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

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**FORM 8-K/A**

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**CURRENT REPORT**

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

Date of Report: (Date of Earliest Event Reported):  
October 14, 2014

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**ADVANCED MICRO DEVICES, INC.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State of Incorporation)

**001-07882**  
(Commission File Number)

**94-1692300**  
(I.R.S. Employer  
Identification Number)

**One AMD Place  
P.O. Box 3453  
Sunnyvale, California 94088-3453**  
(Address of Principal Executive Offices)

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

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

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

On October 8, 2014, Advanced Micro Devices, Inc. (the “*Company*”) filed a Current Report on Form 8-K disclosing (i) that Rory P. Read had stepped down from his positions as the Company’s President and Chief Executive Officer and as a director on the Company’s Board of Directors (the “*Board*”), and (ii) that the Board had appointed Dr. Lisa T. Su as the Company’s President and Chief Executive Officer and as a director on the Board. At that time, the Company disclosed that Mr. Read’s Transition, Separation Agreement and Release and Dr. Su’s Employment Agreement were still being negotiated.

The Company is filing this Current Report on Form 8-K/A to report that on October 14, 2014, the Company entered into a Transition, Separation Agreement and Release with Mr. Read, effective as of October 8, 2014 (the “*Separation Agreement*”), and the Company entered into an at-will Employment Agreement with Dr. Su, effective as of October 8, 2014 (the “*Employment Agreement*”).

***Separation Agreement***

Pursuant to the Separation Agreement, the parties agreed that Mr. Read would continue his employment with the Company as a non-executive employee from October 8, 2014 (the “*Transition Date*”) through December 31, 2014, when his employment with the Company will end (the “*Termination Date*”). During the period from the Transition Date to the Termination Date, Mr. Read will continue to receive the salary and benefits he received immediately prior to the Transition Date.

As consideration for Mr. Read’s (i) execution of the Separation Agreement and compliance with its terms and conditions, and (ii) timely execution and non-revocation of a full release of all claims related to his employment with the Company as set forth in Exhibit A of the Separation Agreement (the “*Release*”), the Separation Agreement provides for payments and benefits to Mr. Read, including:

- Within 10 business days following the Effective Date (as defined in the Release), the Company will make a one-time lump-sum cash payment to Mr. Read in the amount of \$5 million.
- On the Termination Date, (i) the stock options for an aggregate of 1,673,766 shares of the Company’s common stock granted to Mr. Read on June 15, 2012 and July 22, 2013 will become fully vested and exercisable to the extent not vested as of the Termination Date, (ii) the stock options for 764,939 of the 1,019,921 shares of the Company’s common stock granted to Mr. Read on August 12, 2014 will become fully vested and exercisable, and (iii) the stock options for the remaining 254,982 shares of the Company’s common stock granted to Mr. Read on August 12, 2014 will be cancelled and forfeited. All vested and outstanding stock options held by Mr. Read as of the Termination Date will be exercisable for one year following the Termination Date in accordance with the provisions of the Company’s 2004 Equity Incentive Plan (as amended and restated, the “*2004 Plan*”) and the applicable award agreement.
- On the Termination Date, (i) the time-based restricted stock units representing an aggregate of 678,207 shares of the Company’s common stock granted to Mr. Read on June 15, 2012 and July 22, 2013 will become fully vested to the extent not vested as of the Termination Date, (ii) the time-based restricted stock units representing 264,227 of the 396,341 shares of the Company’s common stock granted to Mr. Read on August 12, 2014 will become fully vested, and (iii) the time-based restricted stock units for the remaining 132,114 shares of the Company’s common stock granted to Mr. Read on August 12, 2014 will be cancelled and forfeited. The vested time-

based restricted stock units will be settled in accordance with the provisions of the 2004 Plan and the applicable award agreement.

