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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 6, 2008
Date of Report (Date of earliest event reported)

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-07882	94-1692300
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

One AMD Place
P.O. Box 3453
Sunnyvale, California 94088-3453
(Address of principal executive offices) (Zip Code)

(408) 749-4000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement; Item 3.02 Unregistered Sales of Equity Securities.

Master Transaction Agreement

On October 6, 2008, Advanced Micro Devices, Inc. (the "***Company***") entered into a Master Transaction Agreement (the "***Master Transaction Agreement***") with Advanced Technology Investment Company LLC, a limited liability company established under the laws of the Emirate of Abu Dhabi and wholly owned by the Government of the Emirate of Abu Dhabi ("***Oyster***"), and West Coast Hitech L.P., an exempted limited partnership organized under the laws of the Cayman Islands ("***Pearl***"), acting through its general partner, West Coast Hitech G.P., Ltd., a corporation organized under the laws of the Cayman Islands, pursuant to which Oyster and the Company will form a manufacturing joint venture, Foundry Company, an exempted company to be incorporated under the laws of the Cayman Islands ("***The Foundry Company***"). The Foundry Company will manufacture semiconductor products and will provide certain foundry services to the Company and in the future to other third-party customers.

Pursuant to the Master Transaction Agreement, the Company will contribute certain assets and liabilities to The Foundry Company, including, among other things, shares of the groups of German subsidiaries owning Fab 30/38 and Fab 36, certain manufacturing assets, owned real property, tangible personal property, employees, inventories, books and records, a portion of the Company's patent portfolio and intellectual property and technology, rights under certain material contracts and authorizations necessary for The Foundry Company to carry on its business, in exchange for Foundry Company securities, consisting of one Class A Ordinary Share, 1,680,355 Class A Preferred Shares and 700,000 Class B Preferred Shares, and the assumption of certain liabilities by The Foundry Company. Oyster will contribute approximately $1.4 billion of cash to The Foundry Company in exchange for Foundry Company securities, consisting of one Class A Ordinary Share, 336,071 Class A Preferred Shares, 644,284 Class B Preferred Shares, $83,929,000 aggregate principal amount of Class A Subordinated Convertible Notes and $335,716,000 aggregate principal amount of Class B Subordinated Convertible Notes, and will transfer $0.7 billion of cash to the Company in exchange for the transfer by the Company of 700,000 Class B Preferred Shares of The Foundry Company to Oyster. In addition, the Company will issue to Pearl, for an aggregate purchase price of approximately $314 million, 58 million shares of the Company's common stock (the "***Shares***") and warrants to purchase 30 million shares of the Company's common stock (the "***Warrants***") at an exercise price of $0.01 per share. The Warrants will be exercisable after the earlier of (i) public ground-breaking of Fab 4X in New York and (ii) 24 months from the date of issuance, and the Warrants will have a ten-year term. The transactions contemplated by the Master Transaction Agreement are collectively referred to herein as the "***Transactions***." Immediately following the closing of the Transactions (the "***Closing***"), The Foundry Company will have only the Company and Oyster as stockholders, each of which at the Closing will have equal voting rights, and The Foundry Company will be owned 44.4 percent by the Company and 55.6 percent by Oyster on a fully converted to common basis. Oyster's economic ownership will increase over time based on the differences in securities held by the Company and Oyster, and depending on whether the Company elects to invest proportionately with Oyster in future Foundry Company capital infusions. As part of the Transactions, The Foundry Company will assume approximately $1.2 billion of the Company's debt.

The Master Transaction Agreement includes representations, warranties and covenants, as well as covenants restricting the Company from taking certain corporate actions in between signing of the Master Transaction Agreement and the Closing and prohibiting the Company from soliciting any other proposal or entering into any other agreement with a third party relating to an alternative transaction or a change of control of the Company. Subject to certain exceptions and limitations, the Company has agreed to indemnify Oyster and Pearl for breaches of representations, warranties and covenants and other specified matters. The Company's liability for breaches of representations or warranties is capped at $700 million (and there is no indemnification if aggregate indemnifiable damages are less than $21 million).

Consummation of the Transactions is subject to the satisfaction or waiver of certain closing conditions, including, among other matters: (i) the absence of breaches of representations, warranties or covenants that would result in a material adverse effect on the Company or The Foundry Company; (ii) receipt of material consents; (iii) receipt of certain government approvals, including HSR antitrust approval from the United States and merger control clearances from certain foreign regulatory authorities; (iv) the absence of proceedings or litigation that would result in a material adverse effect on the Company; (v) the absence of a change of control event of the Company; (vi) approval from the Company's stockholders under the rules and regulations of the New York Stock Exchange of the issuance of the Shares, the Warrants and the shares issuable upon exercise of the Warrants; (vii) the economic incentives and subsidies currently made available to the Company and its subsidiaries by governmental authorities in the State of New York remaining available to The Foundry Company and its subsidiaries without financial penalty or change that would be materially adverse to The Foundry Company and its subsidiaries and no governmental authority having notified any party that such governmental authority intends to seek to terminate the availability of such economic incentives and subsidies related to the Company's proposed fab project located in Saratoga County, New York; (viii) receipt of notice from the Committee on Foreign Investment in the United States ("***CFIUS***") to the effect that a review or investigation of the Transactions has been concluded and that a determination has been made that there are no unresolved U.S. national security concerns, or the lack of action by the President of the United States to block or prevent the consummation of the Transactions under Exon-Florio, with the applicable time period for the President to take such action having expired; and (ix) the appointment of a Pearl nominee to the Company's board of directors.

The Master Transaction Agreement may be terminated at any time prior to Closing: (i) by either Oyster or Pearl in the event that (A) a material adverse effect on the Company or The Foundry Company occurs, (B) a breach of a representation or warranty of the Company is likely to cause a material adverse effect, (C) the Company has not complied with the covenants contained in the Master Transaction Agreement in such a way that it results in a material adverse effect on the Company or (D) if the Company is involved in a liquidation, bankruptcy or insolvency proceeding; (ii) by any of the parties if Closing has not occurred by March 7, 2009 or if any governmental authority has issued a final and nonappealable order to restrain, enjoin or render illegal the Transactions; (iii) by Oyster or Pearl upon a change of control of the Company; or (iv) by the mutual consent of the parties. In addition, the Master Transaction Agreement may be terminated by Oyster or Pearl if representatives of the U.S. Department of the Treasury and/or any other lead agency designated by CFIUS for the Transactions (at least one of whom serves at the rank of Deputy Assistant Secretary or higher), acting on behalf of CFIUS, inform the parties either that CFIUS will refer the transaction to the President of the United States for decision, or that the CFIUS clearance would be conditioned upon certain types of mitigation agreements with CFIUS.

The Master Transaction Agreement also contemplates that the Company, Oyster and The Foundry Company will enter into a Shareholders' Agreement (the "***Shareholders' Agreement***"), a Funding Agreement (the "***Funding Agreement***"), a Wafer Supply Agreement (the "***Wafer Supply Agreement***") and other ancillary transaction agreements.

Shareholders' Agreement

The Shareholders' Agreement will set forth the rights and obligations of the Company and Oyster as shareholders of The Foundry Company. The initial Foundry Company board of directors (the "***Foundry Company Board***") will consist of eight directors, and the Company and Oyster will each be entitled to designate four directors for nomination. The number of directors a Foundry Company shareholder may designate may decrease in the future according to the percentage of The Foundry Company shares its owns on a fully diluted basis. Doug Grose will be the initial Foundry Company Chief Executive Officer, and Oyster will designate the initial Foundry Company Chief Financial Officer. Hector de J. Ruiz will not be a director of The Foundry Company but will serve as Chairman of the Foundry Company Board.

Pursuant to the Shareholders' Agreement, The Foundry Company will not be allowed to take certain corporate actions without unanimous Foundry Company Board approval, including, among other things: (i) entering into any transaction resulting in a change of control of The Foundry Company or any sale of all or substantially all of the assets of The Foundry Company and its subsidiaries; (ii) approving any annual business plan or any material amendment, modification or revision of any annual business plan; (iii) authorizing, issuing, selling, acquiring, converting, repurchasing or redeeming any Foundry Company shares or other equity interest not reflected in the annual business plan, its Articles of Association or any incentive plan; (iv) making certain capital expenditures; (v) incurring indebtedness over a specified level; and (vi) prosecuting, commencing or settling litigation over a certain threshold amount. The Shareholders' Agreement will also set forth procedures by which any deadlock with respect to matters requiring The Foundry Company Board approval are to be resolved, which allows a shareholder to break specified Foundry Company Board deadlocks if it owns more than 75% or 90% of The Foundry Company shares on a fully diluted basis.

The Shareholders' Agreement will restrict the ability of each shareholder to sell any Foundry Company securities, subject to certain exceptions, including the sale of specified percentages of a shareholder's fully diluted shares of The Foundry Company in the event of a Foundry Company initial public offering. In the event of a change of control of the Company without Oyster's prior written consent, among other things, all transfer restrictions with respect to Foundry Company securities held by Oyster will cease and Oyster will have the right to require any acquirer of the Company to guarantee all of the Company's obligations under the transaction documents. If a change of control of the Company occurs within two years of Closing, Oyster will have the right to put any or all of the Foundry Company securities held (valued at their fair market value) by Oyster and its permitted transferees to the Company in exchange for cash, or if a change of control of the Company occurs after a specified event, Oyster will have the option to purchase in cash any or all of The Foundry Company securities (valued at their fair market value) held by the Company and its permitted transferees.

The Shareholders' Agreement may be terminated upon (i) dissolution of The Foundry Company, (ii) written agreement by all parties possessing rights under the Shareholders' Agreement, (iii) at the election of a shareholder upon a bankruptcy event of the other shareholder, or (iv) for any shareholder, at such time a shareholder ceases to own any Foundry Company securities.

Funding Agreement

The Funding Agreement will provide for the future funding of The Foundry Company and will govern the terms and conditions under which Oyster is obligated to provide such funding. Pursuant to the Funding Agreement, Oyster will commit to additional equity funding of a minimum of $3.6 billion and up to $6.0 billion over the next five years. The Company has the right, but not the obligation, to provide additional future capital to the Foundry Company in an amount pro-rata to the Company's interest in the fully converted common stock of The Foundry Company.

