AATPs rights in and ownership of any Joint Improvement under **Section 4.3(c)** below). MAGNACHIP shall have the exclusive right to apply for or register any patents, mask **work** rights, copyrights, and such other proprietary protections with respect thereto. Nothing herein shall be construed as granting AATI any ownership rights in the MagnaChip Intellectual Property and MagnaChip Technology. MagnaChip grants no rights, license or title to such technology and/or Intellectual Property outside the scope of this Agreement.

(c) **Joint Improvements.** Any Improvement which is jointly created or conceived by the Parties pursuant to this Agreement shall:

(i) if created or conceived as an Improvement to AATI Discrete Technology as a result of the licenses granted to MAGNACHIP in **Section 3** or access to the AATI Discrete Technology or AATI Confidential Information, be considered:

(1) a **"Joint Improvement"** under this **Section 4.3(c),** if falling *outside* the AATI Field; or

(2) an **"AATI Improvement"** under **Section 4.3(a),** if falling *within* the AATI Field; and

(ii) if created or conceived as an Improvement to MAGNACHIP Technology as a result of the licenses granted to AATI in **Section 3** or access to the MAGNACHIP Technology or MAGNACHIP Confidential Information, be considered:

(1) a **"Joint Improvement"** under this **Section 4.3(c),** if falling *outside* the MAGNACHIP Field; or

(2) a **"MAGNACHIP Improvement"** under **Section 4.3(b),** if falling *within* the MAGNACHIP Field.

(iii) The Parties shall cooperate with each other in obtaining and securing all possible United States and foreign rights to the Joint Improvements and enforcing such rights. The Parties agree to meet and confer prior to any public dissemination, use or sale of **Joint Improvement** in order to ensure that any related patent applications have been filed prior to such event, and shall not make such dissemination, use or sale of Joint Improvement until related patent applications have been filed. The Parties shall share equally in the costs of obtaining Joint Improvement rights which are jointly owned, including but not limited to the costs of preparing, filing and prosecuting applications and patent maintenance fees. If a Party determines that it does not want to pursue or continue to pursue obtaining a particular **Joint Improvement** right which otherwise would be jointly owned, and the other Party elects to do so (the "electing party"), the cost related to that particular Joint Improvement right shall be borne solely by the electing Party and the electing Party shall have sole and full ownership of such **Joint Improvement** right, including any derivatives, continuations, divisions, reissues and reexaminations of that **Joint Improvement** right.

(iv) MAGNACHIP hereby irrevocably transfers, conveys and assigns to AATI all of its right, title, and interest in any Improvements described in **Section 4.3(c)(i)(2)** (AATI Improvement). MAGNACHIP shall execute such documents, render such assistance, and take such other action as AATI may reasonably request, at AATI's expense, to apply for, register, perfect, confirm, and protect AATI rights to such Improvements, and all Intellectual Property therein. AATI hereby irrevocably transfers, conveys and assigns to MAGNACHIP all of its right, title, and interest in any Improvements described in **Section 4.3(c)(ii)(2)** (MAGNACHIP Improvement). AATI shall execute such documents, render such assistance, and take such other action as MAGNACHIP may reasonably request, at MAGNACHIP's expense, to apply for, register, perfect, confirm, and protect MAGNACHIP's rights to such Improvements, and all Intellectual Property therein.

(v) MAGNACHIP and AATI shall each have the right to exploit all Joint Improvements (that are not AATI Improvements or MAGNACHIP Improvements) without being required any additional payment to the other, *provided however,* in the event a Party refuses to cooperate and pay costs related to the Joint Improvement under **Section 4(c)(iii),** such Party shall nave no rights to use or exploit such Joint Improvement under the terms of this Agreement.

(d) **Independently Developed.** Notwithstanding the above, to the extent that any Improvements is solely created by a Party under this Agreement, without reference or use of the other Party's Technology, Intellectual Property or Confidential Information (as defined below), then such Party shall exclusively own such Improvements.

4.4 Waiver of Moral Rights. Each party hereby waives any and all "moral rights," meaning any right to identification of authorship or limitation on subsequent modification that a party (or its employees, agents or consultants) has or may have in the other party's Improvements, to the extent recognized by applicable law consistent with Berne Convention, art. 6bis.

4.5 Attorney in Fact. Each Party assigning any rights under this **Section 4** hereunder (the **"Assignor")** agrees that if the other Party (the **"Assignee")** is unable because of Assignor's unavailability, dissolution or incapacity, or for any other reason, to secure Assignor's signature to apply for or to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the inventions assigned to Assignee above, then Assignor hereby irrevocably designates and appoints the company and its duly authorized officers and agents as Assignor's agent and attorney in fact, to act for and in Assignor's behalf and stead to execute and file any such applications and to do all other lawfully pennitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by Assignor. This power of attorney is deemed coupled with an interest and is irrevocable.

4.6 Non-Exclusive Arrangement. Nothing in this Agreement shall be construed to limit AATI's rights to manufacture, distribute or take any other action with respect to the AATI Products, AATI Discrete Technology, AATI Improvements or AATI Confidential Information or to authorize any other persons to do any of the foregoing except as it relates to MAGNACHIP Technology or *Improvements to MAGNACHIP Technology* pursuant to **Section 4.3**. Likewise nothing in this Agreement shall be construed to limit MAGNACHIP's rights to manufacture, distribute or take any other action with respect to the MAGNACHIP Products, MAGNACHIP Technology, MAGNACHIP Improvements or MAGNACHIP Confidential Information or to authorize any other persons to do any of the foregoing, except as it relates to AATI Discrete Technology or *Improvements to* AATI Discrete Technology pursuant to **Section 4.3**

5. TECHNOLOGY DELIVERY & IMPLEMENTATION.

5.1 AATI Discrete Technology. As of the Effective Date, AATI has delivered to MAGNACHIP the AATI Discrete Technology as outlined in **Exhibit E.** AATI may (but is not obligated to) supplement the AATI Discrete Technology.

5.2 MAGNACHIP Technology; Upon the recommendation of MAGNACHIP or upon agreement of both Parties, MAGNACHIP will deliver to AATI the **MAGNACHIP Technology** listed in **Exhibit F** that may be applicable and useful in adapting and implementing the AATI Discrete Technology in said Facility. It is understood by both Parties that the applicability of such **MAGNACHIP Technology** to AATI Discrete Technology Implementation may vary by Facility. Thereafter, as agreed upon by both Parties, certain processing steps, **methods,** or features in the AATI Discrete Technology (such as unit process steps in the TrenchDMOS process flow) may be adapted to incorporate **MAGNACHIP Technology** or variants thereof. MAGNACHIP may (but is not obligated to) supplement the **MAGNACHIP Technology** at a later date.

5.3 AATI Discrete Technology Implementation. Both Parties have, as of the Effective Date, implemented, the AATI Discrete Technology in said Facility in accordance with the procedures for AATI Discrete Technology Implementation as described in **Exhibit G.**

(i) **Adapting AATI Discrete Technology for Facility.** In the event that AATI Discrete Technology is adapted or modified to best match or fit said Facility by utilizing MAGNACHIP Technology in certain steps or processes, such steps or techniques that constitute MAGNACHIP Technology shall remain the property of MAGNACHIP. Those portions of the AATI Discrete Technology not using MAGNACHIP Technology along with the integrated process flow of TrenchDMOS Technology constitute AATI Discrete Technology and shall remain the property of AATI.

(ii) Initial AATI Discrete Technology Implementation. The initial implementation of AATI Discrete Technology in said Facility does NOT constitute an Improvement to AATI Discrete Technology.

(iii) **Initial AATI Discrete Technology Implementation Milestones.** Both Parties will use commercially reasonable efforts to meet the milestones of the initial AATI Discrete Technology Implementation including efforts to meet the objective *Release-to-Manufacturing (RTM) Date*

6. ROYALTIES AND PAYMENT TERMS.

6-1 Royalty.

(a) MAGNACHIP shall pay [*****] royalty for Products its produces for and sells to AATI (or AATI's affiliate as designated in writing by contract from AATI). AATI's wafer price from MAGNACHIP is covered under the AATI MAGNACHIP supply agreement and is not covered by this Agreement.

(b) In the case of Non-Competing Products, MAGNACHIP shall pay AATI [*****] royalty of Net Sales of all wafers produced using or incorporating the AATI Intellectual Property licensed herein (such MAGNACHIP payment to be offset by any payment due from AATI pursuant to Section 5.4 below); provided, however, that the Parties agree that the foregoing royalty rate is based on a presumption of a [*****] withholding tax rate as of the Effective Date, and so the Parties agree to negotiate in good faith an increase or decrease in such royalty rate at any time the withholding tax rate changes after the Effective Date. Customer shall be responsible for its own designs or pay for AATI's design with a release to AATI. Customer and/or MagnaChip shall be responsible for the qualification, orders, shipping logistics and quality.

(c) In the case of Competing Products, MAGNACHIP shall pay AATI the royalty identified in **Exhibit H** of Net Sales to the identified Customer of all wafers produced using or incorporating the AATI Intellectual Property licensed herein. The Parties anticipate that such royalties will be [*****] (depending on volume) of such Net Sales to the identified Customers of all wafers, or as otherwise agreed to by both parties in writing.

(d) Both parties agree that they will review the pricing structure hereunder on an annual basis to ensure the pricing structure is mutually agreeable, and adjust such accordingly. In the event that a customer provides the Starting Material, the parties agree to adjust the foregoing Net Sales price by (I) deducting the actual third party costs of such Starting Material or (2) otherwise agreeing upon a commercially reasonable value for Starting Material and deducting such agreed upon value from the Net Sales price. AATI reserves the right to charge additional consideration directly to such customers (as opposed to MAGNACHIP) for such Competing Products. In such cases, (1) MAGNACHIP makes no representation to AATI with respect to the qualification and product quality; (2) AATI, at its election, may choose to assist such customers with respect to qualification and product quality; and (3) as between AATI and MAGNACHIP, MAGNACHIP shall be responsible for shipping logistics, orders and process quality of wafers.

6.2 Payment Within thirty (30) days following the end of each calendar quarter, MAGNACHIP and AATI shall pay their respective royalty payments on invoices paid by the third party in U.S. Dollars and shall include a report sufficient to show the basis for calculation of the royalty payments made hereunder, including without limitation, quantity and identification of all Competing and Non-Competing Products ("**Report**"). Upon AATI approval, in lieu of payment on a quarterly basis MAGNACHIP may pay such outstanding royalties by issuing a credit against outstanding AATI invoices or toward new wafer starts for Products from MAGNACHIP.

6.3 Records and Audit. Each party shall retain records and supporting documentation sufficient to document the fee payable under this Agreement in any particular quarter in which this Agreement is in effect for at least three years following the end of such quarter and its compliance with **Section 6.2.** Upon prior

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

reasonable written notice of no less than sixty (60) days by one party, the other party shall provide to a nationally recognized independent public accounting firm (the **"Auditors"**) designated in writing by that party access during normal business hours to the audited party's personnel, outside accountants and data and records maintained in connection with this Agreement, in each case to the extent necessary or appropriate for the purpose of determining whether (i) calculations of the royalties payable under this Agreement are accurate and in accordance with this Agreement and/or (ii) MAGNACHIP has offered most favorable pricing to AATI in accordance with **Section 6.2** (an **"Audit").** Audits will be conducted no more frequently than once per calendar year. Each Party agrees to use commercially reasonable efforts to assist such Auditors in connection with such Audits. Any such Audits shall be conducted at the requesting party's sole cost and expense.

6.4 Taxes. Each Party shall bear any and all taxes and other charges incurred by or levied on it by its own country in connection with this Agreement, provided, however, that AATI shall bear fifty percent (50%) of any withholding or similar tax for foreign payments that is levied by the Korean Government upon any amounts due from MAGNACHIP to AATI under this Agreement, and MAGNACHIP is entitled to offset such AATI payment obligation from any amounts actually paid by MAGNACHIP to AATI under this Agreement, including but not limited to amounts due pursuant to **Sections 6.1(b)** and **6.1(c)** above. MAGNACHIP will furnish AATI with each tax receipt issued by the Korean taxing authority to assist AATI in obtaining the credit in the United States.

7. WARRANTY AND DISCLAIMER.

7.1 General. Each Party represents and warrants to the other that:

(a) it has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement; and

(b) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all requisite corporate action on the part of such Party

7.2 EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS **SECTION 7,** NEITHER PARTY MAKES ANY OTHER WARRANTIES WITH RESPECT TO THE TECHNOLOGY AND INTELLECTUAL PROPERTY RIGHTS LICENSED HEREUNDER, WHETHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

8. TERM AND TERMINATION OF AGREEMENT.

8.1 Term. This Agreement shall have an initial term of three (3) years but shall be automatically renewed thereafter (and after each subsequent renewal term) for a renewal term of one year unless, at least sixty (60) days prior to the date of any such renewal, either Party hereto shall have given notice in writing to the other of its intention to terminate the Agreement. This Agreement shall thereafter be automatically terminated at the end of the term during which such notice is given.

8.2 Termination for Default. Should either Party materially default in the performance of any term or condition of this Agreement (a **"Default"),** in addition to all other legal rights and remedies, the other Party may terminate this Agreement by giving thirty (30) days written notice of said Default unless such Default is corrected within the notice period.

8.3 Termination for Bankruptcy: Either Party may terminate this Agreement by written notice in the event that the other Party makes an assignment for this benefit of creditors, or admits in writing inability to pay debts as they become due; or a Trustee or receiver for any substantial part of its assets is appointed by any court; or a proceeding is instituted under a provision of the Federal Bankruptcy Act by or against the other Party and is acquiesced in or is not dismissed within 60 days or results in an adjudication in bankruptcy. An assignment by AATI of all or part of its rights to payment hereunder as part of a working capital financing shall not be deemed cause for termination under this paragraph.

8.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, all licenses shall immediately terminate. Each Party shall return the Confidential Information of the other Party within thirty (30) days after the effective date of such termination or expiration. In addition **Sections 1, 2, 4, 6.3, 7, 8, 9, 10, 11, 12 and 13** shall survive any expiration or termination of this Agreement.

9. INTELLECTUAL PROPERTY RIGHTS INDEMNITY.

9.1 By MAGNACHIP.

(a) MAGNACHIP will defend or settle, at its expense, all claims, proceedings and/or suits brought by Third Parties against AATI, its Affiliates (including their directors, officers, and employees) and customers alleging that the MAGNACHIP Technology as provided by MAGNACHIP to AATI hereunder infringes or violates any patent, copyright, trade secret or other intellectual property right (herein "**Infringement Claim**") and will indemnify AATI from and pay all litigation costs, reasonable attorney's fees, settlement payments (subject to reasonable approval by MagnaChip) and damages awarded by a court having jurisdiction over such Infringement Claim with respect to any Infringement Claim; and provided that MAGNACHIP shall be relieved of its obligations under this **Section 9.1** unless AATI promptly notifies MAGNACHIP in writing of any such Infringement Claim and gives MAGNACHIP sole control, full authority, information and assistance (at MAGNACHIP's expense) for the defense or settlement of such Infringement Claim.