- On the Termination Date, Mr. Read will be deemed to have satisfied the continued service requirements to the vesting of the performance-based restricted stock units granted to Mr. Read on June 15, 2012, July 22, 2013 and August 12, 2014, representing, at target, an aggregate of 2,149,096 shares of the Company's common stock and, at maximum, an aggregate of 3,754,278 shares of the Company's common stock. These performance-based restricted stock units will be earned or forfeited based on actual performance for the applicable performance period in accordance with the applicable award agreement. Any earned performance-based restricted stock units will be settled on the vesting dates specified in the applicable award agreement, in each case subject to and in accordance with the provisions of the 2004 Plan and the applicable award agreement.
- The Company will pay Mr. Read an annual cash bonus with respect to the Company's 2014 fiscal year under the terms of the Company's Executive Incentive Plan, which will be paid at the same time as the Company pays bonuses to the Company's Senior Vice Presidents for the 2014 fiscal year under the Company's Executive Incentive Plan.
- If Mr. Read timely elects COBRA continuation coverage under the Company's group medical and dental plans, the Company will reimburse Mr. Read for the COBRA premium payments for Mr. Read and his eligible dependents for up to 12 months following the Termination Date.

Pursuant to the Separation Agreement, Mr. Read is subject to a confidentiality covenant, a non-disparagement covenant, a 2-year non-compete covenant, a 2-year non-solicitation covenant and a cooperation covenant with respect to the Company, any investigation or review (whether conducted by the Company or a governmental or quasi-governmental entity) and any legal process in which Mr. Read is a named party.

The above summary of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

### ***Employment Agreement***

The Employment Agreement sets forth Dr. Su's duties and obligations as the Company's President and Chief Executive Officer. Pursuant to the terms of the Employment Agreement, Dr. Su is entitled to the following compensation and benefits:

- An annual base salary of \$850,000, which will be reviewed at least annually and may be adjusted by the Board (the "***Base Salary***").
- Beginning January 1, 2015, an annual cash performance bonus at a target amount of not less than 150% of Base Salary (the "***Annual Bonus***"), payable under the terms of the Company's Executive Incentive Plan. Dr. Su's 2014 target cash performance bonus under the Company's Executive Incentive Plan will be calculated at 100% of her base salary through October 7, 2014, and 150% of her Base Salary from October 8, 2014 through December 27, 2014.
- The Company will grant Dr. Su an annual equity award for the 2014 fiscal year with an aggregate grant date fair value equal to approximately \$5 million (the "***2014 Annual Equity Award***"). The 2014 Annual Equity Award will be a mix of performance-based restricted stock units (with a

grant date fair value equal to 50% of the award value), time-based restricted stock units (with a grant date fair value equal to 25% of the award value) and time-based stock options (with a grant date fair value equal to 25% of the award value). The target number of performance-based restricted stock units and the number of restricted stock units will be determined as the quotient obtained by dividing the applicable award value (\$2.5 million in the case of the performance-based restricted stock units and \$1.25 million in the case restricted stock units) by the volume-weighted average price of the Company's common stock for the 30 day period ending on October 30, 2014. The number of stock options will be determined by converting the award value (\$1.250 million) using the volume-weighted average price of the Company's common stock for the 30 day period ending on October 30, 2014 and a binomial factor determined in accordance with the Company's equity valuation practices.

The performance-based restricted stock units will vest in two equal installments on December 31, 2015 and 2016, provided that Dr. Su is employed by the Company on the applicable vesting date and subject to the performance conditions established by the Compensation Committee of the Board at the time of grant. The restricted stock units will vest in three equal installments on October 8, 2015, 2016 and 2017, and the stock options will vest 33 1/3% on October 8, 2015 and 8 1/3% per quarter over the next eight following quarters; provided that, in each case, Dr. Su is employed by the Company on the applicable vesting date. The exercise price of the stock options will be 100% of the fair market value of the Company's common stock on the grant date. The 2014 Annual Equity Award will be subject to the terms and conditions of the 2004 Plan and the applicable award agreements.

- The Company will grant Dr. Su a promotional equity award with an aggregate grant date fair value equal to approximately \$2 million (the "**Promotional Equity Award**"). The Promotional Equity Award will be a mix of performance-based restricted stock units (with a grant date fair value equal to 50% of the award value), time-based restricted stock units (with a grant date fair value equal to 25% of the award value) and time-based stock options (with a grant date fair value equal to 25% of the award value). The target number of performance-based restricted stock units and the number of restricted stock units will be determined as the quotient obtained by dividing the applicable award value (\$1 million in the case of the performance-based restricted stock units and \$500,000 in the case restricted stock units) by the volume-weighted average price of the Company's common stock for the 30 day period ending on October 30, 2014. The number of stock options will be determined by converting the award value (\$500,000) using the volume-weighted average price of the Company's common stock for the 30 day period ending on October 30, 2014 and a binomial factor determined in accordance with the Company's equity valuation practices.