At each equity funding, the equity securities to be issued by The Foundry Company will consist of 20% of Class A Preferred Shares and 80% of Class B Preferred Shares. The aggregate amount of equity funding to be provided by the shareholders in any fiscal year depends on the time period of such funding (Phase I, II or III) and the amounts set forth in the five-year capital plan of The Foundry Company. The Phases are defined as follows:

- Phase I: the period commencing on the date of the Funding Agreement and ending on the last day of the fiscal year ending in 2010.
- Phase II: the period commencing on the first day of the fiscal year ending in 2011 and ending on the last day of the fiscal year ending in 2013.
- Phase III: the period commencing on the first day of the fiscal year ending in 2014 and ending on the date the Funding Agreement is terminated pursuant to the terms thereof.

The Foundry Company is required to obtain specified third-party debt in any given fiscal year, as set forth in the five-year capital plan. To the extent that The Foundry Company obtains more than the specified amount of third-party debt, Oyster is able to reduce its funding commitment accordingly. To the extent that The Foundry Company is not able to obtain the full amount of third-party debt, Oyster is not obligated to make up the difference. To the extent the Company chooses not to participate in an equity financing of The Foundry Company, Oyster is obligated to purchase such Foundry Company securities in such equity financing, subject to Oyster's funding commitments under the Funding Agreement.

Oyster's obligations to provide funding are subject to certain conditions, including the accuracy of The Foundry Company's representations and warranties in the Funding Agreement, the absence of a material adverse effect on The Foundry Company or the Company and the absence of a material breach or default by The Foundry Company or the Company under the provisions of any transaction document. There are additional funding conditions for each of the Phases.

The Funding Agreement will terminate upon the termination of a transition period beginning on the date of notice of Oyster's election to have The Foundry Company enter into such a period if certain terms and conditions contained in the Funding Agreement are satisfied and ending on the later of (A) 12 months after such date and (B) the last day of the fiscal year ending in 2013.

Wafer Supply Agreement

The Wafer Supply Agreement will govern the terms by which the Company will purchase products manufactured by The Foundry Company. Pursuant to the Wafer Supply Agreement, the Company will, subject to limited exceptions, purchase all of its microprocessor unit ("***MPU***") product requirements from The Foundry Company. If the Company acquires a third-party business that manufactures MPU products, the Company will have up to two years to transition the manufacture of such MPU products to The Foundry Company. In addition, once The Foundry Company establishes a 32nm-qualified process, the Company will purchase from Foundry Company sales entities, where competitive, specified percentages of its graphics processor unit ("***GPU***") requirements at all process nodes, which percentage will increase linearly over a five-year period. At the Company's request, The Foundry Company will also provide sort services to the Company on a product-by-product basis.

The Company will provide The Foundry Company with product forecasts of its MPU and GPU product requirements. The price for MPU products is related to the percentage of the Company's MPU-specific total cost of goods sold. The price for GPU products will be determined by the parties when The Foundry Company is able to begin manufacturing GPU products for the Company.

The Wafer Supply Agreement will be in effect no longer than 15 years after the Closing. The Wafer Supply Agreement may also be terminated if and when a business plan deadlock exists and Oyster elects to enter into a transition period pursuant to the Funding Agreement. The Foundry Company will agree to use commercially reasonable efforts to assist the Company to transition the supply of products to another provider, and continue to fulfill purchase orders for up to two years following the termination or expiration of the Wafer Supply Agreement. During such transition period, pricing for MPU products will remain as set forth in the Wafer Supply Agreement, but the Company's purchase commitments to The Foundry Company will no longer apply.

The foregoing summaries of the Master Transaction Agreement, Shareholders' Agreement, Funding Agreement and the Wafer Supply Agreement are qualified in their entirety by reference to the Master Transaction Agreement, Shareholders' Agreement, Funding Agreement and the Wafer Supply Agreement, which will be filed in a future SEC filing. The Company intends to submit a FOIA Confidential Treatment Request to the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended, requesting that it be permitted to redact certain portions of the Shareholders' Agreement, Funding Agreement and the Wafer Supply Agreement. The omitted material will be included in the request for confidential treatment.

Indemnity Agreement

On October 6, 2008, the Company's board of directors (the "***Board***") approved a revised indemnity agreement (the "***Indemnity Agreement***") to be entered into with directors, officers and key employees determined by the Board. The Indemnity Agreement will supersede and replace the indemnity agreement that the Company has previously entered into with its directors and officers.

The Indemnity Agreement requires the Company, among other things, to indemnify and hold harmless each indemnitee to the fullest extent permitted by law for certain expenses incurred in a proceeding arising out of indemnitee's service to the Company if such indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. The Indemnity Agreement also provides for the advancement of such expenses incurred by such individual in connection with any proceeding against such individual with respect to which such individual may be entitled to indemnification by the Company. The foregoing description of the Indemnity Agreement is qualified in its entirety by reference to the form of Indemnity Agreement attached hereto as Exhibit 10.1, which is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the Transactions, on October 6, 2008, the Company signed, on behalf of The Foundry Company, an employment agreement between the Company and Dr. Hector de J. Ruiz (the "***Employment Agreement***"), pursuant to which Dr. Ruiz will serve as non-voting Chairman of the Foundry Company Board, to be effective upon the Closing. The term of the Employment Agreement is for two years, commencing on the Closing (the "***Term***"). In the event that the Closing does not occur pursuant to the terms of the Master Transaction Agreement, the Employment Agreement will be automatically null and void.

Under the Employment Agreement, Dr. Ruiz' base salary at The Foundry Company will be $1,150,000 per year and during the Term, Dr. Ruiz will be eligible for a target annual bonus opportunity of 200% of his base salary, with a maximum annual bonus opportunity at 400% of his base salary, subject to achievement of applicable performance goals established by the Foundry Company Board in consultation with Dr. Ruiz. In the event that Dr. Ruiz' employment is terminated by The Foundry Company without Cause (as defined in the Employment Agreement) or Dr. Ruiz resigns for Good Reason (as defined in the Employment Agreement), The Foundry

Company will pay to Dr. Ruiz, subject to his compliance with non-competition and non-solicitation provisions and execution of a release of claims, an amount equal to his base salary and the target annual bonuses remaining payable to Dr. Ruiz for the remainder of the Term, payable in a lump sum. If Dr. Ruiz' employment is terminated due to disability or death, Dr. Ruiz or his beneficiaries, as applicable, are eligible to receive the amounts described above; provided that no release of claims is required to be executed in the event that Dr. Ruiz' employment is terminated due to death.

The Board also approved a transaction bonus payable by the Company to Dr. Ruiz in cash equal to $3,000,000 (subject to applicable withholdings), to be paid on the Closing, subject to (i) Dr. Ruiz' continued employment with the Company through the Closing, (ii) Dr. Ruiz' separation from service with the Company at the Closing and (iii) Dr. Ruiz assuming the position of Chairman of the Foundry Company Board on the Closing.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the Employment Agreement attached hereto as Exhibit 10.2, which is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

The information in this Item, including the Exhibit 99.1 attached hereto, is furnished pursuant to Item 7.01 of this Form 8-K. Consequently, it is not deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references this Form 8-K.

On October 7, 2008, the Company announced the creation of The Foundry Company with Oyster and the additional investment in the Company by Pearl in a press release that is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Form of Indemnity Agreement.
10.2	Employment Agreement dated October as of 6, 2008, by and between Advanced Micro Devices, Inc. and Hector de J. Ruiz.
99.1	Press Release dated October 7, 2008.

SIGNATURES

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

Date: October 10, 2008	ADVANCED MICRO DEVICES, INC.	
	By:	/s/ Katy Wells
	Name:	Katy Wells
	Title:	Corporate Vice President, Deputy General Counsel and Assistant Secretary

Exhibit Index.

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Exhibit 10.1

FORM OF INDEMNITY AGREEMENT

This Indemnity Agreement ("Agreement") is made as of __________ by and between ADVANCED MICRO DEVICES, INC., a Delaware corporation (the "Company"), and __________ ("Indemnitee"). This Agreement supersedes and replaces any and all previous agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the General Corporation Law of the State of Delaware ("DGCL"). The Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons in order to protect such persons against claims and expenses arising from their services on behalf of the Company.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify and hold harmless and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so protected against liabilities.

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter and Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Charter, Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

WHEREAS, the Agreement hereby amends and restates any existing indemnification agreement between Indemnitee and the Company.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services to the Company. Indemnitee will serve or continue to serve as an officer, director or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his resignation or is terminated by the Company. Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employ of the Company or any of its subsidiaries or affiliated entities. The foregoing notwithstanding, this Agreement shall continue in force after the Indemnitee has ceased to serve as an officer, director or key employee of the Company.

2. Definitions. As used in this Agreement:

(a) References to “agent” shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other Enterprise (as defined below) at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) The terms “Beneficial Owner” and “Beneficial Ownership” shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as defined below) as in effect on the date hereof.

(c) A “Change in Control” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of directors, unless (1) the change in the relative Beneficial Ownership of the Company’s securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (2) such acquisition was approved in advance by the Continuing Directors (as defined below) and such acquisition would not constitute a Change in Control under part (iii) of this definition;

(ii) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two thirds of the directors then still in office who were directors on the date hereof or whose election for nomination for election was previously so approved (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (a "Business Combination"), in each case, unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the securities entitled to vote generally in the election of directors and with the power to elect at least a majority of the Board or other governing body of the surviving entity; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of such corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, other than factoring the Company's current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise (as defined below) which such person is or was serving at the request of the Company.

(e) “Delaware Court” shall mean the Court of Chancery of the State of Delaware.

(f) “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding (as defined below) in respect of which indemnification is sought by Indemnitee.