(b) Without limiting its obligations under **Section 9.1(a),** when notified of an action or motion that seeks to restrict the use, sale and/or distribution of any MAGNACHIP Technology hereunder (or part thereof), MAGNACHIP may but is not required nor obligated to, at its option and expense, (1) obtain the right for AATI to use the MAGNACHIP Technology as licensed hereunder, (2) substitute other functionally equivalent technology that does not infringe, or (3) modify such MAGNACHIP Technology so that it no longer infringes.

(c) Notwithstanding any provision to the contrary, the indemnification obligations in this **Section 9.1** shall not be applicable to the extent an Infringement Claim arises from (l) use of the MAGNACHIP Technology in violation of the license terms herein, (2) the modification of any MAGNACHIP Technology by AATI, or (3) a combination of the MAGNACHIP Technology with other technology not provided by MAGNACHIP. THE FOREGOING **SECTION 9.1** STATES THE SOLE LIABILITY OF MAGNACHIP, AND THE SOLE REMEDY OF AATI, WITH RESPECT TO INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT BY THE MAGNACHIP TECHNOLOGY OR MAGNACHIP INTELLECTUAL PROPERTY UNDER THIS AGREEMENT.

9.2 Bv AATI.

(a) AATI will defend or settle, at its expense, all claims, proceedings and/or suits brought by Third Parties against MAGNACHIP, its Affiliates (including their directors, officers, and employees) alleging

that AATI Discrete Technology as provided by AATI to MAGNACHIP hereunder infringes or violates any patent, copyright, trade secret or other intellectual property right (herein "**Claim**") and will indemnify MAGNACHIP from and pay all litigation costs, reasonable attorney's fees, settlement payments (subject to AATI's reasonable approval) and damages awarded by a court having jurisdiction over such Claim with respect to any such Claim; and provided that AATI shall be relieved of its obligations under this **Section 9.2** unless MAGNACHIP promptly notifies AATI in writing of any such Claim and gives AATI sole control, full authority, information and assistance (at AATI's expense) for the defense or settlement of such Claim.

(b) Without limiting its obligations under **Section 9.2**(a), when notified of an action or motion that seeks to restrict the use, sale and/or distribution of any AATI Discrete Technology hereunder, (or part thereof), AATI may but is not required nor obligated to, at its option and expense, (1) obtain for MAGNACHIP the right to use the AATI Discrete Technology licensed hereunder, (2) substitute other functionally equivalent technology that does not infringe, or (3) modify such technology so that it no longer infringes.

(e) Notwithstanding any provision to the contrary, the indemnification obligations in this **Section 9.2** shall not be applicable to the extent a Claim arises from (I) use of the AATI Discrete Technology in violation of the license terms herein or (2) modification of the AATI Discrete Technology by a party other than AATI, or (3) a combination of the AATI Discrete Technology with other technology not provided by AATI or (4) MAGNACHIP acting as a foundry to any Third Party that is an AATI Intellectual Property licensee, provided, however, that AATI has, in its written consent granting permission to MAGNACHIP to act as a foundry to such Third Party licensee, provided a written representation reasonably satisfactory to counsel to MAGNACHIP that AATI has indemnified such Third Party licensee from and against all claims, proceedings and/or suits brought against the Third Party licensee and alleging that AATI intellectual property as provided by AATI to the Third Party licensee infringes or violates any patent, copyright, trade secret or other intellectual property right. THE FOREGOING **SECTION 9.2** STATES THE SOLE LIABILITY OF AATI, AND THE SOLE REMEDY OF MAGNACHIP, WITH RESPECT TO INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT BY AATI DISCRETE TECHNOLOGY PROVIDED TO MAGNACHIP BY AATI UNDER THIS AGREEMENT.

(d) AATI will provide indemnity to Customers on substantially the same terms provided to MAGNACHIP as described in this **Section 9.2** provided that 1) MAGNACHIP has identified to AATI in writing any Customer for which indemnity is sought prior to any sales to that Customer under this Agreement and 2) AATI has not specifically rejected such Customer in writing within fifteen (15) business days of MAGNACHIP'S notification thereof.

10. OTHER INDEMNITIES. Notwithstanding anything to the contrary in this Agreement or any Exhibit hereto, each Party agrees to defend, indemnify and hold the other harmless from and against any and all claims, liability for damages, costs and expenses (including reasonable attorney's fees and disbursements) for any noncompliance by said Party or its Affiliates or agents with the laws, rules or regulations of any jurisdiction, including export control laws.

11. LIMITATION OF LIABILITY.

EXCEPT FOR A BREACH OF **SECTIONS 3.1(c)** or **12** or LIABILITY UNDER **SECTIONS 9 AND 10,** IN NO EVENT WILL EITHER PARTY BE LIABLE FOR LOST PROFITS OR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE, INCIDENTAL, OR INDIRECT DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING WITHOUT LIMITATION, NEGLIGENCE), ARISING OUT OF OR RELATED TO THIS AGREEMENT WHETHER OR NOT SUCH

PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY ACKNOWLEDGES THAT FEES AGREED UPON BY THE PARTIES ARE BASED IN PART UPON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. NOTWITHSTANDING THE FOREGOING, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO ANY CLAIM WITH RESPECT TO DEATH OR PERSONAL INJURY.

EXCEPT FOR A BREACH OF **SECTIONS 3.1(c) or 12,** IN NO EVENT SHALL EITHER PARTY'S LIABILITY UNDER THIS AGREEMENT EXCEED THE AMOUNT OF U.S.FIVE MILLION DOLLARS (US$5,000,000.00) IN THE AGGREGATE.

12. CONFIDENTIALITY OF INFORMATION.

12.1 Each Receiving Party shall safeguard the Confidential Information and keep it in strict confidence, and shall use reasonable efforts, consistent with those used in the protection of its own confidential information of similar nature and significance, to prevent the disclosure of such Confidential Information to Third Parties.

12.2 A Receiving Party shall limit the dissemination of the Confidential Information to only its shareholders, directors, officers, employees and agents, who have a specific need to know such Confidential Information for the purpose for which such Confidential Information is disclosed and prevent the dissemination of such Confidential Information to Third Parties; *provided however* a Receiving Party may disclose Confidential Information of the a Disclosing Party to the extent required to do so under applicable law. In the event such disclosure is required, the Receiving Party shall provide prompt prior written notice to the Disclosing Party, shall use commercially reasonable efforts to limit any such disclosure, shall cooperate in a reasonable manner with the Disclosing Party in resisting such disclosure, and provide sufficient time, if possible, for the Disclosing Party to seek a protective order or other legal recourse against disclosure.

12.3 Each Receiving Party shall not use or disclose the Confidential Information for any purposes other than for the performance of this Agreement.

12.4 The Parties shall keep the terms of this Agreement confidential and shall not now or hereafter divulge these terms to any Third Party except:

(a) with the prior written consent of the other Party; or

(b) to any governmental body having jurisdiction to call therefore; or

(c) as otherwise may be required by law or legal process, including to legal and financial advisors in their capacity of advising a Party in such matters; or

(d) to the extent reasonably necessary to comply with United States law in a filing with the Securities and Exchange Commission, or other governmental agency; or

(e) during the course of litigation so long as the disclosure of such terms and conditions are restricted in the same manner as is the confidential information of other litigating Parties and so long as (1) the restrictions are embodied in a court-entered protective order and (2) the disclosing Party informs the other Party in writing at least ten (10) days in advance of the disclosure; or

(f) in confidence to legal counsel, accountants, banks and financing sources and their advisors solely in connection with financial transactions or other corporate transactions, and said persons are held to the same level of confidentiality as set forth herein.

12.5 Nothing contained in this **Section 12** shall be construed as granting or conferring any rights, licenses or establishing relationships by the disclosure or transmission of a Disclosing Party's Confidential Information.

12.6 All Confidential Information disclosed to or received by a Receiving Party's under this Agreement shall always remain the property of the Disclosing Party, except for the license granted herein or other terms or conditions expressly provided herein. Upon the expiration or termination of this Agreement, the Receiving Party shall return to the Disclosing Party all Confidential Information and any documents or storage media (including any and all transcripts and copies thereof) recording such Confidential Information.

12.7 The confidentiality obligations set forth in this Article shall not apply to any information which:

(a) is already known by the Receiving Party at the time of its receipt from the Disclosing Party; or

(b) is or becomes publicly available or known through no breach of this **Section 12,** or any other agreement between the Parties by the Receiving Party; or

(c) is made available to a Third Party by the Disclosing Party without any restriction on disclosure; or

(d) is rightfully received by the Receiving Party from a Third Party who is not restricted from disclosing such information and is not in wrongful possession of such information; or

(e) can be demonstrated has been independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information; or

(f) is disclosed with the prior written consent of the Disclosing Party.

12.8 Each Receiving Party acknowledge that any disclosure or dissemination of any Confidential Information of the Disclosing Party which is not expressly authorized under this Agreement is likely to cause irreparable injury to such Disclosing Party, for which monetary damages is not likely to be an adequate remedy, and therefore such Party shall be entitled to equitable relief, without the posting of bond or security, in addition to any remedies it may have under this Agreement or at law.

13. GENERAL.

13.1 Independent Contractors. The Parties hereto are independent contractors. Nothing contained herein will constitute either Party the agent of the other Party, or constitute the Parties as partners or joint ventures. MAGNACHIP shall make no representations or warranties on behalf of AATI with respect to the MAGNACHIP Licensed Products or AATI Discrete Technology.

13.2 Days. Unless otherwise indicated, the term "days" used in this Agreement is assumed to be calendar days.

13.3 Assignment. Neither Party may assign or delegate this Agreement or any of its licenses, rights or duties under this Agreement, directly or indirectly (in a single transaction or any series of transactions), by operation of law or otherwise, without the prior written consent of the other Party. Notwithstanding, a Party may assign this Agreement to an affiliate of such Party and in the case of a re-incorporation, reorganization or a sale or other transfer of substantially all such Party's assets or equity, including, without limitation, either Party's right to sell all or spin-off all or substantially all of its assets to which this Agreement relates, whether by sale of assets or stock or by merger or other reorganization that the assignee has agreed in writing to be bound by all the terms and conditions of this Agreement, and further, provided that in no event shall either party (or its permitted successors) assign or transfer (in a single transaction or any series of transactions) this Agreement or any of its licenses, rights or duties hereunder, to a party primarily engaged in the manufacture, marketing or sale of a product that directly competes with the products of the other party without the prior written permission of such other party. Upon any such attempted prohibited assignment or delegation, such assignment shall be deemed null and void, and this Agreement will immediately automatically terminate. Subject to the terms of this **Section 13.3,** this Agreement will inure to the benefit of each Party's successors and assigns.

13.4 Notices. Any notice required or permitted to be given by either Party under this Agreement will be in writing or by email and will be deemed given: (i) one day after pre-paid deposit with a commercial courier service (e.g., DHL, FedEx, etc.), (ii) upon receipt, if personally delivered, (iii) three days after deposit, postage pre-paid, with first class airmail (certified or registered if available), or (iv) upon receipt, when sent by facsimile or e-mail (with a confirmation copy to follow by regular U.S. Mail), in any such case, to the other Party at its address below, or to such new address as may from time to time be supplied hereunder by the Parties hereto:

Notice Address for AATI:

Advanced Analogic Technologies Inc.
830 E. Arques Ave.
Sunnyvale, California 94085
Attn: President
Tel: (408) 737-4600
Fax: (408) 737-4611
Email: richardwilliams@analogictech.com

Notice Address for MAGNACHIP:

MagnaChip Semiconductor, Ltd.
891 Daechi-dong Kangnam-gu, Seoul, South Korea, 135-738

Attn: EVP, GM of SMS Division
Tel: 82-2-3459-3160
Fax: 82-2-3459-4698
Email: channy. lee@magnachip.com

SVP, General Counsel and Secretary
82-2-3459-3073
82-23459-3898
jmcfarland@magnachip.com

13.5 Export Regulations. MAGNACHIP understands and acknowledges that AATI is subject to regulation by agencies of the United States Government, including, but not limited to, the U.S. Department of Commerce, which prohibit export or diversion of certain technology to certain countries. Any obligations of AATI to provide technology are subject in all respects to such United States laws and regulations as from time to time govern the license and delivery of technology and services outside the United States. MAGNACHIP will comply with all applicable laws, and will not export, re-export, transfer, divert or disclose, directly or

indirectly, including via remote access, the AATI Discrete Technology, Products, or any confidential information contained or embodied in the AATI Discrete Technology or Products, or any direct product thereof, except as authorized under the Export Administration Regulations or other United States laws and regulations governing exports in effect from time to time.

13.6 **Payment** Payment must be in U.S. Dollars. All references to "dollars" or "$" in this Agreement mean United States dollars.

13.7 Legal Compliance. MAGNACHIP will comply with all applicable laws in connection with its performance under this Agreement.

13.8 Force Majeure. Neither Party shall be responsible for delays or failures in performance not within its reasonable control resulting from acts of God, strikes or other labor disputes, riots, acts of war, acts of terrorism, plagues and epidemics, governmental regulations superimposed after the facts, communication line failures, power failures, fire or other disasters beyond its control. If it appears that MAGNACHIP's performance hereunder will be delayed for more than ninety (90) days, AATI shall have the right to terminate this Agreement, or to cancel without cancellation charges those Purchase Orders or portions thereof which are affected by the delay.

13.9 Language. This Agreement is in the English language only, which language will be controlling in all respects, and all versions hereof in any other language will not be binding on the Parties hereto. All communications and notices to be made or given pursuant to this Agreement must be in the English language. The Parties hereto confirm that it is their wish that this Agreement, as well as other documents relating hereto, including notices, have been and will be written in the English language only.

13.10 Governing Law. The rights and obligations of the Parties under this Agreement will not be governed by the 1980 U.N. Convention on Contracts for the International Sale of Coods; rather such rights and obligations will be governed by and construed under the laws of the State of California, without reference to its conflict of laws principles.

13.11 Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the existence, validity, breach or termination of this Agreement, whether during or after its term, will be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ***("AAA"),*** as modified or supplemented as follows:

(a) To initiate arbitration, a Party will file the appropriate notice at the AAA. The arbitration proceeding will take place in San Francisco, CA or such other place as the Parties may agree in writing. The arbitration panel will be selected in accordance with the AAA standards. The Parties expressly agree that the arbitrators will be empowered to, at a Party's request, (i) issue an interim order requiring one or more other Parties to cease using and return the requesting Party's Confidential Information and/or (ii) grant injunctive relief.

(b) The arbitration award will be the exclusive remedy of the Parties for all claims, counterclaims, issues or accounting presented or pled to the arbitrators. The award will be granted and paid in U.S. Dollars exclusive of any tax, deduction or offset and will include reasonable attorneys fees and costs. Judgment on the arbitration award may be entered in any court that has jurisdiction thereof. Any additional costs, fees or expenses incurred in enforcing the arbitration award will be charged against the Party that resists its enforcement.