The performance-based restricted stock units will vest in two equal installments on December 31, 2015 and 2016, provided that Dr. Su is employed by the Company on the applicable vesting date and subject to the performance conditions established by the Compensation Committee of the Board at the time of grant. The restricted stock units will vest in three equal installments on October 8, 2015, 2016 and 2017, and the stock options will vest 33 1/3% on October 8, 2015 and 8 1/3% per quarter over the next eight following quarters; provided that, in each case, Dr. Su is employed by the Company on the applicable vesting date. The exercise price of the stock options will be 100% of the fair market value of the Company's common stock on the grant date. The Promotional Equity Award will be subject to the terms and conditions of the 2004 Plan and the applicable award agreements.

The Employment Agreement may be terminated by (i) the Company for Cause (as defined in the Employment Agreement), (ii) Dr. Su's Involuntary Termination Without Cause (as defined in the

Employment Agreement), (iii) Dr. Su's Constructive Termination (as defined in the Employment Agreement), (iv) Dr. Su's voluntary election to terminate her employment with the Company, or (v) Dr. Su's death or disability.

Except as otherwise described in the next paragraph, in the event of Dr. Su's Involuntary Termination Without Cause or Constructive Termination:

- The Company will pay Dr. Su her earned but unpaid Base Salary through the date of termination and all other amounts to which Dr. Su is entitled under any compensation plan or practice of the Company on the date of termination.
- Dr. Su will be credited with an additional 12 months of service for purposes of calculating the service-based vesting of any unvested equity awards granted to Dr. Su on or after October 8, 2014 and 24 months of service for purposes of calculating the service-based vesting of any unvested equity awards granted to Dr. Su before October 8, 2014. Any performance-based equity award for which the service-based vesting condition has been satisfied as of the date of termination will continue in accordance with the terms of the applicable award agreement and will be earned or forfeited based on actual performance for the applicable performance period. The settlement of any earned performance-based equity award will occur at such time as such performance-based equity award would have been settled had Dr. Su continued her employment with the Company.
- The Company will make a lump-sum cash payment to Dr. Su in an amount equal to two times her then Base Salary.
- The Company will, for 24 months following the date of termination, pay Dr. Su an amount equal to the COBRA premium for continuation coverage for herself and her dependents (if applicable) under the Company's group medical and dental plans on a monthly basis.

Upon Dr. Su's Involuntary Termination Without Cause or Constructive Termination between the public announcement of a transaction that results in a Change of Control of the Company (as defined in the Employment Agreement) and 24 months after such Change of Control of the Company:

- The Company will pay Dr. Su her earned but unpaid Base Salary through the date of termination and all other amounts to which Dr. Su is entitled under the Company's compensation plans or practices.
- All unvested equity awards then held by Dr. Su will accelerate and be deemed fully vested, and all performance-based vesting conditions will be deemed achieved at the target levels set forth in the applicable award agreement.
- The Company will make a lump-sum cash payment to Dr. Su in an amount equal to two times her then Base Salary plus two times her target Annual Bonus, each at the rate immediately prior to the date of termination or, if higher, the rate in effect six months prior to the date of termination.
- The Company will pay Dr. Su the pro rata amount of her Annual Bonus accrued under the Company's Executive Incentive Plan assuming performance at target levels for the portion of the year before the date of termination.
- The Company will, for 24 months following the date of termination, pay Dr. Su an amount equal to the COBRA premium for continuation coverage for herself and her dependents (if applicable) under the Company's group medical and dental plans on a monthly basis. In addition, the

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Company will pay Dr. Su \$4,000 per month for 12 months following the date of termination for financial planning and tax planning services.

Pursuant to the Employment Agreement, Dr. Su is subject to a confidentiality covenant, a non-disparagement covenant, an 18-month non-compete covenant and a non-solicitation covenant (18 months for Company customers and clients and 2 years for Company personnel).

The above summary of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
10.1	Transition, Separation Agreement and Release, between Rory P. Read and the Company, effective October 8, 2014
10.2	Employment Agreement, between Lisa T. Su and the Company, effective October 8, 2014

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**SIGNATURES**

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

ADVANCED MICRO DEVICES, INC.