(g) “Enterprise” shall mean the Company and any other corporation, constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

(h) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(i) “Expenses” shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including, without limitation, all attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (including any taxes that may be imposed upon the actual or deemed receipt of payments under this Agreement with respect to the imposition of federal, state, local or foreign taxes), fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in, a Proceeding (as defined below). Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding (as defined below), including without limitation the principal, premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(j) “Independent Counsel” shall mean a law firm or a member of a law firm with significant experience in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding (as defined below) giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(k) References to "fines" shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(l) The term "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that "Person" shall exclude: (i) the Company; (ii) any Subsidiaries (as defined below) of the Company; (iii) any employment benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company; and (iv) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(m) A "Potential Change in Control" shall be deemed to have occurred if: (i) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any Person or the Company publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; (iii) any Person who is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors increases his Beneficial Ownership of such securities by 5% or more over the percentage so owned by such Person on the date hereof unless such acquisition was approved in advance by the Board; or (iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(n) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, legislative or investigative (formal of informal) nature, including any appeal therefrom, in which Indemnitee was, is, will or might be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, by reason of any action (or failure to act) taken by him or of any action (or failure to act) on his part while acting as a director, officer, employee or agent of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner,

managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement. If Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(o) The term "Subsidiary," with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

(p) In connection with any merger or consolidation, references to the "Company" shall include not only the resulting or surviving company, but also any constituent company or constituent of a constituent company, which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents. The intent of this provision is that a person who is or was a director of such constituent company after the date hereof or is or was serving at the request of such constituent company as a director, officer, employee, trustee or agent of another company, partnership, joint venture, trust, employee benefit plan or other Enterprise after the date hereof, shall stand in the same position under this Agreement with respect to the resulting or surviving company as the person would have under this Agreement with respect to such constituent company if its separate existence had continued.

3. Indemnity in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 3 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified and held harmless to the fullest extent permitted by applicable law against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified and held harmless to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification or to be held harmless for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the

extent that any court in which the Proceeding was brought or the Delaware Court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification or to be held harmless.

5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by applicable law. If the Indemnitee is not wholly successful in such Proceeding, the Company also shall indemnify and hold harmless Indemnitee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which the Indemnitee was successful. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, he shall be indemnified and held harmless against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

7. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnification or hold harmless rights shall be available under this Section 7(a) on account of Indemnitee’s conduct which constitutes a breach of Indemnitee’s duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

(b) Notwithstanding any limitation in Sections 3, 4, 5 or 7(a), the Company shall indemnify and hold harmless Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to

procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding.

8. Contribution in the Event of Joint Liability.

(a) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

(b) The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(c) The Company hereby agrees to fully indemnify and hold harmless Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company other than Indemnitee who may be jointly liable with Indemnitee.

9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification or hold harmless payment:

(a) in connection with any claim made against Indemnitee for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity provision or otherwise;

(b) in connection with any claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes Oxley Act); or

(c) except as otherwise provided in Sections 14(e)-(f) hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated

by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such payment arises in connection with any counterclaim that the Company or its directors, officers, employees or other indemnitees assert against Indemnitee or any affirmative defense that the Company or its directors, officers, employees or other indemnitees raise, which, by any doctrine of issue or claim preclusion, could result in liability to Indemnitee, or (iii) the Company provides the indemnification or hold harmless payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Advances of Expenses; Defense of Claim.

(a) Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent permitted by applicable law, the Company shall advance the Expenses incurred by Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with any Proceeding within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to be indemnified or held harmless under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances, to the fullest extent permitted by applicable law, solely upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Charter, the Bylaws of the Company, applicable law or otherwise. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10(a) shall not apply to any claim made by Indemnitee for which an indemnification, hold harmless or exoneration payment is excluded pursuant to Section 9.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

(c) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Indemnitee without the Indemnitee's prior written consent.

11. Procedure for Notification and Application for Indemnification.

(a) Indemnitee agrees to notify promptly the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or hold harmless rights, or advancement of Expenses covered hereunder. The written notification shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement, or otherwise.

(b) To obtain indemnification under this Agreement, Indemnitee shall deliver to the Company a written application to indemnify and hold harmless Indemnitee, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or proceeding, in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined according to Section 12(a) of this Agreement.

12. Procedure Upon Application for Indemnification.

(a) A determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in

Section 2 of this Agreement. If the Independent Counsel is selected by the Board, the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court or such other person as the Delaware Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(d) If the Company disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its

directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(g), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall, to the fullest extent not prohibited by laws, be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board, any committee of the Board or any director, or on information or records given or reports made to the Enterprise, its Board, any committee of the Board or any director, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise, its Board, any committee of the Board or any director. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

14. Remedies of Indemnitee.

(a) Subject to 14(g), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6, 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vii) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court to such indemnification, hold harmless, exoneration, contribution or advancement rights. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, Indemnitee shall be presumed to be entitled to be indemnified and held harmless and to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to be indemnified and held harmless, and to receive advances of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 12(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 10 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance to Indemnitee, to the fullest extent permitted by applicable law, all such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) in connection with, to enforce his rights under, or to recover damages for breach of, this Agreement or any other indemnification, hold harmless, exoneration, advancement or contribution agreement or provision of the Charter, or the Company's Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee; provided, however, with respect to the foregoing clauses (i) and (ii), if Indemnitee is not wholly successful on the underlying claims, then such indemnification and advancement shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater. To the extent that it is ultimately determined that Indemnitee is not wholly successful on the underlying claims, the execution and delivery to the Company of this Agreement shall constitute an undertaking providing that the Indemnitee undertakes to repay, if required by law, the amounts advanced (without interest) to the extent the Indemnitee is not successful on such underlying claims.

(f) Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies or holds harmless, or is obliged to indemnify or hold harmless for the period commencing with the date on which Indemnitee requests indemnification or to be held harmless, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

(g) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

15. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a “Trust” for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, participating in or defending any Proceedings, and any and all judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines penalties and amounts paid in settlement) in connection with any and all Proceedings from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The trustee of the Trust (the “Trustee”) shall be a bank or trust company or other individual or entity chosen by the Indemnitee and reasonably acceptable to the Company. Nothing in this Section 15 shall relieve the Company of any of its obligations under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of the Indemnitee and the Company or, if the Company and the Indemnitee are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement. The terms of the Trust shall provide that, except upon the consent of both the Indemnitee and the Company, (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee; and (b) upon a Change in Control: (i) the Trustee shall advance, to the fullest extent permitted by applicable law, within two (2) business days of a request by the Indemnitee any and all Expenses to the Indemnitee; (ii) the Trust shall continue to be funded by the Company in accordance with the funding obligations set forth above; (iii) the Trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification or to be held harmless pursuant to this Agreement or otherwise; and (iv) all unexpended funds in such Trust shall revert to the Company upon mutual agreement by the Indemnitee and the Company or, if the Indemnitee and the Company are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement, that the Indemnitee has been fully indemnified and held harmless under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 23 of this Agreement.

16. Security. Notwithstanding anything herein to the contrary, to the extent requested by the Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to the Indemnitee for the Company’s obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

17. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of Indemnitee as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under

applicable law, the Charter, the Company's Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise and (ii) shall be enforced and this Agreement shall be interpreted independently of and without reference to or limitation or constraint (whether procedural, substantive or otherwise) by any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification, hold harmless or exoneration rights or advancement of Expenses than would be afforded currently under the Company's Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. To the extent that a change in Delaware law, whether by statute or judicial decision, narrows or limits indemnification or advancement of Expenses that are afforded currently under the Company's Bylaws or this Agreement, it is the intent of the parties hereto that such change, except to the extent required by applicable law, shall have no effect on this Agreement or the parties' rights and obligations hereunder. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The DGCL and the Company's Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or incurred by or on behalf of him or in such capacity as a director, officer, employee or agent of the Company, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

(c) The Company shall maintain directors' and officers' insurance programs providing coverage to Indemnitee for Expenses during the time period Indemnitee serves the Company in a Corporate Status. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify and hold harmless or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or hold harmless payments or advancement of expenses from such Enterprise.

(f) If Indemnitee is a director of the Company during the term of this Agreement and if Indemnitee ceases to be a director of the Company for any reason, the Company shall procure a run-off directors' and officers' liability insurance policy with respect to claims arising from facts or events that occurred before the time Indemnitee ceased to be a director of the Company and covering Indemnitee, which policy, without any lapse in coverage, will provide coverage for a period of six (6) years after the time Indemnitee ceased to be a director of the Company and will provide coverage (including amount and type of coverage and size of deductibles) that are substantially comparable to the Company's directors' and officers' liability insurance policy that was most protective of Indemnitee in the twelve (12) months preceding the time Indemnitee ceased to be a director of the Company; provided, however, that:

(i) this obligation shall be suspended during the period immediately following the time Indemnitee ceases to be a director of the Company if and only so long as the Company has a directors' and officers' liability insurance policy in effect covering Indemnitee for such claims that, if it were a run-off policy, would meet or exceed the foregoing standards, but in any event this suspension period shall end when a Change in Control occurs; and

(ii) no later than the end of the suspension period provided in the preceding clause (i) (whether because of failure to have a policy meeting the foregoing standards or because a Change in Control occurs), the Company shall procure a run-off directors' and officers' liability insurance policy meeting the foregoing standards and lasting for the remainder of the six (6)-year period.

(g) Notwithstanding the preceding clause (f) including the suspension provisions therein, if Indemnitee ceases to be an officer or a director of the Company in connection with a Change in Control or at or during the one (1)-year period following the occurrence of a Change in Control, the Company shall procure a run-off directors' and officers' liability insurance policy covering Indemnitee and meeting the foregoing standards in clause (f) and lasting for a six (6)-year period upon the Indemnitee's ceasing to be an officer or a director of the Company in such circumstances.

18. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company, or at the request of the Company, as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of another Enterprise; or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto.

19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

20. Enforcement and Binding Effect.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to encourage Indemnitee to serve and/or continue to serve as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, and except as provided in Section 17(a), this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The rights to be indemnified and to receive contribution and advancement of Expenses provided by or granted Indemnitee pursuant to this Agreement shall apply to Indemnitee's service as an officer, director, employee or agent of the Company prior to the date of this Agreement.

(d) The indemnification, hold harmless, exoneration and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased

to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, estate, heirs, devisees, executors and administrators and other legal representatives.