(c) Nothing in this **Section 13.11** will prevent a Party from seeking injunctive relief against another Party from any judicial or administrative authority pending the resolution of a dispute by arbitration. MAGNACHIP acknowledges that a violation of proprietary rights of AATI would result in irreparable injury entitling AATI to injunctive relief.

13.12 Modification and Waiver. No amendment, waiver or any other change in any term or condition of this Agreement will be valid or binding unless mutually agreed to in writing by both Parties. The failure of a Party to enforce any provision of this Agreement, or to require performance by the other Party, will not be construed to be a waiver, or in any way affect the right of either Party to enforce such provision thereafter.

13.13 Severability. If a court or other body of competent jurisdiction finds, or the Parties mutually believe, any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of this Agreement will continue in full force and effect. The Parties shall negotiate in good faith an enforceable substitute provision that most nearly achieves the intent and economic effect of such invalid or unenforceable provision.

13.14 [*****]

13.15 Entire Agreement. The terms and conditions of this Agreement, including all exhibits hereto, constitute the entire agreement between the Parties and supersede all previous agreements and understandings, whether oral or written, between the Parties hereto with respect to the subject matter hereof.

13.16 Authority

(i) **By AATI.** Execution or modification of this Agreement requires the approval of the President (or the CEO) and the Chief Technical Officer (CTO) Of AATI. No other employee of AATI can approve modifications to the Intellectual Property licenses contained herein.

(ii) **By MAGNACHIP.** Execution or modification of this Agreement requires the approval of a representative, officer or director of MAGNACHIP. No other employee of MAGNACHIP can approve modifications to the Intellectual Property licenses contained herein.

13.17 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which taken together shall constitute a single instrument.

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the date and the year herein above written.

MagnaChip Semiconductor, Ltd.:

By: /s/ Channy Lee

Name:	Channy Lee
Title:	Executive Vice President and General Manager of SMS Division
Address:	891 Daechi-dong Kangnam-gu, Seoul, South Korea, 135-738
Facsimile:	82-2-3459-4698

Advanced Analogic Technologies, Inc.:

By: /s/ Richard K. Williams

Name:	Richard K. Williams
Title:	President, Chief Executive Officer (CEO) and Chief Technical Officer (CTO)
Address:	830 E. Arques Ave. Sunnyvale, California 94085
Facsimile:	(408) 737-4611

This amendment ("**Amendment**") is effective from the 16th of October 2006 ("**Effective Date**")

BETWEEN

ARM LIMITED whose registered office is situated at 110 Fulbourn Road, Cambridge CB1 9NJ, United Kingdom ("**ARM**");

and

MAGNACHIP SEMICONDUCTOR LTD whose principal place of business is situated at 891 Daechi-dong, Gangnam-gu, Seoul 135-738, Seoul, Korea ("**MAGNACHIP**")

WHEREAS

A. This Amendment (defined above) refers to and amends the terms and conditions of the technology licence agreement, ARM document number LEC-TLA-00142, between ARM and MAGNACHIP dated 16th December 1996 (the "**Agreement**").

B. The Agreement was assigned by LG Semicon Company Limited to Hyundai Electronics Ltd ("Hyundai") in the month of March 2000.

C. Hyundai changed its name to Hynix Semiconductor Inc ("**Hynix**") on 29th March 2001.

D. MAGNACHIP purchased the system IC business of Hynix on 6th October 2004 and the Agreement was assigned to MAGNACHIP.

E. MAGNACHIP has requested and ARM has agreed to license an additional model to MAGNACHIP under the terms and conditions of the Agreement.

IT IS AGREED AS FOLLOWS:

1. That all definitions contained in the Agreement shall have the same meanings and apply to this Amendment.

2. **Delete the following from Clause 1.22(iii) of the Agreement**

"subject to the payment by MAGNACHIP of the fee(s) set out in Clause 9.2"

and replace with the following:

"subject to the payment by MAGNACHIP of the fee(s) set out in Clauses 9.6a, 9.6b and 9.6c as applicable"

3. **After Clause 9.6, add Clauses 9.6a and 9.6b to the Agreement as follows:**

"9.6a In consideration of ARM agreeing to licence the Model identified in Schedule 3 Part C Item C7 to MAGNACHIP, MAGNACHIP shall pay, to ARM, the sum of [*****] due on the Effective Date of the Amendment.

9.6b In consideration of ARM agreeing to provide support and maintenance services to MAGNACHIP in respect of the Model identified in Schedule 3 Part C Item C7, MAGNACHIP shall pay, to ARM, the [******] due on the Effective Date of the Amendment.

9.6c In the event that MAGNACHIP exercises its option in Clause 13.1b, MAGNACHIP shall pay, to ARM, the sum of [*****] ("**Model Optional Support and Maintenance Fee") due on the first anniversary of the Effective Date of the Amendment."**

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

4. After Clause 13.1 of the Agreement, add Clause 13.1a to the Agreement as follows:

"13.1a Notwithstanding anything to the contrary contained in Clause 13.1, for the period commencing on the Effective Date of the Amendment and ending one (1) year thereafter, ARM shall provide support and maintenance to MAGNACHIP pursuant to this Clause 13 in respect of the Model identified in Schedule 3 Part C Item C7.

13.1b Subject to receipt of notice from MAGNACHIP requesting support and maintenance and payment of the Model Optional Support and Maintenance Fee (defined in Clause 9.6c), for the period commencing on the first anniversary of the Effective Date of the Amendment and ending one (1) year thereafter, ARM shall provide support and maintenance to MAGNACHIP pursuant to this Clause 13 in respect of the Model identified in Schedule 3 Part C Item C7."

5. Add the following to the end of Schedule 3 Part C of the Agreement:

C7	AT010-MS-28607	ARM7TDMI Model	NC-Verilog simulator on Linux platform	N

The terms contained herein are agreed and accepted by the authourised signatories of the respective partics:

ARM LIMITED	MAGNACHIP SEMICONDUCTOR LTD
BY /s/	BY /s/ David J Gampell
NAME	NAME DAVID J GAMPELL
TITLE EVP	TITLE VP ENGINEERING, ISO
DATE 7/11/06	DATE 16 OCT 2006

Exhibit 10.12

TECHNOLOGY LICENCE AGREEMENT

between

ADVANCED RISC MACHINES LIMITED

and

LG SEMICON COMPANY LIMITED

dated

5th OCTOBER 1995

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

This **Technology Licence Agreement** (the "Agreement") is made the 5th day of October 1995

BETWEEN

ADVANCED RISC MACHINES LIMITED whose registered office is situated at Fulbourn Road, Cherry Hinton, Cambridge CB1 4JN, England ("**ARM**")

and.

LG SEMICON COMPANY LIMITED whose principal place of business is situated at 16 Woomyeon-dong, Seocho-gu, Seoul 137-140, Korea ("LGS")

WHEREAS

ARM is the owner of certain Intellectual Property, Intellectual Property Derivatives and the know-how to manufacture the ARM Cores, AMBA and the Peripherals as such terms are defined below.

LGS has requested ARM, and ARM has agreed, to license LGS to manufacture and distribute certain ARM products and thereby to make use of certain portions of the Intellectual Property and Intellectual Property Derivatives as set forth in this Agreement.

Therefore, in consideration of the mutual representations, warranties, covenants, and other terms and conditions contained herein, the parties agree as follows:

1. Definitions

1.1 "ARM Compliant Product" shall mean any single silicon chip developed by LGS which:

(i) contains, at a minimum, an ARM Core or Modified ARM Core; and

(ii) implements an ARM Core or Modified ARM Core which has been verified in accordance with the provisions of Clause 3.

1.2 "ARM7 Core" shall mean the device as described and identified in the ARM7 datasheet: ARM DDI-0020C.

1.3 "ARM7I0a Core" shall mean the device as described and identified in the ARM710a Macrocell datasheet: ARM DDI — 0033C.

1.4 "ARM Core(s)" shall mean, jointly and severally where the context admits, the ARM7 and ARM710a Cores.

1.5 "ARM Instruction Set" shall mean the instruction set as defined in the ARM7 datasheet

1.6 "Authorized Distributor" shall mean those distributors appointed, in writing, by LGS.

1.7 "Confidential Information" shall mean: (i) any trade secrets relating to the ARM Cores and Transfer Materials (ii) any information designated in writing by either party as confidential which if disclosed verbally is reduced to writing within thirty (30) days after its oral disclosure; and (iii) the terms and conditions of this Agreement

1.8 "Effective Date" shall mean the date of this Agreement or the date upon which the Korean Government gives approval to this Agreement, whichever is the later, subject always to the provisions of Clause 18.4.

1.9 "End User Licence" shall mean a licence agreement substantially conforming to that agreement set forth in Schedule 9.

1.10 "Half Year" shall mean each calendar half year ending the 30th June and 31st December of any year.

1.11 "HP" shall mean any Hewlett Packard compatible computer running HP-UX v9.0.3 (and later versions as may be mutually agreed).

1.12 "IBM PC" shall mean any computer, 486 (or above) processor based IBM AT architecture, having, at a minimum, 16Mb RAM, 10Mb hard disc space and running Microsoft DOS v6.2 (and later versions as may be mutually agreed) and, where appropriate, Microsoft Windows v3.11, Windows 95 or Windows NT. ARM will use reasonable endeavours, in collaboration with LGS, to ensure the Software operates on reputable IBM PC compatible computers provided that such operation is not constrained by significant hardware or software deficiencies.

1.13 "Intellectual Property" shall mean any patents, patent rights, trade marks, service marks, registered designs, topography or semiconductor maskwork rights, applications for any of the foregoing, copyright, know-how, unregistered design right, confidential information, any Intellectual Property Derivatives, and any other similar protected rights in any country, which are taken into use in the design, use or production of ARM Cores, AMBA, Peripherals, Software or Transfer Materials.

1.14 "Intellectual Property Derivatives" shall include: (i) for copyrightable or copyrighted material, any translation, abridgement, revision or other form in which an existing work may be recast, transformed or adapted; (ii) for work protected by topography or mask right, any translation, abridgement, revision or other form in which an existing work may be recast, transformed or adapted; (iii) for patentable or patented material, any improvement created by ARM; and (iv) for material protected by trade secret any new material derived from or employing such existing trade secret.

1.15 "LG Affiliate" shall mean each of the companies set forth in Schedule 13.

1.16 "LG Group Company" shall mean each of the companies identified in Schedule 10.

1.17 "LGS Users" shall mean LGS (or any LG Group Company) when incorporating an ARM Compliant Product, distributed pursuant to this Agreement, for use in LGS's (or such LG Group Company's) end user products.

1.18 "LGS Materials" shall mean such of the Transfer Materials (or any additional materials) as are necessary to enable ARM, in respect of any Modified ARM Core and modified Peripheral, to exercise the rights set forth in Clause 2.3.

1.19 "Models" shall mean the source code and object code of the programs described in Schedule 4 together with such Updates, if any, as are developed by or for ARM.

1.20 "Modified ARM Core" shall mean any ARM Core modified in accordance with the provisions of Clause 2.2.

1.21 "NSP" shall mean the net sales price of any ARM Compliant Product calculated by taking the aggregate invoice price charged on arm's length terms by LGS and its Subsidiaries in the sale or distribution of any ARM Compliant Product, less any (i) value added, turnover, import, or other tax, duty or tariff payable thereon (ii) freight and insurance costs incurred

and (iii) amounts actually repaid or credited with respect to any ARM Compliant Products returned.

In the event that ARM, in its discretion, considers that the NSP for any ARM Compliant Product charged to LGS Users is materially below the open market value for such ARM Compliant Product, the NSP shall be deemed to be: in the case of the sale or distribution of any ARM Compliant Product to LGS Users, the net sales price for such ARM Compliant Product sold by LGS to third parties; and in the case of the sale or distribution of ARM Compliant Products manufactured for, and supplied solely to, LGS Users, at a minimum, the sum of:

(i) the cost of materials and the cost of fabrication or such other processing of such ARM Compliant Product; and

(ii) an amount for general expenses and profit equal to that usually reflected in the sales to third parties of products of the same general class or kind as the ARM Compliant Product; and

(iii) the cost of all packaging.

1.22 "Peripherals" shall mean the macrocells designs as each are described and identified in Schedule 2.

1.23 "PIE Card" shall mean the device identified in the ARM7 PIE Card User Guide: ARM DUI - 0011B together with the Release Notes for the ARM710a PIE Card Kit.

1.24 "Software" shall mean together the Models, Tools and Test.

1.25 "Subsidiary" shall mean any company the majority of whose voting shares is now or hereafter owned or controlled, directly or indirectly, by a party hereto or any company a majority of whose voting shares is now or hereafter owned or controlled, directly or indirectly, by any of the aforementioned entities. A company shall be considered a Subsidiary only so long as such control exists.

1.26 "Sun/SPARC" shall mean any Sun/SPARC compatible computer running SunOS v4.1.3_ul (and later versions as may be mutually agreed).

1.27 "Test" shall mean the source code and object code of the programs described in Schedule 6 together with such Updates, if any, as are developed by or for ARM.

1.28 "Tools" shall mean the Sun/SPARC, IBM PC and HP versions of source code and object code of the programs described in Schedule 5 together with such Updates, if any, as are developed by or for ARM.

1.29 "Trademarks" shall mean the trademarks, service marks and logos set forth in Schedule 7.

1.30 "Transfer Materials" shall mean that technical information with respect to the ARM Cores, AMBA and Peripherals as set forth in Schedule 3.

1.31 "Updates" shall mean any bug fixes or enhancements to the Software the incorporation of which ARM, in its absolute discretion, decides does not cause to be created a new product.

1.32 "Use" shall mean copying the programs identified in Schedule 4 and Schedule 5 Part A onto a computer for the purposes of processing the instructions or statements contained therein, but excluding disassembly, reverse assembly, or reverse compiling except as permitted by local legislation implementing Article 6 of the EC Software Directive and only to the extent necessary to achieve interoperability of an independently created program with other

programs. Disassembly, reverse assembly, or reverse compiling for the purpose of error correction is specifically prohibited.

1.33 "Validation Vectors" and "Functional Test Vectors" shall mean those test patterns identified in Schedule 3 as items B7a, B7b, B9, D7a and D7b respectively.

1.34 "AMBA" shall mean ARM's Advanced Module Bus Architecture as identified in the AMBA Draft Specification, document reference ARM IHI-0001C, and any future version thereof released by ARM.

2. Licence

2.1 ARM hereby grants to LGS, under ARM's Intellectual Property rights, a perpetual (subject to Clause 18), non-transferable (subject to Clause 20.3), non-exclusive, world-wide right and licence to:

(i) use, modify (subject to the provisions of Clauses 2.2 and 2.3) and copy the Transfer Materials and/or any Intellectual Property solely for the purposes of creating, developing, manufacturing, having manufactured (subject to the provisions of Clauses 2.4 and 2.5), and selling, supplying and distributing to any third party (subject to the provisions of Clause 2.6), ARM Compliant Products;

(ii) use and copy the Transfer Materials and/or any Intellectual Property specific to AMBA for the purposes of creating, developing, manufacturing, having manufactured (subject to the provisions of Clauses 2.4 and 2.5), and selling, supplying and distributing to any third party any product developed by LGS;

(iii) modify, translate, reproduce and distribute, subject to the confidentiality obligations set forth in Clause 14, the documentation identified in Schedule 3.