By: /s/ Harry A. Wolin  
Name: Harry A. Wolin  
Title: Senior Vice President, General  
Counsel and Secretary

Date: October 14, 2014

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**EXHIBIT INDEX**

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10.2	Employment Agreement, between Lisa T. Su and the Company, effective October 8, 2014



## TRANSITION, SEPARATION AGREEMENT AND RELEASE

This Transition, Separation Agreement and Release (this “*Agreement*”) is entered into by and between Rory P. Read (“*Executive*” or “*you*”) and Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), and confirms the agreement that has been reached with you in connection with your transition and separation from the Company.

1. Resignation as President, Chief Executive Officer and Member of the Board of Directors. Effective October 8, 2014 (the “*Transition Date*”), you shall resign, and hereby resign, your positions as President and Chief Executive Officer of the Company, and all other offices you may hold as of the Transition Date with the Company, its subsidiaries, parent or affiliates. As of the Transition Date you shall also resign, and hereby resign, as a member of the Board of Directors of the Company and every committee thereof (as well as of the board of directors or comparable body of every subsidiary, parent or other affiliated entity of the Company and every committee thereof). You further agree to execute promptly upon request by the Company any additional documents requested by the Company to effectuate or further evidence the provisions of this paragraph 1.

2. Transition Period.

(a) You and the Company hereby agree that you shall remain employed by the Company on a full-time basis as a non-executive employee from and after the Transition Date until December 31, 2014 (the “*Separation Date*”), subject to the terms and conditions of this Agreement.

(b) From the Transition Date through the Separation Date (the “*Transition Period*”), you shall provide such assistance as may be requested, and shall have such duties, responsibilities and authority as may be assigned by the Company’s Chief Executive Officer from time to time, which may include, but will not be limited to: performing activities related to the transition of your duties and responsibilities; providing continuity and management support through the Transition Period; and providing guidance and continuity in the Company’s strategic planning (the “*Transition Services*”). The Transition Services may be provided remotely or telephonically unless the Company’s Chief Executive Officer reasonably determines that it is desirable for you to provide such Transition Services in person or at a particular location. You and the Company hereby agree that during the Transition Period you will be provided suitable office space to perform the Transition Services and the continued availability of your administrative assistant.

(c) In return for your continued employment in compliance with this paragraph 2, during the Transition Period: (i) you shall be entitled to continue to receive a base salary at a rate equal to your current base salary rate, payable in accordance with the Company’s regular payroll practices; (ii) your outstanding stock option, time-based restricted stock units and performance-based restricted stock units will remain outstanding and continue to vest in accordance with and subject to the terms and conditions set forth in the Company’s 2004 Equity Incentive Plan, as amended (the “*2004 Plan*”) and applicable award agreements; and (iii) you (and your eligible beneficiaries) shall be entitled to continue to participate in all retirement, medical, dental, life insurance and other employee benefit plans in which you (and/or you eligible beneficiaries) currently participates, all to the extent you remain eligible under the terms of such plans and subject to the terms and conditions of such plans as may be in effect from time to time.

(d) You acknowledge and agree that your employment with the Company from and after the Transition Date is and shall continue to be at-will, as defined under applicable law, and that your employment with the Company may be terminated by either party at any time for any or no reason. If your employment terminates for any reason, you shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement.

3. **Termination of Employment.** You agree that your employment with the Company shall terminate on the Separation Date. As of the Separation Date (a) you shall cease to be employed in any capacity by, and shall no longer hold any position with, any of the Company and each and every subsidiary, parent or other affiliated entity of the Company, and (b) under that certain Employment Agreement dated effective as of August 25, 2011, by and between you and the Company (the "**Employment Agreement**"), you experienced a "Covered Termination" (as defined in the Employment Agreement), and subject to the terms and conditions set forth in this Agreement, you are entitled to receive the severance and other benefits specified in Section 5(a) of the Employment Agreement, provided that you first comply with the provisions of said Section 5(a) of the Employment Agreement. You further agree to execute promptly upon request by the Company any additional documents requested by the Company to effectuate or further evidence the provisions of this paragraph 3.

4. **Separation Pay and Benefits.** In consideration of, subject to and conditioned on (a) your execution of this Agreement and your compliance with its terms and conditions, and (b) your execution on or within twenty-one (21) days following the Separation Date and your non-revocation thereof of the Waiver and Release of Claims set forth in Exhibit A (the "**Release**"), you shall be entitled to receive the severance benefits described in this paragraph 4 (subject to the terms and conditions set forth in this Agreement).