(e) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(f) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

21. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(b) If to the Company, to:

ADVANCED MICRO DEVICES, INC.
One AMD Place
Sunnyvale, California 94088
Attention: General Counsel

or to any other address as may have been furnished to Indemnitee in writing by the Company.

23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) appoint irrevocably, to the extent such party is not subject to service of process in the State of Delaware, RL&F Service Corp., One Rodney Square, 10th Floor, 10th and King Streets, Wilmington, Delaware 19801 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware; (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

26. Additional Acts. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

[Remainder of page intentionally left blank;
signatures appear on following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

ADVANCED MICRO DEVICES, INC.	INDEMNITEE
By: ____________________	____________________
Name:	Name:
Title:	Address:

Exhibit 10.2

EXECUTION VERSION

EMPLOYMENT AGREEMENT

AGREEMENT, dated as of October 6, 2008, by and between Advanced Micro Devices, Inc., a Delaware corporation ("Discovery"), and Hector de J. Ruiz, an individual (the "Executive").

WHEREAS, Discovery, Advanced Technical Investment Company LLC, a limited liability company organized under the laws of the United Arab Emirates ("Oyster"), and West Coast Hitech L.P., an exempted limited partnership organized under the laws of the Cayman Islands have entered into a Master Transaction Agreement dated as of October 6, 2008 (the "Transaction Agreement"), pursuant to which Discovery has agreed to form FoundryCo., a private company organized under the laws of the Cayman Islands (the "Company") to act as the holding company for a joint venture between Discovery and Oyster;

WHEREAS, at or prior to the "Closing" (as defined in the Transaction Agreement), Discovery will contribute or cause its Subsidiaries to contribute to the Company certain assets of Discovery and to cause Discovery to offer employment at the Company to certain employees of Discovery in consideration of the issuance by the Company to Discovery of equity securities of the Company and the assumption by the Company of certain liabilities of Discovery, in each case at the Closing, and Oyster has agreed to contribute, at the Closing, cash to the Company and to Discovery in exchange for equity securities of the Company;

WHEREAS, as an inducement for Oyster to enter into the Transaction Agreement, the Executive desires to enter into this Agreement on his own behalf, and Discovery desires on behalf of the Company, to enter into this Agreement (including, without limitation, the covenants contained in Sections 5 through 8 below), which shall become effective upon the Closing, at which time, without any further action by the parties hereto, the rights and obligations of Discovery under this Agreement shall be transferred by novation to the Company, with such novation and this Agreement to become simultaneously effective as of the Closing Date (as defined in the Transaction Agreement);

WHEREAS, the Executive is currently employed by Discovery; and

WHEREAS, subject to the consummation of the transactions contemplated by the Transaction Agreement, Discovery desires that the Company employ the Executive on the terms set forth herein and the Executive desires to be so employed by the Company.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Employment and Duties.

(a) General. The Executive shall serve as the Chairman of the Board of Directors of the Company (the "Board"), which shall be a non-voting position held by a non-director. The Executive shall report directly to the Board and shall have such duties and responsibilities, commensurate with the Executive's position, as may be assigned to the Executive from time to time by the Board, including, but not limited to, (i) providing guidance regarding the long-term strategy of the Company, (ii) developing external relationships with governmental organizations, customers and suppliers; (iii) representing the Company at industry forums; (iv) shaping the agenda for the Board with input from Oyster and Discovery and (v) overseeing and driving the creation of additional fabrication capacity in the Company's current and planned facilities, including in Dresden, New York, and Abu Dhabi. The Executive's principal place of employment shall be at the offices of the Company located in Austin, Texas; provided, however, that the Executive understands and agrees that he will be required to travel from time to time for business reasons or as may reasonably be requested by the Board.

(b) Exclusive Services. For so long as the Executive is employed by the Company, the Executive shall devote his full business time to his duties hereunder, shall faithfully serve the Company, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to him by the Board and shall promote and serve the interests of the Company. Further, the Executive shall not, directly or indirectly, render services to any other person or organization without the consent of the Company or otherwise engage in activities that would interfere significantly with his faithful performance of his duties hereunder; provided that the Executive may continue his current board membership with Eastman Kodak. Notwithstanding the foregoing, the Executive may engage in the non-profit and charitable activities set forth on Appendix 1 hereto, and such other non-profit charitable activities as the Board may, in its reasonable discretion, approve from time to time and manage personal investments provided that such activity does not contravene the first sentence of this Section 1(b) or the provisions of Sections 5, 6 and 7 hereof.

(c) Effectiveness. This Agreement shall become effective as of the Closing Date (as defined in the Transaction Agreement). In the event that the transactions contemplated by the Transaction Agreement are not consummated, this Agreement shall be automatically null and void.

2. Term. The Executive's employment under this Agreement shall commence as of the Closing Date (which, for purposes of this Agreement, shall be hereafter referred to as the "Effective Date") and shall terminate on the earlier of (i) the second anniversary of the Effective Date and (ii) the Executive's termination of employment under this Agreement. The period from the Effective Date until the expiration of the period referenced in the preceding sentence shall be hereinafter referred to as the "Term". Except as set forth in Section 20 hereof, upon the expiration of the Term all obligations and rights under this Agreement shall immediately lapse.

3. Compensation and Other Benefits. Subject to the provisions of this Agreement, during the Term, the Company shall pay and provide the following compensation and other benefits to the Executive as compensation for services rendered hereunder:

(a) Base Salary. The Company shall pay to the Executive an annual salary (the "Base Salary") at the rate of $1.15 million per annum, payable in substantially equal installments at such intervals as may be determined by the Company in accordance with its ordinary payroll practices as established from time to time.

(b) Annual Bonus. For each calendar year during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"), if the applicable performance goals established by the People/Compensation Committee of the Board (the "Committee") in consultation with the Executive are satisfied. For each calendar year during the Term, the target Annual Bonus opportunity shall be equal to 200% of the Executive's Base Salary (the "Target Bonus") and the maximum Annual Bonus opportunity shall be equal to 400% of the Executive's Base Salary; provided that if the Effective Date occurs prior to January 1, 2009, then the Annual Bonus for 2010 shall be payable at the end of the Term; and provided further that if the Effective Date occurs on or after February 15, 2009, the Annual Bonus for 2009 shall be prorated to include only the calendar days elapsed in 2009 during the Term, and the Annual Bonus for 2011 shall be similarly prorated (at actual performance) to include the calendar days elapsed in 2011 during the Term. Such Annual Bonus, if any, shall be paid to the Executive at the same time bonuses are paid to senior executives of the Company, but in no event later than March 15th of the calendar year following the calendar year to which the Annual Bonus relates.

(c) Benefit Plans. The Executive and/or his eligible dependents shall be entitled to participate in all benefit plans applicable generally to other senior executives of the Company, in a manner commensurate with other such executives of the Company and in accordance with the terms of the plans, as may be amended or modified by the Company from time to time with or without notice. The Executive shall be subject to all of the provisions of any such benefit plans.

(d) Expenses. The Company shall reimburse the Executive for reasonable travel and other business-related expenses incurred by the Executive in the fulfillment of his duties hereunder upon presentation of written documentation thereof, in accordance with the applicable expense reimbursement policies and procedures of the Company as in effect from time to time; provided that the Executive shall be entitled to be reimbursed for first class airfare for all business travel.

(e) Vacation. During the Term, the Executive shall be entitled to twenty (20) vacation days each year, as well as holidays, personal days and sick days, in accordance with the applicable policies of the Company as in effect from time to time.

(f) Perquisites. The Executive shall be entitled to perquisites at a level commensurate with other senior executives of the Company, including first class airfare when traveling on Company business; provided that the Executive shall be subject to all other expense reimbursement and travel policies and procedures of the Company as in effect from time to time.

(g) Office Space and Support Services. During the Term, the Executive shall be entitled to an office with such furnishing and other appointments, and shall be provided with support services, in each case, as may be reasonably agreed by the Executive and the Company.

4. Termination of Employment. Subject to this Section 4, during the Term, the Company shall have the right to terminate the Executive's employment at any time, with or without Cause (as defined below), and the Executive shall have the right to terminate his employment at any time, with or without Good Reason (as defined below).

(a) Termination for Cause; Resignation Without Good Reason. (i) If, prior to the expiration of the Term, the Executive incurs a "Separation from Service" within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code") by reason of the Company's termination of the Executive's employment for Cause or if the Executive resigns from his employment hereunder other than for Good Reason, the Executive shall be entitled only to payment of unpaid Base Salary through the date of the Executive's Separation from Service (the "Separation Date") and any accrued but unpaid obligations as of the Separation Date, including accrued vacation, incurred but unreimbursed expenses and any earned but unpaid Annual Bonus in respect of the calendar year ending prior to the Executive's Separation Date (collectively, the "Accrued Obligations"), and any other amounts or benefits, required to be paid or provided by law or under any plan, program, policy or practice of the Company ("Other Compensation and Benefits"). Any Accrued Obligations shall be paid to the Executive within thirty (30) days of the Executive's Separation Date and the Other Compensation and Benefits shall be paid or provided to the Executive in accordance with the terms of the relevant plan, program policy or practice. The Executive shall have no further right to receive any other compensation or benefits after such termination or resignation of employment, except as provided in Sections 10 and 11 hereof.

(ii) "Cause" means the termination of the Executive's employment by the Company for repeated failure to perform assigned duties (other than by reason of the Executive's Disability) after being notified in writing of such failure with an opportunity to correct, or if the Executive is determined by a court of law or pursuant to Section 16 below to have committed or participated in a willful act of embezzlement, fraud or dishonesty which resulted in material loss, material damage or material injury to the Company. For purposes of this provision, no act or failure to act, on the Executive's part, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief by the Executive that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of the Executive's employment shall not be deemed to be for Cause unless and until (i) there shall have been delivered to the Executive a copy of a resolution duly adopted by the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity to be heard by the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described above, and specifying the particulars thereof in detail;

provided, however, that on or following a "Change in Control" of the Company (as defined in the Company's Long-Term Incentive Plan), any such resolution must be adopted by the affirmative vote of not less than seventy-five percent (75%) of the entire membership of the Board (excluding the Executive) and (ii) if the Executive contests such finding, the arbitrators by final determination in an arbitration proceeding pursuant to Section 16 hereof have concluded that the Executive's conduct met the standard for termination for Cause above and that the Board's conduct met the standards of good faith and satisfied the procedural and substantive conditions of this Section 4(a)(ii). If the Company does not deliver to the Executive a Notice of Termination (as defined below) within sixty (60) days after the Board has knowledge that an event constituting Cause has occurred, the event will no longer constitute Cause.