2.2 LGS may modify:

(i) the internal logic of any ARM Core and/or Peripheral;

(ii) the layout of any ARM Core and/or Peripheral where necessary for the purposes of manufacturing such ARM Core or Peripheral on another CMOS process;

(iii) the ARM710a Core (provided that ARM7 Core contained therein shall not be modified except as provided by (i) and (ii) above).

PROVIDED ALWAYS THAT the ARM7 Core retains compatibility with the ARM Instruction Set. A modified ARM Core will be deemed compatible provided that ARM7 Core contained therein (i) executes each and every instruction contained in the ARM7 Core's Instruction Set; (ii) executes the instructions at an identical rate of clocks per instruction as the ARM7 Core from which it was derived; and (iii) runs the Validation Vectors and Functional Test Vectors.

2.3 LGS hereby grants to ARM, in respect of all modifications made to the ARM Cores and Peripherals ("Modifications"), a perpetual and irrevocable, royalty-free, non-transferable, non-exclusive, world-wide right and licence to manufacture, have manufactured, modify, create derivative works of, use, sell, supply and distribute all Modifications and sub-license others to exercise similar rights with respect to such Modifications. In pursuance of the licence to all Modifications hereby granted, LGS shall:

2.3.1 prior to any prototype production of the first ARM Compliant Product including any Modification, deliver to ARM, in writing, a full technical description of such proposed Modification; and

2.3.2 within thirty (30) days of the first shipment of the first ARM Compliant Product including any Modification, deliver to ARM the LGS Materials for such ARM Compliant Product including the Modification.

For the avoidance of doubt, nothing in this Clause 2.3 shall be construed as granting to ARM any right or licence to any peripheral devices owned by LGS which are integrated around the ARM Core.

2.4 LGS may exercise its right to have manufactured ARM Compliant Products provided that:

(i) LGS notifies ARM of the identity of LGS's subcontracted manufacturer ("Manufacturer") not less than thirty (30) days prior to first prototype production by the Manufacturer, and

(ii) LGS ensures that any Manufacturer agrees (i) to be bound by the same obligations of confidentiality as are contained in this Agreement and (ii) to supply the ARM Compliant Products solely to LGS.

In the event that any Manufacturer breaches the provisions referred to in Clause 2.4, LGS agrees that such breach shall be treated as a material breach of this Agreement by LGS which is incapable of remedy. Further LGS hereby undertakes to keep ARM indemnified against all and any loss, liability, costs, damages, expenses (including the fees of lawyers and other professionals), suffered, incurred or sustained as a result of or in relation to such breach.

For the avoidance of doubt, in the event that LGS subcontracts only the packaging of ARM Compliant Products to a third party, LGS shall be released from the obligations of this Clause 2.4.

2.5 In the event that LGS subcontracts the packaging of ARM Compliant Products, LGS shall

(i) ensure that the packaging company agrees to supply the ARM Compliant Products solely to LGS; and

(ii) undertake to keep ARM indemnified against all and any loss, liability, costs, damages, expenses (including the fees of lawyers and other professionals), suffered, incurred or sustained as a result of or in relation to the breach of the provisions of Clause 2.5(i).

2.6 Notwithstanding anything to the contrary contained in this Agreement, for a period of fifteen (15) calendar months from the Effective Date, LGS shall not sell, supply or distribute any ARM Compliant Product to any third party other than a LGS User or ARM and/or its Subsidiaries. In the event that any LG User distributes any ARM Compliant Product, other than either (i) as a constituent part of LGS's (or such LG Group Company's) end user products or (ii) to ARM and/or its Subsidiaries, within the period specified in this Clause 2.6, LGS agrees that such use or distribution shall be treated as a material breach of this Agreement by LGS which is incapable of remedy thus entitling ARM to summarily terminate this Agreement in accordance with the provisions of Clause 18.2.

2.7 For the avoidance of doubt, no right is granted to LGS to:

(i) sublicense the rights licensed to LGS pursuant to Clause 2.1;

(ii) distribute any ARM Compliant Product prior to verification in accordance with Clause 3 except that in the event that it is the intention of LGS, and LGS do proceed, to verify a device in accordance with Clause 3, LGS may distribute (subject always to the provisions of Clause 2.6) a maximum of one hundred (100) prototype units of such device without having verified such device.

2.8 Save as licensed in Clause 2.1, LGS acquires no right, title or interest in and to the ARM Cores, AMBA, Peripherals, Transfer Materials and Intellectual Property. In no event shall the licence grant set forth in Clause 2.1 be construed as granting LGS, expressly or by implication, estoppel or otherwise, a licence to use any ARM technology or intellectual property other than that pertaining to the ARM Cores, AMBA and Peripherals.

2.9 During the term of this Agreement, LGS may exercise the right to include any Subsidiary as a licencee of ARM provided that:

(i) such Subsidiary agrees in writing, as set forth in Schedule 1, to be bound by the obligations of LGS and to comply with all the terms and conditions of this Agreement. LGS shall deliver to ARM a copy of the Subsidiary's undertaking within thirty (30) days of the execution of such undertaking;

(ii) any breach of the terms and conditions of this Agreement by a Subsidiary shall constitute a breach of this Agreement by LGS;

(iii) any termination of this Agreement as provided by Clause 18 shall be effective in respect of all Subsidiaries;

(iv) any licence, granted in accordance with the provisions of this Clause 2.9, shall automatically terminate upon any Subsidiary ceasing to be a Subsidiary.

2.10 During the term of this Agreement, but subject to the provisions of Clause 2.11, LGS may exercise the right to include any LG Affiliate as a licencee of ARM provided that:

(i) such LG Affiliate agrees in writing, as set forth in Schedule 14, to be bound by the obligations of LGS and to comply with all the terms and conditions of this Agreement. LGS shall deliver to ARM a copy of the LG Affiliate's undertaking within thirty (30) days of the execution of such undertaking;

(ii) any breach of the terms and conditions of this Agreement by a LG Affiliate shall constitute a breach of this Agreement by LGS;

(iii) any termination of this Agreement as provided by Clause 18 shall be effective in respect of all LG Affiliates;

(iv) any licence, granted in accordance with the provisions of this Clause 2.10, shall automatically terminate upon any LG Affiliate ceasing to be a member of the LG Group.

2.11 LGS shall not be entitled to exercise the rights granted under Clause 2.10 unless and until ARM and LGS have agreed, in writing, upon the criteria to determine the point at which a LG Affiliate ceases to be a member of the LG Group. The parties shall negotiate in good faith with the objective of agreeing such criteria as soon as is reasonably practicable.

2.12 ARM hereby grants to LGS, under ARM's Intellectual Property rights, a perpetual (subject to Clause 18), non-transferable (subject to Clause 20.3), non-exclusive, world-wide right and licence to:

(i) manufacture and have manufactured, the PIE Card; and

(ii) supply the PIE Card within the LG Group: and

(iii) supply the PIE Card, free of charge, solely for evaluation purposes, to any LG Group customers; and

(iv) reproduce and distribute, and sub-license (provided that the end user agrees to be bound by the End User Licence) the use of the object code of the PIE Card software;

(v) reproduce and distribute, in connection with the PIE Card, the documentation relevant thereto.

For the avoidance of doubt, no right or licence is granted to LGS to distribute the PIE Card to third parties for revenue or other consideration.

3. Verification of ARM Compliant Products

3.1 LGS shall develop, manufacture and characterize an ARM710a Core test chip (the "Test Chip") which complies with the test chip specification set forth in Schedule 3 (Item D16).

3.2 LGS shall run the Validation Vectors and Functional Test Vectors (together the "Vectors"), on the Test Chip and deliver to ARM a copy of the log ("the Log Results") generated by running the Vectors together with five (5) samples of the applicable Test Chip. ARM may, at ARM's discretion, exercise the right to run the Vectors on the Test Chip. The ARM Core shall be verified for a that process upon ARM's acceptance of either the Log Results (i) delivered by LGS or (ii) generated by ARM. The Log Results shall be accepted when they indicate that no errors have been detected or where any errors detected have been jointly agreed, in good faith, and a waiver agreed between the parties. ARM shall notify LGS, in writing, within thirty (30) days of delivery by LGS of the Log Results and Test Chip samples to ARM (the "Verification Period"), whether the Test Chip has been verified or has failed the verification process. In the event that the Test Chip fails the verification process, ARM shall provide details of the errors which cause the failure to LGS and LGS shall endeavour to correct the errors with ARM's assistance as provided under the terms of Clause 12. The parties shall repeat the above process until either: (i) the Test Chip is verified; or (ii) LGS withdraws the Test Chip from the verification process. In the event that ARM fails to confirm the result of the verification process within the Verification Period, the Test Chip subject to the verification process shall be deemed verified.

3.3 Provided that: (a) the Test Chip has been verified in accordance with the provisions of Clause 3.2; and (b) the ARM Compliant Product containing the ARM Core contained in the Test Chip runs the Functional Test Vectors and they indicate that no errors have been detected (or where any errors detected have been jointly agreed, in good faith, and a waiver agreed between the parties); except as hereafter provided, LGS may distribute such ARM Compliant Product without further verification. However, in the event that LGS modifies the internal logic of the ARM7 Core or ports any ARM Core to a new process LGS shall not be entitled to distribute any such modified or ported ARM Compliant Product until:

(i) in respect of an ARM Compliant Product containing the ARM710a Core, a Test Chip has been verified in accordance with the provisions of Clause 3.2; or

(ii) in respect of an ARM Compliant Product containing the ARM7 Core (other than an ARM Compliant Product as specified in Clause 3.3(i)), an ARM7 test chip, which complies with the test chip specification set forth in Schedule 3 (Item B12), has been verified, mutatis mutandis, in accordance with the provisions of Clause 3.2.

3.4 LGS shall provide to ARM, free of charge, fifty (50) samples of each Test Chip manufactured by LGS on each process utilized for such manufacture so that ARM, at its option, may, inter alia, test the compatibility of each Test Chip with the ARM Instruction Set. For the avoidance of doubt, there shall be no restriction on ARM's use of such samples provided that ARM shall not reverse engineer such Test Chips.

4. Models Licence

4.1 ARM hereby grants to LGS a non-transferable (subject to Clause 20.3), non-exclusive, world-wide right and licence under the ARM's Intellectual Property rights, to:

(i) reproduce, modify and use, internally and for third party support purposes, the Models and relevant documentation;

(ii) reproduce and distribute, and sub-license (provided that the end user agrees to be bound by the End User Licence) the Use of the object code of the Models including any modified versions thereof;

(iii) modify, reproduce, use and distribute, in connection with the Models including any modified versions thereof, the documentation (including any modified documentation) relevant thereto;

(iv) sub-license the distribution rights granted to LGS under Clauses 4.1(ii) and (iii) to Authorized Distributors only.

4.2 For the avoidance of doubt, except as provided by Clause 4.1(iv), no right is granted to LGS to sub-license the right to sell, supply or otherwise distribute the Models.

5. Tools Licence

5.1 ARM hereby grants to LGS a non-transferable (subject to Clause 20.3), non-exclusive, world-wide right and licence under the ARM's Intellectual Property rights, to:

(i) reproduce and use the Tools and relevant documentation, internally and for third party support purposes;

(ii) modify the Tools solely for the purpose of providing Hangul language support and incorporating any LGS logo;

(iii) reproduce and distribute, and sub-license (provided that the end user agrees to be bound by the End User Licence) the Use of the object code of the Tools identified in Schedule 5 Part A (including the Tools modified in accordance with Clause 5.l(ii));

(iv) reproduce and distribute, and sub-license (provided that the end user agrees to be bound by the End User Licence) the use of the Tools identified in Schedule 5 Part B (including the Tools modified in accordance with Clause 5.1 (ii));

(v) modify, reproduce, use and distribute the Tools documentation (including any modified Tools documentation);

(vi) sub-license the distribution rights granted to LGS under Clauses 5.1(iii) — (v) to Authorized Distributors only.

5.2 For the avoidance of doubt, except as provided by Clause 5.1(vi), no right is granted to LGS to sub-license the right to sell, supply or otherwise distribute the Tools.

6. Test Licence

6.1 ARM hereby grants to LGS a non-transferable (subject to Clause 20.3), non-exclusive, world-wide right and licence under the ARM's Intellectual Property rights, to reproduce, modify, have modified, and use internally only, the Test and relevant Test documentation (including modified Test and modified Test documentation).

6.2 For the avoidance of doubt, no right is granted to LGS to sell, supply or otherwise distribute the Test.

7. Ownership of the Software

7.1 In no event shall the licence grants set forth in Clauses 4.1, 5.1 and 6.1 be construed as granting LGS, expressly or by implication, estoppel or otherwise, a licence under any ARM technology other than the Software and related documentation.

7.2 Except as licensed to LGS in Clauses 4.1, 5.1 and 6.1 all right, title and interest in and to the Software and related documentation shall remain vested in ARM.

7.3 LGS shall reproduce and not remove or obscure any notice incorporated in the Software or related documentation by ARM to protect ARM's Intellectual Property Rights or to acknowledge the copyright and/or contribution of any third party developer. LGS shall incorporate corresponding notices and/or such other markings and notifications as ARM may reasonably require on all copies of Software and related documentation used or distributed by LGS.

8. Trademark Licence

8.1 ARM hereby grants to LGS a non-transferable (subject to Clause 20.3), non-exclusive, royalty-free, world-wide right and licence under ARM's Intellectual Property rights, to use the Trademarks in the promotion and sale of ARM Compliant Products.

8.2 LGS shall use the Trademarks, in accordance with ARM's guidelines set forth in Schedule 7 (the "Guidelines"), on (i) all ARM Compliant Products sold or distributed by LGS and (ii) all documentation, promotional materials and software associated with such ARM Compliant Products. ARM shall have the right to revise Schedule 7 and the Guidelines (including the right to add further trademarks or modify the Trademarks) provided that such revisions are made in respect of the Guidelines issued to all licencees of the Trademarks. Any such revisions shall be effective, upon ninety (90) days written notice to LGS.

8.3 LGS shall be released from the provisions of Clause 8.2 in the case of any ARM Compliant Product, created or developed by LGS, solely for a specific customer of LGS PROVIDED THAT (a) the customer has notified LGS, in writing, that the customer wishes the ARM Compliant Product packaging not to bear any Trademark and (b) the ARM Compliant Product does not bear the LGS name or trademark.

8.4 LGS shall submit samples of documentation, packaging, and promotional or advertizing materials bearing the Trademarks to ARM from time to time in order that ARM may verify compliance with the Guidelines. In the event that any documentation, packaging, promotional or advertizing material fails to comply with the Guidelines, ARM shall notify LGS and LGS shall rectify such documentation, packaging, and promotional or advertizing materials so as to comply with the Guidelines and cease using any such non-compliant materials within thirty (30) days of the date of ARM's notice. Any documentation, packaging, and promotional or advertizing materials not rejected for failing to comply with the Guidelines by ARM within thirty (30) days after delivery to ARM shall be deemed approved.