(a) Within ten (10) business days following the Effective Date (as defined in the Release), the Company will pay you in a single lump sum an amount equal to \$5,000,000.00, less applicable withholdings, in full satisfaction of the Company's obligations under Section 5(a)(ii) of the Employment Agreement.

(b) If you timely elect continued group medical and dental coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company will reimburse you for the COBRA premium payments for you and your eligible dependents under the Company's group medical and dental plans, less applicable withholdings, for the period of twelve (12) months following the Separation Date. The reimbursements provided for in this paragraph 4(b) are in full satisfaction of the Company's obligations under Section 5(a)(iv) of the Employment Agreement. Any reimbursements that are required under this paragraph 4(b) shall be made on a regular, periodic basis within thirty (30) days after such reimbursable amounts are incurred by you; provided that, before such reimbursement, you have submitted or the Company possesses the applicable and appropriate evidence of such expense(s).

(c) On the Separation Date: (i) any outstanding and unvested options to acquire Company common stock granted to you on June 15, 2012, and July 22, 2013, shall be deemed fully vested and exercisable; and (ii) the options to acquire Company common stock granted to you on August 12, 2014, shall be deemed fully vested and exercisable with respect to 764,939 shares of the 1,019,921 shares of Company common stock subject to such option, and shall be immediately cancelled and forfeited with respect to the remaining 254,982 shares. Each of your outstanding options to acquire shares of common stock that is vested and exercisable on the Separation Date, including those deemed fully vested and exercisable on the Separation Date by reason of the immediately preceding sentence, may be exercised by you on or before the earlier of the first (1st) anniversary of the Separation Date; provided, however, that in no event shall any option remain exercisable beyond the maximum period allowed therefore under the provisions of the 2004 Plan and the applicable option award agreement. Any of the foregoing options that you fail to exercise on or before such expiration date of such option will expire and be forfeited at such time without consideration. The foregoing provisions of this paragraph 4(c), together with the provisions of paragraph 4(d) and 4(e), are in full satisfaction of the Company's obligations under Section 5(a)(iii) of the Employment Agreement.

(d) On the Separation Date: (i) any outstanding and unvested time-based restricted stock units (“RSUs”) granted to you on June 15, 2012 and July 22, 2013, shall be deemed fully vested and any restrictions on such RSUs shall fully lapse; and (ii) 264,227 of the 396,341 outstanding and unvested RSUs granted to you on August 12, 2014, shall be deemed fully vested and any restrictions on such RSUs shall fully lapse and the remaining 132,114 RSUs shall be immediately cancelled and forfeited. All RSUs that vest on the Separation Date pursuant to this paragraph 4(d) shall be settled within thirty (30) days following the Separation Date, less applicable withholdings, in accordance with the provisions of the 2004 Plan and the applicable RSU award agreement.

(e) On the Separation Date, you shall be deemed to have satisfied the continued service requirements for each of the performance-based restricted stock units (“PRUs”) granted to you on June 15, 2012, July 22, 2013, and August 12, 2014. All PRUs for which you have satisfied the continued service requirements and that are outstanding immediately following the Separation Date shall be settled after the end of their respective performance periods based on actual performance, in each case subject to and in accordance with the provisions of the 2004 Plan and the applicable PRU award agreement. Any PRUs that you earn as a result of the Company’s actual performance for the applicable performance period shall be settled in shares of Company common stock on the date or dates on which the PRUs would otherwise have been settled if you had continued your employment with the Company. For the avoidance of doubt, the settlement dates of any such earned PRUs are provided in the following schedule (assuming in each case that you have satisfied any applicable tax withholding obligations):

**PRU Grant Date**  
**June 15, 2012**

**PRU Settlement Dates**

If the performance condition for vesting in this award is satisfied after the Transition Date and before June 15, 2015, then:

2/3 of the PRUs subject to this award shall be settled as soon as practicable following satisfaction of the performance condition; and

1/3 of the PRUs subject to this award shall be settled on June 15, 2015.

**July 22, 2013**

Any PRUs earned under this award shall be settled 50% on June 30, 2015, and 50% on June 30, 2016.

**August 12, 2014**

Any PRUs earned under this award shall be settled 50% on December 31, 2015, and 50% on December 31, 2016.