(iii) "Good Reason" means, without the Executive's written consent,

(A) a material reduction in Base Salary or Annual Bonus opportunity or a failure to pay Base Salary or earned Annual Bonus;

(B) a demotion or diminution in the title or position of the Executive as set forth in Section 1(a) of this Agreement (including a change in reporting relationships such that the Executive ceases to report to the Board);

(C) the assignment to the Executive of duties materially inconsistent with the general scope or nature of those duties specified in Section 1(a) of this Agreement; or

(D) relocation of the Executive's principal place of performance from the greater Austin, Texas metropolitan area;

provided, however, that no event or condition described in clauses (A) through (D) shall constitute Good Reason unless (x) the Executive first gives the Board written notice of his resignation of his employment for Good Reason and the grounds for such termination and (y) such grounds for termination (if susceptible to correction) are not corrected by the Company within twenty (20) days of its receipt of such notice (or, in the event that such grounds cannot be corrected within such 20-day period, the Company has not taken all reasonable steps within such 20-day period to correct such grounds as promptly as practicable thereafter).

(b) Termination Without Cause; Resignation for Good Reason. (i) If, prior to the expiration of the Term, the Executive incurs a Separation from Service by reason of the Company's termination of the Executive's employment without Cause, or if the Executive resigns from his employment for Good Reason, the Executive shall be entitled to payment of the Accrued Obligations within thirty (30) days of the Separation Date, provision of the Other Compensation and Benefits, and payment of an amount (the "Severance Payment") equal to the Base Salary and the Target Bonus payable to the Executive for the remainder of the Term (including any prorated Target Bonus in respect of 2011 if the Effective Date occurs on or after February 15, 2009) in a single lump-sum within thirty (30) days of the Executive's Separation Date. The Executive shall have no further rights under this Agreement or otherwise to receive any other compensation or benefits after such termination or resignation of employment, except as provided in Sections 10 and 11 hereof.

(ii) If following a termination of the Executive's employment without Cause or a resignation of the Executive's employment for Good Reason, the Executive breaches the provisions of Sections 5 through 8 and Section 14 hereof prior to the payment date of the Severance Payment, the Executive shall not be eligible, as of the date of such breach, for the Severance Payment, and any and all obligations and agreements of the Company with respect to such payment shall thereupon cease.

(c) Termination Due to Death or Disability. (i) The Executive's employment under this Agreement shall automatically terminate upon the Executive's death. In the event of the Executive's Disability, as defined below, the Company shall be entitled to terminate his employment hereunder on not less than thirty (30) days' written notice to the Executive. In the event of the Executive's death or the Executive incurs a Separation from Service as a result of Disability, in each case, prior to the expiration of the Term, the Executive or his estate, as applicable, shall be entitled to the payments and benefits set forth in Section 4(b)(i); provided that in the event of the Executive's death, the Severance Payment shall be paid in lump-sum payments to the Executive's estate within thirty (30) days of the Executive's death. The Executive shall have no further rights under this Agreement or otherwise to receive any other compensation or benefits after such termination of employment, except as provided in Sections 10 and 11 hereof. For purposes of this Agreement, "Disability" means a physical or mental disability or infirmity of the Executive that prevents the normal performance of substantially all his duties for a period in excess of ninety (90) consecutive days or for more than one hundred eighty (180) days in any consecutive 12-month period.

(ii) If following a Separation from Service as a result of Disability, the Executive breaches the provisions of Sections 5 through 8 and Section 14 hereof prior to the payment date of the Severance Payment, the Executive shall not be eligible, as of the date of such breach, for the Severance Payment, and any and all obligations and agreements of the Company with respect to such payment shall thereupon cease.

(d) Execution and Delivery of Release. The Company shall not be required to make the payments, other than the Accrued Obligations, and provide the benefits, other than the Other Compensation and Benefits, provided for under Section 4(b) or Section 4(c) (in the event of a Separation from Service as a result of Disability), unless the Executive executes and delivers to the Company, within sixty (60) days following the Executive's Separation Date, a general waiver and release of claims in a form substantially similar to the form attached hereto as Exhibit A and the release has become effective and irrevocable in its entirety. The Executive's failure or refusal to sign the release (or his revocation of such release in accordance with applicable laws) shall result in the forfeiture of the payments and benefits (other than the Accrued Obligations and the Other Compensation and Benefits) under Section 4(b) or Section 4(c).

(e) Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated by a written "Notice of Termination" to the other party hereto given in accordance with Section 24 of this Agreement, except that the Company may waive the requirement for such Notice of Termination by the Executive. In the event of a

resignation by the Executive, the Notice of Termination shall specify the date of termination, which date shall not be less than thirty (30) days after the giving of such notice, unless the Company agrees to waive any notice period by the Executive.

(f) Resignation from Directorships and Officerships. The Executive's termination of employment for any reason shall constitute the Executive's resignation from (i) any director, officer or employee position the Executive has with the Company and (ii) all fiduciary positions (including as a trustee) the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance.

5. Confidentiality.

(a) Confidential Information. (i) The Executive agrees that he will not at any time, except with the prior written consent of the Company or any of its subsidiaries or affiliates (collectively, the "Company Group") or as required by law, directly or indirectly, reveal to any person, entity or other organization (other than any member of the Company Group or its respective employees, officers, directors, shareholders or agents) or use for the Executive's own benefit any confidential information of the Company Group ("Confidential Information") relating to the assets, liabilities, employees, goodwill, business or affairs of any member of the Company Group and known to the Executive by reason of the Executive's employment by, shareholdings in or other association with any member of the Company Group, including, without limitation, any information concerning past, present or prospective customers, manufacturing processes, marketing data or other confidential information used by, or useful to, any member of the Company Group; provided that such Confidential Information does not include any information which is available to the general public or is generally available within the relevant business or industry other than as a result of the Executive's action. Confidential Information may be in any medium or form, including, without limitation, physical documents, computer files or disks, videotapes, audiotapes and oral communications.

(ii) In the event that the Executive becomes legally compelled to disclose any Confidential Information, the Executive shall provide the Company with prompt written notice so that the Company may seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, the Executive shall furnish only that portion of such Confidential Information or take only such action as is legally required by binding order and shall exercise his reasonable efforts to obtain reliable assurance that confidential treatment shall be accorded any such Confidential Information. The Company shall promptly pay (upon receipt of invoices and any other documentation as may be requested by the Company) all reasonable expenses and fees incurred by the Executive, including attorneys' fees, in connection with his compliance with the immediately preceding sentence.

(b) Confidentiality of Agreement. The Executive agrees that, except as may be required by applicable law or legal process, during the Term and thereafter, he shall not disclose the terms of this Agreement to any person or entity other than the Executive's accountants, financial advisors, attorneys or spouse; provided that such accountants, financial advisors, attorneys and spouse agree not to disclose the terms of this Agreement to any other person or entity.

(c) Exclusive Property. The Executive confirms that all Confidential Information is and shall remain the exclusive property of the Company Group. All business records, papers and documents kept or made by the Executive relating to the business of the Company Group shall be and remain the property of the Company Group. Upon the request and at the expense of the Company Group, the Executive shall promptly make all disclosures, execute all instruments and papers and perform all acts reasonably necessary to vest and confirm in the Company Group, fully and completely, all rights created or contemplated by this Section 5(c).

6. Non-Solicitation. The Executive agrees that, for a period commencing on the Effective Date and ending on the second anniversary of the Executive's Separation Date (the "Restricted Period"), the Executive shall not, directly or indirectly, (a) solicit, induce or attempt to solicit or induce any person who is, or was during the then most recent 12-month period, an employee (other than the Executive's personal assistant), officer, representative or agent of the Company Group and any member of the Company Group, to leave the employ of any member of the Company Group or violate the terms of their respective contracts, or any employment arrangements, with such entities; or (b) induce or attempt to induce any customer, client, supplier, licensee or other business relation of any member of the Company Group to cease doing business with any member of the Company Group. The Executive agrees that, during the Restricted Period, the Executive shall not, directly or indirectly, without the prior written approval of the Company, hire, or aid others to hire, any employees, agents or consultants of or to the Company Group (except in connection with his duties as officer or director of the Company Group) or induce any employees, agents or consultants of or to the Company Group to cease, reduce or alter (in a fashion adverse to the interests of the Company Group) their relationship with the Company Group or to do anything from which the Executive is restricted by reason of this Agreement. As used herein, the term "indirectly" shall include, without limitation, the Executive's permitting the use of the Executive's name by any competitor of any member of the Company Group.

7. Non-Competition. During the Restricted Period, the Executive shall not, without the prior written consent of the Company, directly or indirectly, and whether as principal or investor or as an employee, officer, director, manager, partner, consultant, agent or otherwise, alone or in association with any other person, firm, corporation or other business organization, engage in, carry on, provide services to or assist in any manner, whether or not for compensation or gain, a "Competing Business." A "Competing Business" means each of Taiwan Semiconductor Manufacturing Company, Ltd., United Microelectronics Corporation, Chartered Semiconductor Manufacturing Ltd., Intel Corporation and NVIDIA Corporation and their respective subsidiaries and affiliates; provided, however, that nothing herein shall limit the Executive's right to own not more than one percent (1%) of any of the debt or equity securities of any business organization, including, without limitation, a Competing Business, that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended.