8.5 LGS agrees to assist ARM in maintaining the validity of the Trademarks by retaining a record of its use of the Trademarks. Such records shall include samples of the use of each of the Trademarks as well as information regarding the first use of the Trademarks in each country. Upon request, LGS shall make available all such records.

8.6 Upon ARM's request, LGS shall provide, free of charge, samples of the use of the Trademarks for the purpose of trademark registration or renewal. LGS shall support ARM in the application and maintenance of any registration for the Trademarks in the name of ARM. Upon request, LGS shall execute any documents required by the applicable laws of any jurisdiction for the purpose of registering and/or maintaining the Trademarks. In the event that LGS fails to timely execute any such documents, LGS hereby irrevocably appoints ARM as its attorney with respect to such matters. Any and all registrations for the Trademarks shall be procured by and for ARM, at ARM's expense.

8.7 Except as provided by the terms of this Agreement, LGS shall not use or register any trademark, service mark, device or logo, any of the Trademarks or any word or mark confusingly similar to any of the Trademarks, in any jurisdiction.

9. **Licence Fees and Royalties**

9.1 LGS shall pay a non-refundable licence fee (the "Technology Licence Fee") of [*****] upon the terms set forth in Clause 9.1(i), together with for each ARM Compliant Product sold, supplied or distributed by LGS (including as permitted by this Agreement, any Subsidiary and/or LG Affiliate), an additional royalty ("Running Royalty") upon the terms set forth in Clause 9.1(ii).

(i) The Technology Licence Fee shall be paid by instalments as follows:

On the Effective Date	[*****]
On delivery of the design databases for the ARM Cores	[*****]
On acceptance of the Test Chip (as defined in Clause 10.4)	[*****]

(ii) The Running Royalty for each ARM Compliant Product shall be determined by reference to the NSP of such ARM Compliant Product and the total number of ARM Compliant Product chips sold or distributed by LGS (including as permitted by this Agreement, any Subsidiary and/or LG Affiliate) in accordance with the following table:

Cumulative Volume	**Running Royalty as % age of NSP**
[*****]	[*****]
[*****]	[*****]
[*****]	[*****]

For the avoidance of doubt, in no event shall the Technology Licence Fee be construed as being an advance payment of Running Royalties and no right of set off of Running Royalties against the Technology Licence Fee shall exist.

9.2 Running Royalties due to ARM under this Agreement shall be paid in accordance with the terms set forth in Schedule 8.

9.3 After a period of ten (10) years from the first commercial shipment of the first manufactured ARM Compliant Product (the "Initial Period"), LGS shall be entitled to either (i) require ARM to enter into good faith negotiations to revise the Running Royalty rates for the remainder of the term of this Agreement or (ii) require ARM to enter into good faith negotiations to agree a sum payable by LGS to ARM in lieu of the Running Royalties which would otherwise fall due in accordance with the provisions of Clauses 9.1. LGS shall exercise its rights under this Clause 9.3 upon written notice to ARM, referring to this Clause

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

9.3, served not less that six (6) months prior to the expiry of the Initial Period. For the avoidance of doubt, in the event that:

(i) LGS fails to serve any notice in accordance with the provisions of Clause 9.3, the rights set forth in Clause 9.3 shall lapse; or

(ii) the parties fail to reach agreement prior to the expiry of the Initial Period and LGS does not terminate this Agreement, LGS shall continue to pay the Running Royalties at the rates specified in Clause 9.1(ii).

9.4 LGS shall keep all records of account as are necessary to demonstrate compliance with its obligations under this Clause 9.

9.5 ARM shall have the right for representatives of a firm of independent Chartered Accountants to which LGS shall not unreasonably object ("Auditors"), to make an examination and audit, by prior appointment during normal business hours, not more frequently than once annually, of all records and accounts as may under recognized accounting practices contain information bearing upon (i) the number of chips and the NSP of ARM Compliant Products sold or distributed by LGS under this Agreement and (ii) the amounts of Running Royalties payable to ARM under this Clause 9. The Auditors will report to ARM only upon whether the Running Royalties paid to ARM by LGS were or were not correct, and if incorrect, what are the correct amounts for the Running Royalties. LGS shall be supplied with a copy of or sufficient extracts from any report prepared by the Auditors. The Auditors report shall (in the absence of clerical or manifest error) be final and binding on the parties. Such audit shall be at ARM's expense unless it reveals an underpayment of Running Royalties of five per cent (5%) or more, in which case LGS shall reimburse ARM for the costs of such audit LGS shall make good any underpayment of royalties forthwith. If the audit identifies that LGS has made an overpayment, such overpayment will be credited to the next such payment or payments to be made by LGS.

9.6 In consideration of the payment by LGS of the Technology Licence Fee, ARM shall provide the support and maintenance services for a period of two (2) years from the Effective Date. In the event that LGS requests that ARM continue to provide the support and maintenance services after the expiration of the initial two (2) year period, the annual support and maintenance fees payable in respect of any such subsequent year shall be determined by good faith negotiations between the parties. However, ARM shall be under no obligation to provide the support and maintenance services, in respect of any subsequent year, until the annual support and maintenance fees have been agreed and paid to ARM.

9.7 Any income or other tax which LGS is required by law to pay or withhold on behalf of ARM with respect to any licence fees and/or royalties payable to ARM under this Agreement shall be deducted from the amount of such licence fees and/or royalties otherwise due, provided, however, that in regard to any such deduction, LGS shall give to ARM such assistance as may be necessary to enable or assist ARM to claim exemption therefrom, or credit therefor, and shall upon request furnish to ARM such certificates and other evidence of deduction and payment thereof as ARM may properly require.

9.8 LGS shall pay all instalments of the Technology Licence Fee due to ARM under the terms of this Agreement within thirty (30) days of receipt of ARM's invoice therefor (the "Due Date"). The Due Date in respect of the payment of Running Royalties shall be forty five (45) days from the end of each Half Year.

9.9 If any sum under this Agreement is not paid by the Due Date, then (without prejudice to ARM's other rights and remedies) ARM reserves the right to charge interest on such sum on a day to day basis (as well after as before any judgment) from the Due Date to the date of payment at the rate of five (5) per cent per annum above the base rate of Barclays Bank PLC from time to time in force.

10. Delivery, Acceptance and Production Costs

10.1 The database tapes in respect of the ARM Cores delivered to LGS shall conform to the LGS 0.6um ASIC Design Rules (Rev 1.1) dated February 1995 using three layers of metal.

10.2 ARM shall deliver the Transfer Materials and Software in accordance with the delivery schedule set forth in Schedule 11.

10.3 Unless otherwise agreed in writing, delivery:

(i) by LGS, shall take place at Advanced RISC Machines Limited, Fulbourn Road, Cherry Hinton, Cambridge CB1 4JN, England marked for the attention of the Engineering Director;

(ii) by ARM, shall take place at 16 Woomyeon-dong, Seocho-gu, Seoul 137-140, Korea marked for the attention of Mr Hag-Keun Kim.

10.4 For the purposes of Clause 9.1(i):

(i) LGS shall use best efforts to manufacture (or have manufactured) the Test Chip and comply with the provisions of Clause 10.4(ii).

(ii) LGS shall run the Vectors on the Test Chip and forthwith deliver to ARM a copy of the log results generated by running the Vectors, together with five (5) samples of the Test Chip. The Test Chip shall be deemed accepted when the log results indicate that no errors have been detected or where any errors detected have been jointly agreed, in good faith, and a waiver agreed between the parties.

However, in the event that:

(a) LGS fails to manufacture the Test Chip within nine (9) months of delivery of the ARM710a Core design database, LGS shall pay to ARM the third instalment of the Technology Licence Fee irrespective of the provisions of Clause 9. l(i); or

(b) due to a LGS manufacturing fault, the Test Chip does not pass the Vectors within nine (9) months of delivery of the ARM710a Core design database, LGS shall pay to ARM the third instalment of the Technology Licence Fee irrespective of the provisions of Clause 9.1(i).

10.5 ARM shall not be responsible for any recoverable or non-recoverable costs incurred, directly or indirectly, by LGS in the design translation (except as provided by Clause 10.1), processing, or manufacture of masks and prototypes, characterization or manufacture of production quality silicon in whatever quantity.

10.6 Within six (6) months of the Effective Date, the parties will work together in the creation of a development, sales and marketing plan indicating the milestones, resource and activity that LGS will use to develop ARM Compliant Products.

11. **Contract Administrators**

11.1 The parties hereby appoint the following individuals as their respective contract administrators between ASM and LGS with respect to this Agreement:

ARM:	LGS:
For legal notices:	
David N MacKay Director of Legal Affairs Advanced RISC Machines Limited Fulbourn Road Cherry Hinton Cambridge CB14JN England	Jong-Taek Hong General Manager Legal Affairs Department LG Semicon Co Limited 891 Daechi-dong Kangnarm-ku Seoul Korea
For corporate issues:	
James S Urquhart Sales Director Advanced RISC Machines Limited Fulbourn Road Cherry Hinton Cambridge CB14JN England	Dr Min-Sung Choi Managing Director LG Semicon Co Limited 16 Woomyeon-dong Seocho-gu Seoul 137-140 Korea
For Confidential Information:	
Peter King Partner Support Manager At the address set forth above	Dr Min-Sung Choi Managing Director At the address set forth above
For financial issues:	
John Martyn Financial Controller At the address set forth above	Dr Min-Sung Choi Managing Director At the address set forth above
For applications support:	
Peter King Partner Support Manager At the address set forth above	Hag-Keun Kim Department Manager Multimedia Device #2 At the address set forth above
For software support:	
Peter King Partner Support Manager At the address set forth above	Hag-Keun Kim Department Manager Multimedia Device #2 At the address set forth above
For design transfer:	
Tudor Brown Engineering Director	Hag-Keun Kim Department Manager Multimedia Device #2

At the address set forth above	At the address set forth above

11.2 The contract administrators identified herein are appointed by the parties for the receipt and dispatch on their behalf of all communications relating to the administrators' above designated areas of responsibility. The contract administrators shall also be responsible for the good progress of the parties' performance under this Agreement and the timely resolution of all technical, administrative and commercial issues which may arise from time to time during the execution of this Agreement.

11.3 Each party reserves the right to change its appointment as above upon seven (7) days written notice to the other party's then current corresponding liaison.

12. Macrocell Maintenance Services

12.1 ARM shall provide to LGS, in respect of the ARM Cores, AMBA and Peripherals (the "Macrocells"), through the parties' applicable contract administrator, the following maintenance services;

(i) the correction, to the extent reasonably possible, of any defects in any Macrocell which cause such Macrocell not to operate in accordance with the functionality described in the applicable documentation. If ARM determines that such defects are due to errors in such description, ARM shall promptly issue corrections to the applicable documentation and shall not be required to correct the Transfer Materials provided that LGS is not thereby prevented from commercially exploiting such Macrocell.

(ii) reasonable telephone and written consultation pertaining to the operation and application of the Macrocells;

(iii) any bug-fixes or corrections to the Macrocells made available by ARM to any third party;

(iv) all modifications, enhancements and updates to the Macrocells, created by ARM, including such modifications to the Macrocells as are made by ARM's other licencees and adopted by ARM for general release as an update PROVIDED THAT ARM may exclude any modification, enhancement or update which ARM, in its absolute discretion decides, results in the creation of a new product;

(v) the provision of ARM-related training;

The services provided under Clauses 12.1(ii), 12.1(v) and 13.1(ii) shall together be limited to a total of Thirty (30) man days per annum.

12.2 Upon LGS requesting ARM's assistance pursuant to the provisions of Clause 12.1, LGS shall promptly provide to ARM such samples and technical information as ARM may reasonably require to enable ARM to provide such assistance.

12.3 In notifying ARM of any defects or problems LGS shall use a format and medium reasonably requested by ARM. Notwithstanding the foregoing, LGS shall provide ARM promptly with any information or assistance reasonably requested by ARM to enable ARM to provide the maintenance service hereunder.

12.4 The maintenance services shall be provided at ARM's UK premises. Nevertheless, ARM will use reasonable efforts to provide maintenance services to LGS, at LGS's premises, subject to LGS meeting all reasonable travelling, accommodation and sustenance expenses.

12.5 For the avoidance of doubt, ARM's obligation under this Clause 12 is limited expressly to the provision of the maintenance services to LGS and ARM shall be under no obligation to provide the maintenance services to LGS's customers.

13. Software Maintenance Services

13.1 ARM shall provide to LGS, in respect of the Software, through the parties' applicable contract administrator, the following maintenance services:

(i) to correct, to the extent reasonably possible, any defects in the Software which cause the Software not to operate in accordance with the description of the Software's function in the applicable documentation. If ARM determines that such defects are due to errors in such description, ARM shall promptly issue corrections to the documentation and shall not be required to alter the Software provided that LGS is not thereby prevented from commercially exploiting the Software.

(ii) to provide reasonable telephone and written consultation pertaining to the operation and application of the Software.

(iii) to provide as available Updates to the Software.

13.2 In notifying ARM of any defects or problems LGS shall use a format reasonably requested by ARM. LGS shall provide ARM promptly with any information or assistance reasonably requested by ARM to enable ARM to provide the maintenance service hereunder.

13.3 For the avoidance of doubt, ARM'S obligation under this Clause 13 is limited expressly to the provision of the Software maintenance services to LGS and ARM shall be under no obligation to provide the maintenance services to LGS's sub-licensees of the Software.

14. Confidentiality

14.1 Save as provided by Clause 14.2, each party shall maintain in confidence the Confidential Information disclosed by the other party and apply security measures no less stringent than the measures that such party applies to protect its own like information, but not less than a reasonable degree of care, to prevent unauthorized disclosure and use of the Confidential Information. The period of confidentiality shall be (i) indefinite with respect to the terms of this Agreement, pattern generation tapes and photomasks and (ii) twenty (20) years with respect to all other information.

14.2 In the event that either party qualifies the confidentiality of any Confidential Information in writing by marking such Confidential Information with the words "Limited Confidentiality", such Confidential Information may be disclosed to a third party who has entered into a non disclosure agreement ("NDA") with the recipient containing substantially similar terms to this Clause 14. A NDA in respect of the disclosure of business Confidential Information may be limited in duration to a period of not less than three (3) years from the date of disclosure. A NDA in respect of the disclosure of technical Confidential Information may be limited in duration to a period of not less than five (5) years from the date of disclosure.

14.3 The provisions of this clause shall not apply to information which:-

(i) is known and has been reduced to tangible form by the receiving party prior to disclosure by the other party; or

(ii) is, or becomes through no fault of the receiving party, generally known; or

(iii) is disclosed to the receiving party by a third party having the lawful right to make such disclosure; or

(iv) is independently conceived by the receiving party provided that the receiving party is able to provide evidence of such independent conception in the form of written records; or

(v) is released to the receiving party for disclosure to any third party, other than on a confidential basis, by the disclosing party in writing; or

(vi) as required by any court or other governmental body.