5. **Accrued Benefits.** You will be entitled to receive (a) your full earned but unpaid base salary accrued through the Separation Date, (b) cash payment for any accrued but unused vacation days, (c) unreimbursed business expenses (in accordance with usual Company policies and practice), to the extent not heretofore paid, (d) your annual performance bonus earned for the Company’s 2014 fiscal year in accordance with Section 3(b)(ii) of the Employment Agreement, (e) vested amounts payable to you under the Company’s 401(k) plan and other retirement, deferred compensation and benefits plans in accordance with the terms of such plans and applicable law, and (f) any other amounts to which you are entitled under and in accordance with the terms of any other compensation plan or practice of the Company on the Separation Date, in each event subject to applicable withholdings. The Company will pay the amount provided in clause (d) at the same time the Company pays bonuses for the 2014 fiscal year under the Executive Incentive Plan to the Company’s Senior Vice Presidents, which the Company intends will occur no later than March 31, 2015. The other amounts provided in this paragraph 5 will be

paid by the Company in the ordinary course consistent with past practice and, if applicable, in accordance with the terms of the Company's plans and policies. The amounts provided for in this paragraph 5 are in full satisfaction of the Company's obligations under Section 5(a)(i) of the Employment Agreement.

6. Indemnification; Liability Insurance. For nine (9) years following the Separation Date (or such longer period, if any, as may be provided under the Company's Certificate of Incorporation and Bylaws) (a) you will continue to be indemnified under the Company's Certificate of Incorporation and Bylaws at least to the same extent as prior to the Transition Date, and (b) you shall be covered by the directors' and officers' liability insurance, the fiduciary liability insurance and the professional liability insurance policies that are the same as, or provide coverage at least equivalent to, those the Company carried as of the Transition Date.

7. No Other Payments or Benefits. You acknowledge and agree that, other than the payments and benefits expressly set forth in this Agreement, (a) you have received all compensation to which you are entitled from the Company, and you are not entitled to any other payments or benefits from the Company, (b) after the Transition Date, you shall not receive any annual bonus, other cash incentive compensation, long term incentive award, options, restricted stock, restricted stock units or other equity awards, and (c) after the Separation Date, you shall not receive any base salary, annual bonus, other cash compensation, long term incentive award, options, restricted stock, restricted stock units or other equity awards, expense reimbursement, welfare, retirement, perquisite, fringe benefit, or other benefit plan coverage or coverage under any other practice, policy or program as may be in effect from time to time, applying to senior officers or other employees of the Company.

8. Continuing Obligations. You acknowledge and affirm your continuing obligations under the Advanced Micro Devices Agreement you signed on October 13, 2011 (the "Confidentiality Agreement"). For the avoidance of doubt, you confirm your continuing obligation not to disclose, use or publish, either directly or indirectly, any Confidential Information (as defined below) without the prior written consent of the Board of Directors of the Company, or until the information otherwise becomes public knowledge (other than by you or your agents or representatives). For this purpose "Confidential Information" means any matter or thing of a secret, confidential or private nature connected with the business of AMD or any of its subsidiaries, parents, joint ventures or other affiliates (collectively, "AMD") or any of AMD's suppliers, customers, employees, contractors or third party workers, and includes (without limitation): (a) technical information (e.g., know-how, formulas, computer programs, software and documentation, secret processes or machines, inventions and research projects), (b) business information (e.g., information about costs, profits, manufacturing yields, markets, sales, customers and business development plans), (c) personnel information (e.g., policies, employee compensation, employee work preferences, personnel and files, individually identifying information about AMD employees, contractors and third party workers), (d) information relating to the identities, key contacts, preferences, needs and circumstances of AMD's customers, and information relating to the identities, preferences, compensation and circumstances of AMD's employees, and (e) other non-public AMD data and information of a similar nature.

9. Nondisparagement. Each of Company and Executive agree that it or he will not at any time orally or in writing defame or intentionally make, publish or disseminate disparaging remarks that could reasonably be expected to have an adverse impact on the business reputation or prospects of the other party, including any of their respective administrators, affiliates, divisions, subsidiaries, predecessor and success or corporations, and assigns, except as may be required by judicial or administrative order or legal process.

10. Noncompetition Covenant. Executive agrees that during the Transition Period and for a period of two (2) years after the Separation Date, without the prior written consent of the Board of Directors of the Company, Executive will not carry on any business or activity (whether directly or

indirectly, as a partner, shareholder, principal, agent, director, affiliate, employee or consultant) that is a direct material competitor with the business conducted by the Company (as conducted now or during the term of the Employment Agreement), or engage in any other activities that conflict with Executive's obligations to the Company.