8. Assignment of Developments. The Executive acknowledges that all developments, including, without limitation, the creation of new products, conferences, training/seminars, publications, programs, methods of organizing information, inventions, discoveries, concepts, ideas, improvements, patents, trademarks, trade names, copyrights, trade secrets, designs, works, reports, computer software or systems, flow charts, diagrams, procedures, data, documentation and writings and applications thereof, relating to the business or future

business of the Company that the Executive, alone or jointly with others, has discovered, suggested, conceived, created, made, developed, reduced to practice, or acquired during the Term (collectively, "Developments") are works made for hire and shall remain the sole and exclusive property of the Company, free of any reserved or other rights of any kind on the Executive's part. The Executive hereby assigns to the Company all of his rights, titles and interest in and to all such Developments, if any. All data, memoranda, notes, lists, drawings, records, files, investor and client/customer lists, supplier lists and other documentation (and all copies thereof) made or compiled by the Executive or made available to the Executive concerning the Developments or otherwise concerning the past, present or planned business of the Company are the property of the Company, and will be delivered to the Company immediately upon the Executive's termination of employment with the Company.

9. No Conflicting Agreement. The Executive represents and warrants to the Company that unless otherwise consented to by Discovery, the Executive is not a party to any agreement, whether written or oral, that would be breached by or would prevent or interfere with the execution by the Executive of this Agreement or the fulfillment by the Executive of the Executive's obligations hereunder.

10. Compliance with Section 409A of the Code.

(a) Delay of Payments in Certain Circumstances. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the payments and benefits to which the Executive is entitled under Section 4 of this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of the Executive's benefits shall not be provided to the Executive prior to the earlier of (i) the expiration of the six-month period measured from the date of the Executive's Separation from Service with the Company or (ii) the date of the Executive's death. Upon the expiration of the applicable Code Section 409A(a)(2)(B)(i) deferral period, all payments deferred pursuant to this Section 10 (plus interest earned on any such amounts that are deposited to a trust as specified below) shall be paid in a lump sum to the Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein. In the event that payments are deferred pursuant to this Section 10, at the Executive's request the Company shall establish an irrevocable trust and contribute to it such deferred payments during the period they are deferred. Such trust shall conform to the model "rabbi trust" agreement provided by the Internal Revenue Service in Revenue Procedure 92-64, as revised from time to time, and shall be structured as an unfunded arrangement. For purposes of determining the applicability of Section 409A of the Code to any payment contemplated under Section 4, each such payment shall be considered a separate payment.

(b) Cooperation. The Company agrees to structure the payments and benefits described in this Agreement, and the Executive's other compensation, to be exempt from or to comply with the requirements of Section 409A of the Code to the extent applicable. The Company will not take any action (or omit to take any action that is required to be taken) in respect of the Executive's compensation or benefits, other than as expressly required by applicable law, that would cause the Executive to incur tax under Section 409A of the Code unless the Executive

request the action (or omission). If the Executive or the Company believes, at any time, that any feature of the Executive's compensation or benefits does not comply with (or is not exempt from) Section 409A of the Code or that any action taken or contemplated to be taken (including any failure to take action) in regards to the Executive's compensation or benefits caused or might cause a violation of Section 409A of the Code, the Executive or the Company will promptly advise the other and will reasonably negotiate in good faith to amend the terms of the payments or benefits or alter the action or contemplated action (in a manner that in the aggregate does not have a material adverse economic effect on the Executive) in order that the Executive's payments or benefit arrangements comply with (or are exempt from) the requirements of Section 409A of the Code or in order to mitigate any additional taxes that may apply under Section 409A of the Code if compliance or exemption is not practicable. If it is not possible to amend the terms of the payments or benefits or alter the action in a way that causes the Executive's payments or benefit arrangements to comply with (or be exempt from) the requirements of Section 409A of the Code, the Executive and the Company shall reasonably negotiate in good faith to amend the terms of the Executive's payments or benefits (including if necessary through payments made to the Executive either before or after the Executive has ceased employment) to put the Executive in an economic position materially equivalent to the position the Executive would have been in had the payments and benefits complied with (or been exempt from) Section 409A of the Code.

(c) Reimbursements and In-Kind Benefits. Payments with respect to reimbursements of expenses, payments of fees and provision of in-kind benefits, to the extent that the right to payment or provision of benefits hereunder provides for the deferral of compensation within the meaning of Section 409A(d)(1) of the Code, shall be made in accordance with Company policy as may be in effect from time to time and in no event later than the last day of the calendar year following the calendar year in which the relevant expense or entitlement to benefit is incurred. The amount of expenses, fees or benefits eligible for reimbursement, payment or provision during a calendar year may not affect the expenses, fees or benefits eligible for reimbursement, payment or provision in any other calendar year.

11. Indemnification and Directors' and Officers' Insurance.

(a) Indemnification. To the fullest extent permitted by the indemnification provisions of the articles of association and bylaws of the Company in effect from time to time (the "Indemnification Provisions"), and in each case subject to the conditions thereof, in the event the Executive is made, or threatened to be made, a party to any legal action or proceeding, whether civil or criminal or administrative, by reason of the fact that the Executive is or was a director or officer of the Company or serves or served any other corporation fifty percent (50%) or more owned or controlled by the Company in any capacity at the Company's request, the Company shall indemnify the Executive and shall pay the Executive's related expenses when and as incurred. The rights of the Executive under the Indemnification Provisions shall survive the Executive's termination of employment until the seventh anniversary of the Executive's Separation Date.

(b) Directors' and Officers' Insurance. To the extent that the Company maintains a directors' and officers' liability insurance policy (or policies), or an errors and omissions liability insurance policy (or policies), in place covering individuals who are current or former officers or directors of the Company, the Executive shall be entitled to coverage under such

policies on the same terms and conditions as are available to other officers and directors of the Company, while the Executive is employed with the Company and thereafter until the seventh anniversary of the Executive's Separation Date. Nothing in this Agreement shall require the Company to purchase or maintain any such insurance policy.

12. Certain Remedies. Without intending to limit the remedies available to the Company, including, but not limited to, those set forth in Section 12(a) hereof, the Executive agrees that a breach of any of the covenants contained in Sections 5 through 8 and Section 14 of this Agreement may result in material and irreparable injury to the Company for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, any member of the Company shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from engaging in activities prohibited by the covenants contained in Sections 5 through 8 and Section 14 of this Agreement or such other relief as may be required specifically to enforce any of the covenants contained in this Agreement. Such injunctive relief in any court shall be available to the Company in lieu of, or prior to or pending determination in, any arbitration proceeding.

13. Defense of Claims. The Executive agrees that, during the Term, and for a period of five (5) years after the Executive's Separation Date, upon request from the Company, the Executive will cooperate with the Company in the defense of any claims or actions that may be made by or against the Company that affect the Executive's prior areas of responsibility, except if the Executive's reasonable interests are adverse to the Company in such claim or action. The Company agrees to promptly reimburse the Executive for all of the Executive's reasonable expenses and fees incurred by the Executive, including reasonable attorney's fees, to comply with the Executive's obligations under this Section 13. In the event that the Executive's required cooperation pursuant to this Section 13 exceeds an aggregate of forty (40) working hours, and to the extent not connected to the deposition or testimony of the Executive, the Company shall compensate the Executive at an hourly rate of $250 per hour for such cooperation, not to exceed $2,500 for any single day's work.

14. Non-Disparagement. The Executive agrees that at no time during his employment by the Company or for a period of five (5) years following the Executive's Separation Date shall he make, or cause or assist any other person to make, any statement or other communication to any third party which is intentionally false, or any disparaging or derogatory statements with respect to, the reputation, business or character of any member of the Company Group or any of its respective directors, officers or employees. The Company, in turn, agrees that it will not make, in any authorized corporate communications to third parties, and it will direct the members of the Board and the Chief Executive Officer and his direct reports, including, without limitation, the Chief Financial Officer and the Chief Operating Officer, in each case, of the Company not to make, any intentionally false, or any disparaging or derogatory statements about the Executive; provided, however, that nothing herein shall prevent either party from giving truthful testimony, from otherwise making good faith statements in connection with legal investigations or other proceedings, or from responding to disparaging or derogatory remarks made by the other party whether or not in breach of this Section 14.

15. Source of Payments. All payments provided under this Agreement, other than payments made pursuant to a plan which provides otherwise, shall be paid in cash from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. The Executive shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

16. Arbitration. Subject to Section 12, any dispute or controversy arising under or in connection with this Agreement or otherwise in connection with the Executive's employment by the Company that cannot be mutually resolved by the parties to this Agreement and their respective advisors and representatives shall be settled exclusively by arbitration in New York, New York in accordance with the rules of the Judicial Arbitration and Mediation Services ("JAMS") before one arbitrator of exemplary qualifications and stature, who shall be selected jointly by an individual to be designated by the Company and an individual to be selected by the Executive, or if such two individuals cannot agree on the selection of the arbitrator, who shall be selected by JAMS.

17. Nonassignability; Binding Agreement.

(a) By the Executive. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by the Executive.

(b) By the Company. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company except as incident to a reorganization, merger or consolidation, or transfer of all or substantially all of the Company's assets. If the Company shall be merged or consolidated with another entity, the provisions of this Agreement shall be binding upon and inure to the benefit of the entity surviving such merger or resulting from such consolidation. After the Effective Date, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner that the Company would be required to perform it if no such succession had taken plan. The provisions of this paragraph shall continue to apply to each subsequent employer of the Executive hereunder in the event of any subsequent merger, consolidation, transfer of assets of such subsequent employer or otherwise.

(c) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, any successors to or assigns of the Company and the Executive's heirs and the personal representatives of the Executive's estate.

18. Withholding. Any payments made or benefits provided to the Executive under this Agreement shall be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract.

19. Amendment; Waiver. This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by the Executive, and, prior to the Effective Date, Discovery and Oyster, who shall be deemed to be a third party beneficiary to this Agreement in respect of this Section 19 only to the same extent as if it were a signatory to this Agreement through the Effective Date, and from and after the Effective Date, signed by the Executive and the Company. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement. Notwithstanding the foregoing, upon the Closing, the parties agree to restate this Agreement, without any modifications or amendments to the terms hereof, for the sole purpose of giving effect and recognition to the occurrence of the Closing and the novation, by making the Closing Date the Effective Date, removing recital paragraphs one through three and Section 1(c), fixing the Effective Date in Section 2 as the Closing Date, by removing all references to Discovery, Oyster, the Transaction Agreement and this novation, including this sentence, and otherwise making such ministerial changes hereto. Notwithstanding the foregoing, such restatement shall include a representation by the Company that (i) the execution, delivery and performance of this Agreement by the Company does not and will not violate any law, regulation, order, judgment or decree or any agreement, plan or corporate governance document of the Company and (ii) upon the execution and delivery of this Agreement, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms, except to the extent enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

20. Survival of Certain Provisions. The rights and obligations set forth in Sections 5, 6, 7, 8, 10, 11, 12, 13, 14, 15 and 16 shall survive any termination or expiration of this Agreement.