14.4 For the avoidance of doubt, LGS Royalty Reports may be disclosed to, in confidence, ARM's financial and/or legal advisors. In addition, ARM may disclose the total unit sales of ARM Compliant Products.

14.5 The parties agree that the disclosure of Confidential Information to a party hereunder shall be co-ordinated through the appointed contract administrators identified for such purpose in Clause 11.1.

15. Warranties

15.1 ARM warrants that the materials delivered to LGS will be sufficient for a competent semiconductor manufacturer to produce the ARM Cores, AMBA and Peripherals which meet the functionality specified in the applicable documentation. LGS's sole and exclusive remedy for any breach of such warranty shall be for ARM to correct any errors in the materials and deliver such corrected materials to LGS or replace the materials at ARM's discretion.

15.2 LGS acknowledges that the Software cannot be tested in every possible operation, and accordingly ARM does not warrant that the Software will be free from all defects or that there will be no interruption in its use. However, ARM warrants that the Software will be complete and comply with the description of its functionality specified in the documentation. LGS's sole and exclusive remedy for any breach of such warranty shall be for ARM, as soon as is reasonably practicable, to correct any errors in the Software and deliver such corrected Software to LGS.

15.3 ARM further warrants that to ARM's knowledge and belief, but expressly without having undertaken any searches for prior art, that:

(i) the ARM Cores, AMBA, Peripherals and Software do not infringe any third party copyright, maskwork right or trade secret; and

(ii) there are no pending claims that have been made, or actions commenced, against ARM for breach of any third party copyright, maskwork right, patent or trade secret; and

(iii) ARM, or its applicable licensor, is the owner of the properties to be delivered to LGS; and

(iv) ARM has the right to enter into the Agreement.

15.4 Except as expressly provided in this Agreement, the ARM Cores, AMBA, Peripherals Software, Intellectual Property, and Transfer Materials are licensed "as is" and ARM makes no warranties express, implied or statutory, including, without limitation, the implied warranties of merchantability or fitness for a particular purpose with respect to the ARM Cores, AMBA, Peripherals Software, Intellectual Property and Transfer Materials.

15.5 LGS warrants that LGS shall:

(i) submit this Agreement for approval by the Korean Government forthwith upon signature by the parties; and

(ii) use all reasonable endeavours to obtain all or any tax exemption or tax credits applicable to the technology licensed and monies payable under this Agreement.

16. Infringement

16.1 Each party (the "Delivering Party") will support the other party (the "Receiving Party") in any action based on a claim that the materials delivered by the Delivering Party to the Receiving Party under this Agreement (the "Delivered Materials"), when used in accordance with this Agreement, infringe any patent, copyright or trade secret provided that the Receiving Party shall notify the Delivering Party promptly in writing of each such suit. However, a party shall not be obliged to support the other party in any action based upon an infringement or alleged infringement of any patent, copyright, trade secret, mask work, trademark or other property right by: (a) the Receiving Party's manufacturing process; (b) any modification of the Delivered Materials not made by the Delivering Party; or (c) the use of the Delivered Materials in combination with other equipment, technology or software not purchased or licensed from the Delivering Party, provided that such claim would not have occurred but for such combination, modification or enhancement.

16.2 The Receiving Party will support the Delivering Party in any action based on a claim that (a) the process used by or on behalf of the Receiving Party in manufacturing products incorporating, embodying or based upon the Delivered Materials, (b) any modification of the Delivered Materials made by or on behalf of the Receiving Party, or (c) the use of the Delivered Materials in combination with other equipment, software or technology not purchased or licensed from the Delivering Party, provided that such claim would not have occurred but for such combination, modification or enhancement, has infringed any patent, copyright or trade secret provided that the Delivering Party shall notify the Receiving Party promptly in writing of such suits.

16.3 If any Delivered Materials provided to LGS by ARM, or any portion thereof, is finally adjudged to infringe a patent or copyright, ARM shall, at ARM's election, use its reasonable efforts to: (a) procure the right to continue using the unmodified Delivered Materials; (b) modify the Delivered Materials so that they become non-infringing; (c) replace the unmodified Delivered Materials, or infringing portions thereof, with reasonably equivalent non-infringing products; or (d) pay compensatory damages to LGS, subject to the limitations of Clause 16.6. The provisions of this Clause 16.3 do not extend to any suit based upon an infringement or alleged infringement of any patent, copyright, trade secret, mask work, trademark or other property right by: (a) the LGS manufacturing process; (b) any modification of the Delivered Materials not made by ARM; or (c) the use of the Delivered Materials in combination with other equipment, technology or software not purchased or licensed from ARM, provided that such claim would not have occurred but for such combination, modification or enhancement

16.4 If any Delivered Materials provided to ARM by LGS, or any portion thereof, is finally adjudged to infringe a patent or copyright, LGS shall, at LGS's election, use its reasonable efforts to: (a) procure the right to continue using the unmodified Delivered Materials; (b) modify the Delivered Materials so that they become non-infringing; (c) replace the unmodified Delivered Materials, or infringing portions thereof, with reasonably equivalent non-infringing products; or (d) pay compensatory damages to ARM subject to the limitations of Clause 16.6. The provisions of this Clause 16.4 do not extend to any suit based upon an infringement or alleged infringement of any patent, copyright, trade secret, mask work, trademark or other property right by any modification of the Delivered Materials not made by LGS.

16.5 In the event that there is a final adjudication of infringement, the liability of the Delivering Party for such infringement shall terminate with respect to all damages regarding the infringing intellectual property arising after the date of such final adjudication.

16.6 THE FOREGOING STATES THE ENTIRE LIABILITY OF THE PARTIES, AND THE EXCLUSIVE REMEDY FOR THE PARTIES, FOR ANY INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET, MASK WORK OR OTHER PROPRIETARY RIGHT OF A THIRD PARTY. ARM AND LGS DISCLAIM ALL OTHER LIABILITY FOR ANY SUCH INFRINGEMENT, INCLUDING ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR ANY AMOUNTS IN EXCESS OF THE SUM OF FOUR HUNDRED AND SEVENTY FIVE THOUSAND US DOLLARS (US$475,000) IN THE AGGREGATE FOR ALL PAYMENTS, ROYALTIES OR FEES MADE PURSUANT TO ALL CLAIMS IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE PROVISIONS OF THIS CLAUSE 16.

17. Disclaimer of Consequential Damages

17.1 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHETHER SUCH DAMAGES ARE ALLEGED AS A RESULT OF TORTIOUS CONDUCT OR BREACH OF CONTRACT OR OTHERWISE EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SUCH DAMAGES SHALL INCLUDE BUT SHALL NOT BE LIMITED TO THE COST OF REMOVAL AND REINSTALLATION OF GOODS, LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OF USE OF DATA, INTERRUPTION OF BUSINESS OR OTHER ECONOMIC LOSS BUT NOTHING IN THIS CLAUSE SHALL OPERATE TO EXCLUDE LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM EITHER PARTY'S NEGLIGENCE.

18. Term and Termination

18.1 This Agreement shall commence on the Effective Date and continue in force, except as provided by Clause 18.3, unless and until terminated in accordance with the provisions of Clause 18.2.

18.2 Without prejudice to any other right or remedy which may be available to it, either party shall be entitled summarily to terminate this Agreement by giving written notice to the other:

(i) if the other party has committed a material breach of any of its obligations hereunder which is not capable of remedy; or

(ii) if the other party has committed a material breach of any of its obligations hereunder which is capable of remedy but which has not been remedied within a period of sixty (60) days following receipt of written notice to do so; or

(iii) makes any voluntary arrangement with its creditors for the settlement of its debts or becomes subject to an administration order; or

(iv) has an order made against it, or passes a resolution, for its winding-up (except for the purposes of amalgamation or reconstruction) or has an encumbrancer take possession or has a receiver or similar officer appointed over all or substantially all of its property or assets.

18.3 After a period of seven (7) years from the Effective Date (the "Initial Period"), the licence set forth in Clause 5 shall expire automatically whereupon LGS shall have no further right or licence in respect of the Tools. However, LGS may renew the licence granted under the provisions of Clause 5, subject to the provisions of Clauses 18.3(i) and (ii), for a farther term of seven (7) years upon payment of a Renewal Fee.

(i) LGS may exercise its rights to renew, as provided by this Clause 18.3, provided that LGS gives to ARM not less than six (6) months notice in writing of its intention to so renew, expiring on the seventh anniversary of the Effective Date.

(ii) Upon receipt of LGS's notice served in accordance with Clause 18.3(i), the parties shall enter into good faith negotiations to agree a reasonable Renewal Fee. For the avoidance of doubt, LGS shall not be entitled to exercise any of the rights contained in Clause 5 unless and until agreement has been reached and the Renewal Fee has been paid to ARM.

18.4 LGS and ARM acknowledge that each and every term and condition of this Agreement has been fully and completely negotiated and such terms and conditions closely relate to each other. In the event that the Korean governmental authorities, including the Korean Fair Trade Commission, during the review of this Agreement require a modification to one or more of the clauses of this Agreement, ARM shall have the option to renegotiate the entire Agreement or accept the applicable modification of the Agreement as required by such governmental authorities.

19. Effect of Termination

19.1 Upon termination of this Agreement by either party pursuant to Clause 18.2, LGS will immediately discontinue any use and distribution of all ARM Compliant Products, Software, Intellectual Property, Transfer Materials and ARM Confidential Information. LGS shall, at ARM's option, either destroy or return to ARM any Confidential Information, including any copies thereof in its possession, together with the Transfer Materials and all copies of the Software in its possession. Within one month after termination of this Agreement LGS will furnish to ARM a certificate signed by a duly authorised officer of LGS that to the best of his or her knowledge, information and belief, after due enquiry, LGS has complied with provisions of this Clause. For the avoidance of doubt, any sub-licences of the Software granted by LGS prior to the termination of this Agreement shall survive such termination.

19.2 Upon termination of this Agreement the termination date shall be treated as the end of a Half Year for the purposes of accounting for all Running Royalties due to ARM. Thereafter LGS shall submit a royalty report to ARM in accordance with the provisions of Schedule 8.

19.3 The provisions of Clauses 2.3, 9, 14, 16, 17, 19, and 20 shall survive termination or expiration of this Agreement.

20. General

20.1 All communications between the parties including, but not limited to, notices, royalty reports, error or bug reports, the exercise of options, and support requests shall be in the English language.

20.2 All notices which are required to be given hereunder shall be in writing and shall be sent to the address of the recipient set out in this Agreement or such other address as the recipient may designate by notice given in accordance with the provisions of this Clause. Any such notice may be delivered personally, by commercial overnight courier or facsimile transmission which shall be followed by a hard copy and shall be deemed to have been

served if by hand when delivered, if by commercial overnight courier 48 hours after deposit with such courier, and if by facsimile transmission when dispatched.

20.3 Neither party shall assign or otherwise transfer this Agreement or any of its rights and obligations hereunder whether in whole or in part without the prior written consent of the other.

20.4 Neither party shall be liable for any failure or delay in its performance under this Agreement due to causes, including, but not limited to, acts of God, acts of civil or military authority, fires, epidemics, floods, earthquakes, riots, wars, sabotage, third party industrial disputes and governments actions, which are beyond its reasonable control; provided that the delayed party: (i) gives the other party written notice of such cause promptly, and in any event within fourteen (14) days of discovery thereof; and (ii) uses its reasonable efforts to correct such failure or delay in its performance. The delayed party's time for performance or cure under this Clause 20.4 shall be extended for a period equal to the duration of the cause.

20.5 ARM and LGS are independent parties. Neither company nor their employees, consultants, contractors or agents, are agents, employees or joint venturers of the other party, nor do they have the authority to bind the other party by contract or otherwise to any obligation. Neither party will represent to the contrary, either expressly, implicitly, by appearance or otherwise.

20.6 The parties agree that the terms and conditions of this Agreement shall be treated as Confidential Information hereunder and shall not be disclosed without the consent of both parties.

20.7 Failure by either party to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision.

20.8 If any provision of this Agreement, or portion thereof, is determined to be invalid or unenforceable the same will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.

20.9 The headings to the Clauses of this Agreement are for ease of reference only and shall not affect the interpretation or construction of this Agreement.

20.10 This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

20.11 This Agreement, including all Schedules and documents referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding the subject matter. No amendment to, or modification of, this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties.

20.12 This Agreement shall be governed by and construed in accordance with the laws of England. In the event that ARM commences proceedings against LGS under this Agreement, the parties agree to submit to the jurisdiction of the Seoul District Court, Korea, for the purpose of hearing and determining any disputes arising out of this Agreement. In the event that LGS commences proceedings against ARM under this Agreement, the parties agree to submit to the jurisdiction of the High Court of Justice, London, England, for the purpose of hearing and determining any disputes arising out of this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized representative:

ADVANCED RISC MACHINES LIMITED:

SIGNED: /s/ R. K Sayby

NAME: ROBIN K. SAYBY
TITLE: PRESIDENT

LG SEMICON COMPANY LIMITED:

SIGNED: /s/ Chung Hwan Mun

NAME: CHUNG HWAN MUN
TITLE: PRESIDENT

This Design Migration Agreement ("Agreement") is made the 01 day of May 2007

between

ARM LIMITED whose registered office is situated at 110 Fulbourn Road , Cambridge, CBI 9NJ, United Kingdom **("ARM");**

and

MAGNACHIP SEMICONDUCTOR, LTD. whose principal place of bussiness is situated at c/o 891 Daechi-dong, Gangnam-gu, Seoul 135-738, Korea **("Customer").**

THE PARTIES HEREBY AGREE AS FOLLOWS;

1. Definitions

"**Active Project**" means a project described in a Project Statement for which any fees as set out in the Fees Statement remain unpaid.

"**ARM Services**" means the services to be provided by ARM to Customer and described in Section 1 of each Statement of Work, subject to any change thereto effected by Change Order.

"**ARM Deliverables**" means the items identified in Section 2 of each Statement of Work, subject to any change thereto effected by Change Order.

"**ARM Delivery Schedule**" means the forecast dates for the performance of the ARM Services for and delivery of the ARM Deliverables to, Customer and set out respectively in Section 1 and Section 2 of each Statement of Work, subject to any change thereto effected by Change Order.

"**Assumptions**" means the assumptions made by ARM and circumstances contemplated by the parties in respect of each project as at the Effective Date (defined in each Project Statement) as set out in Section 5 of each Project Statement.

"**Change Order**" means a document signed by both parties recording any changes to any Project Statement from time to time that have been mutually agreed by the parties.

"**Confidential Information**" means; (i) ARM Deliverables (including any translation, modification, compilation, abridgement or other form in which the ARM Deliverables have been recast, transformed or adapted) and any trade secrets relating to the ARM Deliverables; (ii) any information designated in writing by either party, by appropriate legend, as confidential; (iii) any information which if first disclosed orally is identified as confidential at the time of disclosure and is thereafter reduced to writing for confirmation and sent to the other party within thirty (30) days after its oral disclosure and designated, by appropriate legend as confidential; and (iv) the terms and conditions of this Agreement

"**Customer Deliverables**" means the items identified in Section 3 of each Statement of Work, subject to any change thereto effected by Change Order.

"**Customer Delivery Schedule**" means the dates for delivery of the Customer Deliverables to ARM and set out in Section 3 of each Statement of Work, subject to any change thereto effected by Change Order.

"**Design Rules**" means the process design rules specified by Customer and identified in Section 4 of each Statement of Work.

"**Fees Statement**" means the statement (Schedule 2 of each Project Statement) setting out the amount of or basis for charging fees due to ARM for the performance of the ARM Services and delivery of the ARM Deliverables to Customer for each Project Statement together with the dates upon which such fees shall be due, subject to any change thereto effected by Change Order.

"**Intellectual Property**" means any patents, patent rights, trade marks, service marks, registered designs, topography or semiconductor mask work rights, applications for any of the foregoing, unregistered design

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rights, copyright and any other similar protected rights in any country to the extent recognised by any relevant jurisdiction as intellectual property, trade secrets, know-how and Confidential Information.

"**Prefab Characterisation Conditions**" means the prefabrication characterisation conditions specified by Customer and identified in Section 4 of each Statement of Work.

"**Project Statement**" means a statement (Annexed hereto) signed by both parties and referencing this Agreement comprising a Statement of Work and Fees Statement, subject to any change thereto effected by Change Order.

"**Statement of Work**" means the statement (Schedule 1 of each Project Statement) detailing each separate project undertaken by ARM for Customer from time to time under the terms and conditions of this Agreement and including a description of the ARM Services, the ARM Deliverables, the ARM Delivery Schedule, a description of the Customer Deliverables and the Customer Delivery Schedule, subject to any change thereto effected by Change Order.

"Subsidiary" means any company the majority of whose voting shares is now or hereafter owned or controlled, directly or indirectly, by a party hereto. A company shall be a Subsidiary only so long as such control exists.

"**TLA**" means the technology license agreement identified on page one (1) of each Project Statement.

2. Provision of ARM Services

2.1 ARM shall perform the ARM Services for Customer in accordance with the terms and conditions of this Agreement.

2.2 ARM shall perform the ARM Services utilising such resources, employees and subcontractors as ARM in its sole discretion deems appropriate.

2.3 ARM shall use commercially reasonable efforts to perform the ARM Services in accordance with the ARM Delivery Schedule.

3. ARM Deliverables

Change Control

3.1 Either party may request an amendment to a Project Statement by Change Order.

3.2 Customer may request a Change Order by submitting a request for a Change Order ("**Change Order Request**") to ARM. A Change Order Request may be oral or in writing and shall not require any formality. Any request from Customer which ARM reasonably believes will affect the terms of a Project Statement may be deemed by ARM to be a Change Order Request ARM shall review any Change Order Request in good faith and report to Customer in writing in the form of a draft Change Order; (i) whether such change is technically feasible and if technically feasible; (ii) the reasonable impact on the ARM Delivery Schedule and Customer Delivery Schedule; and (iii) any necessary revision to the ARM Services, ARM Deliverables, Customer Deliverables and Fees Statement, as appropriate. ARM shall be under no obligation to accept the terms of any Change Order Request and Customer shall be under no obligation to accept the terms of any draft Change Order. If the terms of a Change Order Request are agreed by ARM and the terms of a respective draft Change Order are agreed by Customer the draft Change Order shall be signed by both parties. Customer shall bear all costs and expenses associated with any variation requested by Customer to any Project Statement including the cost of any feasibility study connected with the analysis of such variation. ARM shall be entitled to continue performing the ARM Services in accordance with the relevant Project Statement until the parties have agreed the terms of any Change Order

3.3 ARM may request a Change Order in response to a Change Order Request by Customer by submitting a draft Change Order to Customer. Within ten (10) working days of receiving a draft Change Order from ARM, Customer shall review the draft Change Order in good faith and report to ARM in writing whether the terms of such draft Change Order are acceptable. Customer shall be under no obligation to accept the terms of any draft Change Order. If the terms of a draft Change Order are accepted by Customer the draft Change Order shall be signed by both parties. If no report on the draft Change Order is received by ARM from Customer within ten (10) working days of receipt of the Change Order by Customer then ARM may deem the terms of such draft Change Order to have been agreed by Customer.

3.4 Any Change Order shall be attached to the Project Statement. After execution of a Change Order by both parties the amendments detailed therein shall be incorporated into the Project Statement and Fees Statement as appropriate and shall form part of this Agreement

Delivery

3.5 Subject to the prior execution of the TLA by ARM and Customer, ARM shall use commercially reasonable efforts to deliver the ARM Deliverables to Customer in accordance with the ARM Delivery Schedule. ARM shall have no obligation to deliver the ARM Deliverables to Customer prior to execution of the TLA by ARM and Customer.

4 ARM Services; Limited Warranty and Limitation of Liability

4.1 ARM shall use reasonable skill and care in performing the ARM Services for Customer.

4.2 Customer acknowledges that changes to any of the Design Rules, Prefab Characterisation Conditions or Assumptions may affect the ability of ARM to perform the ARM Services in accordance with the ARM Delivery Schedule and in such event the parties shall work together in good faith to minimize the impact of the change. Any change to the Project Statement resulting from any changes to any of the Design Rules, Prefab Characterization Conditions or Assumptions shall be managed by Change Order in accordance with the provisions of Clause 3. ARM shall have no liability for any delays or increased costs in the provision of the ARM Services which result directly from changes to any of the Design Rules, Prefab Characterization Conditions or Assumptions.

5. ARM Deliverables and Limitation of Liability

5.1 Customer acknowledges that changes to any of the Design Rules, Prefab Characterisation Conditions or Assumptions set out by the parties in the relevant Statement of Work may affect the ability of ARM to deliver the ARM Deliverables in accordance with the ARM Delivery Schedule and in such event the parties shall work together in good faith to minimize the impact of the change. Any change to the Project Statement resulting from any changes to any of the Design Rules, Prefab Characterization Conditions or Assumptions shall be managed by Change Order in accordance with the provisions of Clause 3. ARM shall have no liability for any delays or increased costs in the delivery of the ARM Deliverables which result directly from changes to any of the Design Rules, Prefab Characterization Conditions or Assumptions.

6. Customer Deliverables

6.1 Customer shall provide ARM with all necessary accurate information and support and co-operation that may be reasonably required to enable ARM to perform the ARM Services for and deliver the ARM Deliverables to Customer in accordance with the ARM Delivery Schedule.

6.2 Customer shall use commercially reasonable efforts to deliver the Customer Deliverables to ARM in accordance with the Customer Delivery Schedule.

6.3 ARM shall test each Customer Deliverable within ten (10) days of its receipt from Customer, and upon completion of the testing shall report to Customer, in writing, within two (2) working days whether or not the Customer Deliverable is accepted by ARM. If ARM believes that any Customer Deliverable is not acceptable, ARM shall provide Customer with details of why the deliverable is not acceptable and Customer shall use reasonable commercial efforts to modify the Customer Deliverable so that it is acceptable to ARM.

6.4 If Customer fails; (i) to deliver, in accordance with the Customer Delivery Schedule, Customer Deliverables which are accepted by ARM in accordance with the provisions of Clause 6.3; or (ii) to provide ARM with all necessary, accurate information, support and co-operation that may be reasonably required to enable ARM to provide the ARM Services for and delivery of the ARM Deliverables to Customer in accordance with the ARM Delivery Schedule and such failure prevents ARM from meeting any of its obligations under Clauses 2.3 and 3.5, ARM shall be permitted to extend any relevant dependent dates in the ARM Delivery Schedule by Change Order for such period as is reasonable. If ARM's cost of providing the ARM Services to Customer is increased as a result of a failure by the Customer; (i) to deliver, in accordance with the Customer Delivery Schedule, Customer Deliverables which are accepted by ARM in accordance with the provisions of Clause 6.3; or (ii) to provide ARM with all necessary, accurate information, support and co-operation that may reasonably be required to enable ARM to provide the ARM Services for and delivery of the ARM Deliverables to Customer in accordance with the ARM Delivery Schedule, then the Customer shall pay such increased costs reasonably incurred on a time and materials basis at ARM'S then prevailing consulting rate. Such increased costs reasonably incurred may include the cost of time during which ARM resources are under utilised as a direct result of the Customers failure to deliver, in accordance with the Customer Delivery Schedule, any Customer Deliverable which is accepted by ARM in accordance with the provisions of Clause 6.3. Any such change in the cost of providing the ARM Services to Customer shall be managed by Change Order in accordance with the provisions of Clause 3.3 except that provided the terms of the Change Order are reasonable Customer shall have no right to reject such Change Order.

7. Fees, Taxes and Payment

7.1 In consideration of ARM performing the ARM Services for and delivering the ARM Deliverables to Customer pursuant to each Statement of Work, fees shall be due to ARM from Customer in accordance with the Fees Statement.

7.2 Unless otherwise agreed in writing by the parties Customer shall pay ARM all prior approved reasonable traveling, accommodation and subsistence expenses reasonably incurred by ARM when necessarily visiting Customer's premises or the premises of any third party in the performance of the ARM Services.

7.3 All sums stated under the Fees Statement do not include taxes. All applicable taxes shall be payable by Customer in accordance with relevant legislation in force at the relevant tax point. Any income or other tax which Customer is required by law to pay or withhold on behalf of ARM with respect to any fees payable to ARM under this Agreement may be deducted from the amount of such fees otherwise due, provided, however, that in regard to any such deduction, Customer shall give to ARM such assistance as may be necessary to enable or assist ARM to claim exemption therefore, or credit therefore, and shall upon request furnish to ARM such certificates and other evidence of deduction and payment thereof as ARM may properly require.

7.4 Customer shall pay all fees due to ARM under the terms of this Agreement within thirty (30) days of receipt of ARM's invoice therefor ("Due Date").

7.5 If any sum under this Agreement is not paid by the Due Date (as defined in Clause 7.4), then (without prejudice to ARM**'s** other rights and remedies in addition to the invoice amount) ARM reserves the right to charge interest on such sum on a day to day basis (as well after as before any judgment) from the Due Date to the date of payment at the rate of five (5%) per cent per annum above the base rate of National Westminster Bank PLC from time to time in force.

7.6 If Customer fails to pay any sum due to ARM under this Agreement in accordance with the Fees Statement and the provisions of this Clause 7, ARM shall, upon giving at least seven (7) days notice in writing to

Customer, be entitled to stop providing the ARM Services and withhold delivery of any ARM Deliverable until such payment is made. If ARM has stopped providing the ARM Services to Customer in accordance with this Clause 7.6, then ARM shall have no obligation to resume the performance of the ARM Services until Customer pays to ARM, in addition to any sums properly due but not paid, a fee equal to **[*****]** of the total fees due to ARM in accordance with the relevant Fees Schedule.

7.7 All sums properly due to ARM under this Agreement shall be paid in full and Customer shall not be entitled to assert against ARM any credit, set-off or counterclaim arising under any Project Statement in order to justify withholding payment of any sum properly due under any other Project Statement. Obligations under each Project Statement shall be construed as divisible from obligations under any other Project Statement for the purposes of interpreting this Clause 7.7.

8 Confidentiality

8.1 Subject to the provisions of Clause 8.2, the confidentiality provisions set out in the TLA shall apply (prior to the execution of the TLA as well as after) to Confidential Information disclosed between the parties under this Agreement.

8.2 ARM is hereby authorised to disclose the Customer's Confidential Information to third party subcontractors or consultants to the extent necessary for the performance by the sub-contractor or consultant (including without limitation any supplier of tools or equipment used in ARM's design flow) of any of the work under any Statement of Work that is assigned to it provided always that any such subcontractor or consultant is bound by provisions of confidentiality no less stringent than those provided by this Clause 8.

8.3 ARM shall be permitted to disclose Customer Confidential Information to Subsidiaries of ARM subject to the same terms and conditions of confidentiality as are set out in this Agreement

9. Intellectual Property Ownership and Licensing

ARM Deliverables

9.1 The ARM Deliverables shall be deemed to be derived from the ARM Technology (as defined in the TLA) under Customer's have designed rights granted in Clause 2.2 of the TLA and the terms of the TLA shall apply to such ARM Deliverables accordingly.

Customer Deliverables

9.2 Unless otherwise agreed in writing between the parties, all right, title and interest in the Customer Deliverables and any Intellectual Property embodied therein shall vest in and be owned by Customer.

9.3 Customer hereby grants to ARM, a royalty free, non-exclusive, non-transferable, worldwide, license (or sublicense as appropriate) to use, copy and modify the Customer Deliverables and sublicense the rights to use, copy and modify the Customer Deliverables solely to ARM's subcontractors and solely for the purpose of creating the ARM Deliverables pursuant to the terms of this Agreement.

9.4 Except as specifically licensed in accordance with Clause 9.3, ARM acquires no right, title or interest in the Customer Deliverables or the Intellectual Property embodied therein. In no event shall the licenses granted under Clause 9.3 of this Agreement be construed as granting to ARM, expressly or by implication, estoppel or otherwise, a license to use any Customer or third party technology other than the Customer Deliverables.

9.5 ARM shall not remove or obscure any notice incorporated into the Customer Deliverables by Customer to protect any Intellectual Property of Customer.

[*****] - Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

10. Intellectual Property Warranties and Indemnities

10.1 Subject to the provisions of Clause 10.2, the intellectual property warranties and indemnities set out in the TLA shall apply to the ARM Deliverables.

10.2 ARM shall have no liability for any infringement arising from the use or incorporation into the ARM Deliverables, of any Customer Deliverables, if such infringement would not have occurred but for such use or incorporation.

11. Limitation of Liability

11.1 EXCEPT IN RESPECT OF ANY BREACH OF THE PROVISIONS OF CLAUSE 8 (CONFIDENTIALITY), IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHETHER SUCH DAMAGES ARE ALLEGED AS A RESULT OF TORTIOUS CONDUCT OR BREACH OF CONTRACT OR OTHERWISE EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SUCH DAMAGES SHALL INCLUDE BUT SHALL NOT BE LIMITED TO THE COST OF REMOVAL AND REINSTALLATION OF GOODS, LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OR USE OF DATA, INTERRUPTION OF BUSINESS OR OTHER ECONOMIC LOSS.

11.2 **EXCEPT IN RESPECT OF ANY CLAIM UNDER THE INTELLECTUAL PROPERTY INDEMNITY FOR WHICH THE LIMITATION OF LIABILITY SET OUT IN THE TLA SHALL APPLY,** THE MAXIMUM LIABILITY OF ARM TO CUSTOMER IN AGGREGATE FOR ALL CLAIMS MADE AGAINST ARM IN CONTRACT TORT OR OTHERWISE UNDER OR IN CONNECTION WITH THE SUBJECT MATTER OF EACH PROJECT STATEMENT UNDER THIS AGREEMENT **SHALL NOT EXCEED THE TOTAL OF SUMS PAID BY CUSTOMER TO ARM IN RESPECT OF SUCH PROJECT STATEMENT.**

11.3 NOTHING IN THIS CLAUSE 11 SHALL OPERATE TO EXCLUDE LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM EITHER PARTY'S NEGLIGENCE.