21. Entire Agreement; Supersedes Previous Agreements. This Agreement contains the entire agreement and understanding of the Company and the Executive with respect to the matters covered herein, and supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof, all such other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder.

22. Counterparts. This Agreement may be executed by either of the parties hereto in counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

23. Headings. The headings of sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

24. Notices. All notices or communications hereunder shall be in writing, addressed as follows:

To the Company: c/o Advanced Micro Devices, Inc., 7171 Southwest Parkway, B100.4, Austin, Texas 78735.

To the Executive: at the Executive's current primary residential address as shown on the records of the Company.

All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt or (ii) if sent by electronic mail or facsimile, upon confirmation of receipt by the sender of such transmission.

25. Definitions. To the extent not defined herein, defined terms have the meaning ascribed to them in the Transaction Agreement.

26. Governing Law. All matters affecting this Agreement, including the validity thereof, are to be governed by, and interpreted and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State.

IN WITNESS WHEREOF, Discovery has caused this Agreement to be signed on behalf of the Company, and the Executive has executed this Agreement, as of the date first written above.

ADVANCED MICRO DEVICES, INC.

By: /s/ Derrick R. Meyer
Name: Derrick R. Meyer
Title: President and CEO

THE EXECUTIVE

/s/ Hector de J. Ruiz
Name: Hector de J. Ruiz
Address: ______________________

Exhibit 99.1

NEWS RELEASE

AMD:
PR Contact: Drew Prairie, (512) 602-4425, Drew.Prairie@amd.com
IR Contact: Ruth Cotter, (408) 749-3887, Ruth.Cotter@amd.com

"The Foundry Company":
PR Contact: Jon Carvill, (512) 284-1752, Jon.Carvill@amd.com

Mubadala:
U.S. Contact: Richard Mintz, (202) 295-8772, rmintz@mubadala.ae
Abu Dhabi Contact: Kate Triggs, +971 50 6853 101, ktriggs@mubadala.ae

ATIC:
U.S. Contact: Amanda Orr, (202) 295-8786, amanda.orr@harbourgrp.com
Abu Dhabi Contact: Daniel Slack-Smith, +971 50 812 5234, info@advancedtechnologyic.com

AMD and Advanced Technology Investment Company of Abu Dhabi to Create New Leading-Edge Semiconductor Manufacturing Company

Mubadala increases investment in financially-stronger AMD, which is simultaneously unlocking the value of its manufacturing assets

— "The Foundry Company" to build new state-of-the-art manufacturing facility in Upstate New York, creating more than 1,400 jobs, and to expand existing manufacturing facility in Dresden —

— IBM welcomes The Foundry Company into the IBM Alliance —

NEW YORK— Oct. 7, 2008 — AMD [NYSE: AMD] and the Advanced Technology Investment Company (ATIC) of Abu Dhabi today announced the creation of a U.S.-headquartered, leading-edge semiconductor manufacturing company to address growing demand for independent, leading-edge foundry production capabilities. The new global company, to be temporarily called "The Foundry Company", will serve this need by combining advanced process technology, industry-leading manufacturing facilities and aggressive plans to

expand its global capacity footprint. At the same time, the Mubadala Development Company will increase its current investment in AMD to 19.3 percent on a fully diluted basis.

AMD will contribute to The Foundry Company its manufacturing facilities, including two fabrication facilities in Dresden, Germany, as well as related assets and intellectual property rights. ATIC will invest $2.1 billion to purchase its stake in The Foundry Company, of which it will invest $1.4 billion directly in the new entity and the remainder will be paid to AMD to purchase additional shares in The Foundry Company. The Foundry Company will also assume approximately $1.2 billion of AMD's existing debt. ATIC has committed additional equity funding to The Foundry Company of a minimum of $3.6 billion and up to $6.0 billion over the next five years to fund the expansion of The Foundry Company's chip-making capacity beyond the manufacturing facilities initially contributed by AMD. These funds will be used by The Foundry Company to (i) proceed with capacity expansion at its fabs in Dresden, Germany, including an upgrade of one of its fabs to a state-of-the-art facility, and (ii) begin construction on a new state-of-the-art facility in Saratoga County, New York, subject to the transfer of previously-approved New York State incentives. The New York facility is expected to create more than 1,400 direct jobs, and, through its operation, to generate an additional 5,000 jobs in the region. Once operational, the New York facility will be the only independently-managed, leading-edge semiconductor manufacturing foundry in the United States.

Global demand for independent foundry manufacturing is growing because leading semiconductor companies are exiting manufacturing, as the cost and complexity increases and capital and research and development costs have become too high. In addition, the world's requirements for devices that use more advanced semiconductors continue to grow, and the IBM technology alliance, to which The Foundry Company will belong, creates an increasingly larger foundation for semiconductor innovation.

The Board of Directors of The Foundry Company will be equally divided between representatives of AMD and ATIC. AMD will own 44.4 percent and ATIC will own 55.6 percent of The Foundry Company's fully-converted common stock upon its formation.

Doug Grose will relinquish his current role as AMD's senior vice president of manufacturing operations to become chief executive officer of The Foundry Company. Hector Ruiz will relinquish his current role as AMD's executive chairman and chairman of the board to become chairman of The Foundry Company. To augment its announced leadership, the new company plans an aggressive recruitment strategy to round out a world-class semiconductor manufacturing leadership team.

ATIC is an investment company formed by the government of Abu Dhabi to invest in advanced technology opportunities that require patient capital and long-term time horizons to achieve economic returns while also increasing the economic diversification of Abu Dhabi. While it enhances its capabilities specific to the transaction, ATIC will enter into a 12-month agreement with Mubadala to project manage ATIC's interest in The Foundry Company.

As a result of the transactions, AMD will strengthen its financial position and focus on the design and development of innovative computing and graphics solutions. AMD will improve its liquidity through The Foundry Company's assumption of approximately $1.2 billion in debt, ATIC's $700 million payment to AMD for ownership interests in The Foundry Company and Mubadala's $314 million paid to AMD for 58 million newly issued AMD shares and warrants for 30 million additional shares.

Mubadala, an existing 8.1 percent AMD shareholder, will increase its stake to 19.3 percent of outstanding AMD shares on a fully diluted basis. This will be accomplished through the purchase for $314 million of 58 million newly issued AMD shares and warrants for 30 million additional shares. Mubadala will also have the right to appoint a designee to AMD's board of directors.

"Today is a landmark day for AMD, creating a financially stronger company with a tightened focus," said Dirk Meyer, president and chief executive officer of AMD. "With The Foundry Company, AMD has developed

an innovative way to focus our efforts on design while maintaining access to the leading-edge manufacturing technologies that our business needs without the required capital-intensive investments of semiconductor manufacturing. I particularly want to congratulate our Chairman Hector Ruiz, whose vision and leadership of our Asset Smart strategy is fulfilled today."

"We are as enthusiastic about AMD's potential today as we were when we made our initial investment last year," said Khaldoon Al Mubarak, chief executive officer and managing director of Mubadala. "This increased investment is a strong vote of confidence in AMD's Asset Smart business strategy, evolved leadership team, and best-in-class technology."

"ATIC and AMD are the ideal partners with which to create The Foundry Company," said Hector Ruiz, chairman of AMD's board of directors, who will become chairman of The Foundry Company. "Working together allows us to combine ATIC's long-term vision and patient capital with our manufacturing leadership, innovation and highly-skilled workforce. Moreover, The Foundry Company's presence in Upstate New York alongside IBM and other research leaders will cement the region's position as one of the world's premier centers of nanotechnology development."

ATIC Chairman Waleed Al Mokarrab said, "More than a year in the making, today's announcement significantly reshapes the global semiconductor industry – it is an investment where all parties see significant opportunity. Independent and well-capitalized, The Foundry Company begins day one with an established leading-edge customer, an advanced technology roadmap, an R&D partnership with IBM, and a clear plan to scale capacity, providing it the foundation to become a clear leader in global semiconductor manufacturing."

"The creation of The Foundry Company represents a critical milestone in the evolution of the semiconductor industry," said Doug Grose, who will be the CEO of The Foundry Company. "Companies are eager for choice in the supply of leading-edge manufacturing capacity, and our new venture is answering that call. By combining operational excellence, leading-edge technology developed in collaboration with IBM, and an aggressive capacity roadmap, The Foundry Company aspires to drive the next round of innovation in this industry."

The Foundry Company will join the IBM joint development alliance for both silicon-on-insulator (SOI) and bulk silicon through the 22nm generation. The alliance consists of a group of leading semiconductor companies collaborating on next generation silicon technologies.

"We welcome The Foundry Company into the IBM alliance and are pleased to see the company investing in New York," said Dr. John E. Kelly III, senior vice president and director of Research at IBM. "The Foundry Company's membership in the alliance brings new intellectual capital to our collaborative effort and continues to build on the momentum and leadership that the alliance has established in semiconductor technologies."

Upon closing of the transaction, The Foundry Company will commence operations with approximately 3,000 employees who will transition into the new company from AMD facilities in Silicon Valley, New York, Dresden, and Austin. The new company's principal headquarters will be in Silicon Valley and its research and development and manufacturing leadership teams and ecosystems will be based in New York, Dresden, and Austin. After the upgrade and expansion in Dresden and the build-out of the New York facility, The Foundry Company envisions expanding its global manufacturing footprint over time, if commercially justified, to also include new fabrication facilities in Abu Dhabi.

The transaction is expected to close at the beginning of 2009 following satisfaction of conditions such as approvals from regulators, transfer of previously-confirmed New York incentives to The Foundry Company, and the approval of AMD stockholders for the issuance of common stock and warrants to Mubadala. Prior to closing, AMD, ATIC and Mubadala will file a joint voluntary notice of the transaction for review by the Committee on Foreign Investment in the United States (CFIUS), a government inter-agency committee chaired by the Secretary of the Treasury.