12. Termination

12.1 **Customer** may terminate any **Active Project** upon giving at least thirty (30) days prior written notice of its intention to do so to ARM.

12.2 Without prejudice to any other right or remedy which may be available to it either party shall be entitled summarily to terminate any or all **Active Projects** by giving written notice to the other party if;

(i) the other party has committed a material breach of any of its obligations under this Agreement which is not capable of remedy;

(ii) the other party has committed a material breach of any of its obligations under this Agreement which is capable of remedy but which has not been remedied within a period of fifteen (15) working days following receipt of written notice from the party seeing remedy to do so;

(iii) the other party makes any voluntary arrangement with its creditors or becomes subject to an administration order; or

(iv) the other party has an order made against it, or passes a resolution, for its winding-up (except for the purpose of bona fide solvent amalgamation or reconstruction) or has an encumbrancer take possession or has a receiver or similar officer appointed over a material part of its property or assets.

13. Effect of Termination

13.1 Upon termination of this Agreement in respect of an Active Project, by Customer for convenience in accordance with the provisions of **Clause 12.1**, without prejudice to any other right or remedy which may be available to either party;

(i) the licences granted to Customer hereunder and related to the terminated Active Project shall cease;

(ii) the rights granted to ARM hereunder and related to the terminated Active Project shall cease;

(iii) Customer shall immediately return to ARM the ARM Deliverables and all ARM Confidential Information related to the ARM Deliverables identified in the Statement of Work for the terminated Active Project, including any copies and modified versions thereof in Customer's possession;

(iv) ARM shall immediately return to Customer or delete from ARM's system, all Customer Deliverables and Customer Confidential Information related to Customer Deliverables identified in the Statement of Work for the terminated Active Project, including any copies and modified versions thereof; and

(v) Customer shall pay, to ARM, within thirty (30) days of receipt of an invoice therefor;

(a) any sums due to ARM by Customer, but not invoiced at the date of termination, for any completed milestones as set out in the Fees Statement for the terminated Active Project;

(b) an amount representing the actual work performed, as at the date of termination, by ARM (calculated at ARM's then prevailing consulting rate) towards completion of the next open milestone as set out in the Fees Statement for the terminated Active Project; and

(c) a termination fee of five percent (5%) of the total fees (excluding any royalties) that would have been due under the Fees Statement for the terminated Active Project had it not been terminated in accordance with the provisions of Clause 12.1,

provided that the aggregate of any sums payable to ARM by Customer in accordance with the provisions of Clauses 13.1(v)(a), 13.1(v)(b) and 13.1(iv)(c) shall not exceed the fees set out in the Fees Statement for the terminated Active Project.

13.2 Upon termination of **an Active Project by Customer** under the provisions of Clause 12.2, without prejudice to any other right or remedy which may be available to either party;

(i) the licences granted to Customer hereunder and related to the terminated Active Project shall survive;

(ii) the rights granted to ARM hereunder and related to the terminated Active Project shall cease;

(iii) ARM shall immediately return to Customer or delete from ARM's system, all Customer Deliverables and Customer Confidential Information related to Customer Deliverables identified in the Statement of Work for the terminated Active Project, including any copies and modified versions thereof; and

(iv) Customer shall pay, to ARM, within thirty (30) days of receipt of an invoice therefor,

(a) any sums due to ARM by Customer, but not invoiced at the date of termination, for any completed milestones as set out in the Fees Statement for the terminated Active Project; and

(b) an amount representing the actual work performed, as at the date of termination, by ARM (calculated at ARM's then prevailing consulting rate) towards completion of the next open milestone as set out in the Fees Statement for the terminated Active Project;

provided that the aggregate of any sums payable to ARM by Customer in accordance with the provisions of Clauses 13.2(iv)(a) and 13.2(iv)(b) shall not exceed the aggregate of fees set out in the Fees Statement for the terminated Active Project.

13.3 Upon termination of **an Active Project by ARM** under the provisions of Clause 12.2, without prejudice to any other right or remedy which may be available to either party;

(i) the licences granted to Customer hereunder and related to the terminated Active Project shall cease;

(ii) the rights granted to ARM hereunder and related to the terminated Active Project shall cease;

(iii) Customer shall immediately return to ARM the ARM Deliverables and all ARM Confidential Information related to the ARM Deliverables identified in the Statement of Work for the terminated Active Project, including any copies and modified versions thereof in Customer's possession;

(iv) ARM shall immediately return to Customer or delete from ARM's system, all Customer Deliverables and Customer Confidential Information related to Customer Deliverables identified in the Statement of Work for the terminated Active Project, including any copies and modified versions thereof; and

(v) Customer shall pay, to ARM, within thirty (30) days of receipt of an invoice therefor;

(a) any sums due to ARM by Customer, but not invoiced at the date of termination, for any completed milestones as set out in the Fees Statement for the terminated Active Project; and

(b) an amount representing the actual work performed, as at the date of termination, by ARM (calculated at ARM's then prevailing consulting rate) towards completion of the next open milestone as set out in the Fees Statement for the terminated Active Project;

provided that the aggregate of any sums payable to ARM by Customer in accordance with the provisions of Clauses 13.3(v)(a) and 13.3(v)(b) shall not exceed the aggregate of fees set out in the Fees Statement for the terminated Active Project.

13.4 The provisions of Clauses 1, 7 (to the extent that any payment has accrued and is outstanding), 8, 11, 13 and 14 shall survive termination of the Agreement.

14. General

Notices All notices which are required to be given hereunder shall be in writing (which may include electronic mail) and shall be sent to the address of the recipient set out in the Agreement or such other address as the recipient may designate by notice given in accordance with the provisions of this Clause. Any such notice may be delivered personally, by commercial overnight courier or facsimile transmission which shall be followed by a hard copy and shall be deemed to have been served if by hand when delivered, if by commercial overnight courier 48 hours after deposit with such courier and if by facsimile transmission when dispatched.

Assignment Except as expressly provided elsewhere in this Agreement, neither party may assign or otherwise transfer this Agreement or any of their rights and

obligations hereunder whether in whole or in part without the prior, written, consent of the other.

Non-association	ARM and Customer are independent parties. Neither party or their employees, consultants, contractors or agents, are agents, employees or joint ventures of the other party nor do they have the authority to bind the other party by contract or otherwise to any obligation. Neither party will represent to the contrary, either expressly, implicitly, by appearance or otherwise.
Waiver	Failure or delay by either party to enforce any provision of this Agreement shall not be deemed a waiver of the right to enforce, in the future, that or any other provision of this Agreement.
Force Majeure	ARM shall not be liable to Customer for any delay in or failure to perform its obligations as a result of any failure by a supplier to deliver a relevant deliverable to ARM on time. If such delay continues for a period of more than thirty (30) days, then either party shall be entitled to terminate this Agreement by written notice to the other party. Neither party shall be liable for any failure or delay in its performance under this Agreement due to causes, including, but not limited to, acts of God, acts of civil or military authority, fires, epidemics, floods, earthquakes, riots, wars, sabotage, third party industrial disputes and governments actions, which are beyond its reasonable control; provided that the delayed party: (i) gives the other party written notice of such cause promptly, and in any event within fourteen (14) days of discovery thereof; and (ii) uses its reasonable efforts to correct such failure or delay in its performance. The delayed party's time for performance or cure under this Clause shall be extended for a period equal to the duration of the cause.
Severance	The provisions contained in each clause and sub-clause of this Agreement shall be enforceable independently of each of the others and if any provision of this Agreement is or becomes invalid, illegal or deemed unenforceable for any reason by any court or administrative body of competent jurisdiction it shall not affect the legality, validity or enforceability of any other provisions of this Agreement. If any of these provisions is so held to be illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with such modification as may be necessary to make it legal, valid or enforceable.
Entire Agreement	This Agreement, including all Project Statements, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding the subject matter. No amendment to or modification of this Agreement shall be binding unless in writing and signed by a duly Authorized representative of both parties
Export	The ARM Deliverables provided under this Agreement are subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Customer agrees to comply fully with all laws and regulations of the United States and other countries **("Export Laws")** to assure that neither the ARM Deliverables, nor any direct products thereof are; (i) exported, directly or indirectly, in violation of Export Laws, either to any countries that are subject to U.S export restrictions or to any end user who has been prohibited from participating in the U.S. export transactions by any federal agency of the U.S. government; or (ii) intended to be used for any purpose prohibited by Export Laws, including, without limitation, nuclear, chemical, or biological weapons proliferation.

Any ARM Deliverables provided to the US Government pursuant to solicitations issued on or after December 1st 1995 is provided with the rights and restrictions described elsewhere herein. Any ARM Deliverables provided to the US Government pursuant to solicitations issued prior to December 1st 1995 is provided with "Restricted Rights" as provided for in FAR, 48 CFR 52.227-14 (JUNE 1987) or DFAR, 48 CFR 252.227-7013 (OCT 1988), as applicable. Customer shall be responsible for ensuring that the ARM Deliverables is marked with the "Restrictive Rights Notice" or "Restrictive Rights Legend", as required.

Incorporation Each Project Statement generated from time to time and referencing this Agreement shall be incorporated into and form part of this Agreement.

Precedence Notwithstanding anything to the contrary contained elsewhere in this Agreement, if any of the provisions contained in a Project Statement conflict or are inconsistent with any of the provisions of any of Clauses 1 to 14 of this Agreement inclusive, then to the extent that the provisions contained in such Project Statement are inconsistent with any of the provisions of any of Clauses 1 to 14 of this Agreement inclusive and solely for the purposes of interpretation of this Agreement with respect to such Project Statement, the provisions contained in such Project Statement shall prevail over and shall supersede the conflicting or inconsistent provisions in Clauses 1 to 14 of this Agreement inclusive.

Notwithstanding anything to the contrary contained elsewhere in this Agreement or any Project Statement, if any of the provisions contained in the TLA conflict or are inconsistent with any of the provisions of any of Clauses 1 to 14 of this Agreement inclusive, then to the extent that the provisions contained in the TLA are inconsistent with any of the provisions of any of Clauses 1 to 14 of this Agreement inclusive, the provisions contained in the TLA shall prevail over and shall supersede the conflicting or inconsistent provisions in Clauses 1 to 14 of this Agreement inclusive.

English Law The validity, construction and performance of this Agreement shall be governed by English Law.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed by their duly authorized representative

ARM LIMITED

BY /s/ Graham Budd
NAME: Graham Budd
TITLE: EVP and General Manage Processors Division

CUSTOMER

BY /s/ Robert Krakauer
NAME: Robert Krakauer
TITLE: President

Exhibit 10.54

MagnaChip Semiconductor Profit Sharing Plan

as adopted on December 31, 2009 and as amended on February 15, 2010

WHEREAS, the Board wishes to motivate the executives and employees of the Company and its subsidiaries to continue to grow the Company and bring greater value to the Company's stakeholders.

1. RESOLVED, that the Board hereby establishes a MagnaChip Semiconductor Profit Sharing Plan under which the Board sets an annual consolidated EBITDA target (the "Base Target") for the Company and pays to its executives and employees a percentage of consolidated EBITDA once the Base Target is met or exceeded (the "Profit Share").

2. RESOLVED FURTHER, for the Company's fiscal year 2010, the Base Target is hereby set at [*****] and the Profit Share for that Base Target is hereby set at [*****], payable as a percentage of annual base salary as follows:

	% Annual Base Salary	2010 Amount
Executives	**25.1%**	[*****]
CEO	*40.0%*	
President	*33.3%*	
GM	*26.7%*	
SVP	*23.3%*	
VP	*20.0%*	
Employee	**7.0%**	[*****]

3. RESOLVED FURTHER, that for the year 2010 only, the Board has agreed to pay a portion of the Profit Share based on reaching a consolidated EBITDA (after deducting profit share expenses) of [*****] for the Company's first fiscal quarter of 2010, and a consolidated EBITDA (after deducting profit share expenses) of [*****] for the Company's second fiscal quarter of 2010 (the "Interim Targets"). A profit share distribution of [*****] will be paid for each Interim Target that the Company reaches. The interim profit share distributions will be paid during the Company's normal pay period in April for the first Interim Target and in July for the second Interim Target.

4. RESOLVED FURTHER, that in the event the Company exceeds the Base Target, the Company shall pay to its executives and employees an additional Profit Share constituting twenty-five percent (25%) of the annual consolidated EBITDA in excess of the Base Target, with the payment percentages set forth above proportionately increasing.

5. RESOLVED FURTHER, that for the year 2010 only, no additional Profit Share will be paid in the event that the Company exceeds the Base Target or either Interim Target. The maximum payable profit share in 2010 is therefore [*****] for meeting or exceeding the Q1 Interim Target, [*****] for meeting or exceeding the Q2 Interim Target, and [*****] in aggregate for meeting or exceeding the Base Target, provided that the [*****] Profit Share will be offset by any profit share paid in 2010 for reaching either or both of the Interim Targets.

6. RESOLVED FURTHER, that the Company shall pay the Profit Share during the normal pay period in the January following the conclusion of each fiscal year for which the Profit Share is calculated, subject to normal tax and withholding requirements in each jurisdiction in which Company executives and employees are located, and that the Profit Share is only payable to those executives and employees who have been employed by the Company or a subsidiary of the Company during the entire fiscal year for

[*****] = Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.

which the Profit Share is calculated and who are employed by the Company and its subsidiaries on the actual Profit Share payment date; provided, however, that the Profit Share is payable pro rata to executives and employees who begin their employment during the fiscal year for which the Profit Share is calculated.

7. RESOLVED FURTHER, that the Board retains the sole discretion to (i) pay the Profit Share in December of the relevant Company fiscal year when the Board believes the Base Target will be achieved, (ii) pay Profit Shares when the Company achieves slightly less than the Base Target, (iii) make interim Profit Share payments during the fiscal year, (iv) set consolidated EBITDA targets and Profit Share percentages for Company fiscal years beyond 2010, and (v) pay discretionary cash incentives to selected executives and employees outside the Profit Share plan.

8. RESOLVED FURTHER, that the proper officers of the Company, and each of them, are hereby authorized and directed in the name of and on behalf of the Company to make all such arrangements, to do and perform all such acts, to execute and deliver all such certificates and other instruments and documents, and to do everything that he or they may deem to be reasonable and necessary or appropriate in order to fully implement the foregoing resolutions, and that any and all actions heretofore taken by any officer or director of the Company in the name and on behalf of the Company in furtherance of the purpose and intent of the foregoing resolutions be, and hereby are, ratified, confirmed, and approved in all respects.

[*****] = Portions of this exhibit are subject to a request for confidential treatment and have been redacted and filed separately with the Securities and Exchange Commission.