Upon closing, The Foundry Company will:

- Have a total enterprise value of $5.0 billion, consisting of AMD's contribution of manufacturing assets and intellectual property (including its fabrication facilities in Dresden), intellectual capital and employees valued together at $2.4 billion; ATIC's contribution of $1.4 billion in new capital; and $1.2 billion of debt assumed by The Foundry Company from AMD;
- Be consolidated with AMD for purposes of financial reporting;
- Have a board of directors whose membership is equally divided between representatives of AMD and ATIC;
- Have only AMD and ATIC as stockholders, each of which at the closing will have equal voting rights;
- Be owned 44.4 percent by AMD and 55.6 percent by ATIC on a fully converted to common basis. ATIC's economic ownership will increase over time based on the differences in securities held by AMD and ATIC, and depending on whether AMD elects to invest proportionately with ATIC in future capital infusions to support The Foundry Company's growth;
- Have its principal headquarters in Silicon Valley, and its research and development and manufacturing leadership teams and ecosystems in New York, Dresden, and Austin;
- Have an exclusive supply agreement with limited exceptions to manufacture AMD processors and to manufacture, where competitive, certain percentages of other AMD semiconductor products;
- Begin construction of the Fab 4X manufacturing facility in New York in the middle of 2009, directly employing more than 1,400 workers in Upstate New York when the facility is in full operation;
- Expect to increase capacity through completing the 300mm conversion of a second state-of-the-art facility in Dresden in 2009;
- Join the IBM technology development alliance for both SOI and bulk silicon technology, greatly expanding the addressable market of The Foundry Company;
- After the upgrade and expansion in Dresden and the build-out of the New York facility, The Foundry Company envisions expanding its global manufacturing footprint over time, if commercially justified, to also include new fabrication facilities in Abu Dhabi; and
- Announce its permanent corporate name and identity.

Upon closing, AMD will:

- Have equal voting rights with ATIC in The Foundry Company;
- Own 44.4 percent of The Foundry Company on a fully converted to common basis;
- Improve its liquidity through The Foundry Company's assumption of approximately $1.2 billion of AMD's debt, ATIC's $700 million payment to AMD for ownership interests in The Foundry Company and Mubadala's purchase for $314 million of 58 million newly issued AMD shares and warrants for 30 million additional shares;
- Tightly focus on the design and development of the next generation of innovation based on the fusion of computing and graphics processing;

- Elect a Mubadala designee as a member of its board of directors;
- Excluding its consolidation of The Foundry Company for financial reporting purposes, improve its net cash position by $2.1 billion, through The Foundry Company's assumption of approximately $1.1 billion in debt (net of approximately $100 million cash transferred by AMD to The Foundry Company) and cash payments from ATIC and Mubadala aggregating $1.0 billion;
- Have the option, but not any requirement, to provide additional capital funding to The Foundry Company in response to future capital calls; and
- Have an exclusive supply agreement with The Foundry Company, with limited exceptions, to manufacture AMD processors and to manufacture, where competitive, certain percentages of other AMD semiconductor products.

Upon closing, ATIC will:

- Have equal voting rights with AMD in The Foundry Company;
- Own 55.6 percent of The Foundry Company on a fully converted to common basis;
- Invest an initial $2.1 billion, of which $1.4 billion will be invested directly in the new company and $700 million will be paid directly to AMD;
- Commit a minimum of $3.6 billion and up to $6.0 billion in additional funds over the next five years for the upgrade and expansion of fabrication facilities in Dresden and construction of a new facility in Upstate New York.

Upon closing, Mubadala will:

- Purchase for an aggregate of $314 million 58 million newly issued AMD shares and warrants for 30 million additional shares, giving it a total stake in AMD of 19.3 percent on a fully diluted basis; and
- Have a right to designate a representative for election as a member of the board of directors of AMD.

For more information on the announcement, visit www.amd.com/NewGlobalFoundry

Editors' Notes

Media and Analyst Call:

A media and analyst call will be held at 8 a.m. EDT on Oct. 7, 2008.

The call may be accessed by:
Toll Free dial-in: (866) 206-6509
Toll dial-in: (703) 639-1108

Conference ID: 1291724

Replay:
Toll free: (888) 266-2081;
Toll: (703) 925-2533;
Conference ID: 1291724

Webcast link:
http://phx.corporate-ir.net/playerlink.zhtml?c=74093&s=wm&e=1989440

About AMD

Advanced Micro Devices (NYSE: AMD) is an innovative technology company dedicated to collaborating with customers and partners to ignite the next generation of computing and graphics solutions at work, home and play. For more information, visit http://www.amd.com.

About ATIC

The Advanced Technology Investment Company (ATIC) was created in 2008. A technology investment company wholly owned by the Government of Abu Dhabi, ATIC is focused on making significant investments in the advanced technology sector, both locally and internationally. Its mandate is to generate returns that deliver long-term benefits to the Emirate of Abu Dhabi.

ATIC seeks to leverage the unique advantages it enjoys as an investor from the Emirate of Abu Dhabi to identify and realize long-term investment opportunities in the highly competitive and capital-intensive advanced technology sector. These advantages include significant and reliable capital, a patient investment philosophy, and a subsequently long-term investment horizon.

For more information about ATIC visit www.advancedtechnologyic.com

About "The Foundry Company"

The Foundry Company will be a U.S.-headquartered, leading-edge semiconductor manufacturing company created to address growing demand for independent, leading-edge foundry production capabilities. The Foundry Company will serve this need by combining advanced process technology, industry-leading manufacturing facilities and aggressive plans to scale capacity. The cornerstone of production for the Foundry Company will be industry-leading manufacturing facilities in Dresden, Germany with future plans to expand that campus as well as build a state-of-the art facility in Saratoga County, New York. Upon closing, The Foundry Company will have its principal headquarters in Silicon Valley; and its research and development and manufacturing leadership teams and ecosystems in New York, Dresden, and Austin.

For more information on The Foundry Company, visit www.newglobalfoundry.com

About Mubadala Development Company

Mubadala Development Company (Mubadala) is a Public Joint Stock Company headquartered in Abu Dhabi, capital of the United Arab Emirates. Its focus is on developing and managing an extensive and economically diverse portfolio of commercial initiatives. It does this either independently or in partnership with leading international organizations. Mubadala's commercial strategy is fundamentally built on long-term capital-intensive investments that deliver strong financial returns.

The company manages a multi-billion dollar portfolio of local, regional, and international investments, projects and initiatives. Through its investment and development projects, Mubadala is both a catalyst for, and a reflection of, the drive for economic diversification of the Emirate of Abu Dhabi. Its impact is evident domestically and internationally in sectors such as energy, aerospace, real estate, healthcare, technology, infrastructure, and services.

Mubadala's sole shareholder is the Government of the Emirate of Abu Dhabi. For more information about Mubadala, its partnerships and activities please visit www.mubadala.ae.

Forward-Looking Statement

This document contains forward-looking statements, which are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on risks and uncertainties that could cause actual results to differ materially from expectations. These forward-looking statements should not be relied upon as predictions of future events as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology including "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "pro forma," "estimates," or "anticipates" or the negative of these words and phrases or other variations of these words and phrases or comparable terminology. These forward-looking statements relate to, among other things, our asset smart strategy, the impact and effects of our The Foundry Company joint venture, future demand for our products, capital expenditures, potential benefits of our The Foundry Company joint venture and the timing of our The Foundry Company joint venture. The material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: that Intel Corporation's pricing, marketing and rebating programs, product bundling, standard setting, new product introductions or other activities targeting the company's business may negatively impact sales plans; any inability to realize all of the anticipated benefits of our proposed The Foundry Company joint venture because, among other things, the revenues, cost savings, improved cash flow, growth prospects and any other benefits expected from the transaction may not be fully realized or may take longer to realize than expected; that The Foundry Company joint venture does not close; a downturn in the semiconductor industry; unexpected variations in market growth and demand for our products and technologies in light of the product mix that we may have available at any particular time or even a decline in demand; our cost reduction efforts are not effective; any inability to improve the efficiency of our supply chain; any inability to transition to advanced manufacturing process technologies in a timely and effective way, consistent with planned capital expenditures; any inability to develop, launch and ramp new products and technologies in the volumes and mix required by the market at mature yields and on a timely basis; any inability to obtain sufficient manufacturing capacity or components to meet demand for our products or the under-utilization of The Foundry Company's manufacturing facilities; the effect of political or economic instability internationally on our sales or production; or that The Foundry Company is less successful than anticipated. We urge investors to review in detail the risks and uncertainties in our Securities and Exchange Commission filings, including but not limited to the Quarterly Report on Form 10-Q for the quarter ended June 28, 2008.

Additional Information and Where You Can Find It

AMD will file a proxy statement pursuant to which AMD's board of directors will solicit proxies in connection with seeking AMD stockholder approval of the issuance of AMD shares and warrants pursuant to the Master Transaction Agreement with the Securities and Exchange Commission (the "SEC"). **Investors and security holders are urged to read the proxy statement when it becomes available and other relevant documents filed with the SEC because they will contain important information.** Security holders may obtain a free copy of the proxy statement, after it is filed by AMD with the SEC in the coming weeks, and other documents filed by AMD with the SEC at the SEC's web site at http://www.sec.gov. The proxy statement and other documents may also be obtained for free by contacting AMD Investor Relations at investor.relations@amd.com or by telephone: (408) 749 4000.

AMD and its executive officers and directors may be deemed to be participants in the solicitation of proxies from AMD's stockholders with respect to issuance of AMD shares and warrants pursuant to the Master Transaction Agreement. Information regarding such executive officers and directors is included in AMD's Proxy Statement for its 2008 Annual Meeting of Stockholders filed with the SEC on March 14, 2008, which is available free of charge at the SEC's web site at http://www.sec.gov and from AMD Investor Relations which can be contacted at investor.relations@amd.com or by telephone: (408) 749 4000. Certain executive officers and directors of AMD have interests in the transaction that may differ from the interests of AMD stockholders generally. These interests will be described in the proxy statement when it is filed by AMD with the SEC in the coming weeks.