11. Nonsolicitation Covenant. Executive agrees that during the Transition Period and for a period of two (2) years after the Separation Date, without the prior written consent of the Board of Directors of the Company, Executive will not do any of the following:

(a) Solicit Business. Solicit or influence or attempt to influence any client, customer or other person, either directly or indirectly, to direct his, her or its purchase of the Company's products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company; and

(b) Solicit Personnel. Except with respect to your current or any former administrative assistant who are hereby exempted, solicit or influence or attempt to influence any person employed by the Company or any consultant then retained by the Company to terminate or otherwise cease his employment or consulting relationship with the Company or become an employee of or consultant to any competitor of the Company.

12. Company Property. On or prior to the Separation Date, you shall return to the Company all Company property in your possession or use, including, without limitation, all automobiles, fax machines, printers, credit cards, building-access cards and keys, other electronic equipment, and any records, documents, software, e-mails or other data from your personal computers or laptops which are not themselves Company property, however stored, relating to or containing Confidential Information (as defined in paragraph 8). Notwithstanding the foregoing, you shall be entitled to retain your cell phone and cellphone number at no cost, but the Company will not pay or reimburse you for any related carrier or coverage costs after the Separation Date.

13. Failure of Consideration. You acknowledge and agree that your obligations under paragraphs 8, 9, 10, and 11 are material inducements for, and a substantial portion of, the consideration for the Company agreeing to pay and provide you with the benefits described in paragraph 4 and that such obligations restate and continue valid, binding and existing obligations under the Employment Agreement. You further acknowledge and agree that the Company would be irreparably injured by a violation by you of paragraphs 8, 9, 10, and/or 11, and that in the event of any breach or threatened breach by you of paragraphs 8, 9, 10, and/or 11, (a) you shall not be entitled to receive the benefits described in paragraph 4, and (b) if, and to the extent, such breach or threatened breach occurs after you have received all or any portion of the benefits described in paragraph 4, you agree that the Company will be entitled to enjoin any such breach or threshold breach and you agree to immediately return such benefits to the Company, not as a penalty or forfeiture, and the Company shall, in addition to any other legal and equitable remedies available to it, be entitled to recover such benefits from you not as a penalty or forfeiture, plus attorneys' fees and other costs incurred by the Company in obtaining such relief.

14. Cooperation. During the Transition Period and after the Separation Date, you agree that you will reasonably cooperate with the Company, its subsidiaries and affiliates, at any level, and any of their officers, directors, shareholders, or employees at such times, manner and places as may be directed by a court or pursuant to a court order): (a) concerning requests for information about the business of the Company or its subsidiaries or affiliates or your involvement and participation therein; (b) in connection with any investigation or review by the Company or any federal, state or local regulatory, quasi-regulatory or self-governing authority (including, without limitation, the Securities and Exchange Commission) as any such investigation or review relates to events or occurrences that transpired while

you were employed by the Company; (c) in connection with any formal or informal legal matters in which you are named as a party or of which you have specific and relevant knowledge or documents, including (without limitation) any matters in which you are currently involved (which for clarity includes (i) *Hatamian v. Advanced Micro Devices, Inc., et al.*, C.A. No. 14-cv-0022 (N.D. Cal.), and (ii) *Wessels v. Read, et al.*, Case No. 114-cv-262486, Superior Court of California, Santa Clara County); and (d) with respect to transition and succession matters. Your cooperation shall include, but not be limited to (taking into account your personal and professional obligations, including those to any new employer or entity to which you provide services), being available to meet and speak with officers or employees of the Company and/or the Company's counsel at reasonable times and locations; executing accurate and truthful documents; preparation for, reasonable assistance with, or participation in any legally required process during the Transition Period or after the Separation Date; testifying or otherwise appearing at depositions, arbitrations or court hearings; preparation for the above-described or similar activities; and taking such other actions as may reasonably be requested by the Company and/or the Company's counsel to effectuate the foregoing. You understand that you will receive no additional compensation in connection with your preparation for, reasonable assistance with or participation in any legally required process during the Transition Period or after the Separation Date (including, without limitation, responding to any discovery request, deposition notice or subpoena for testimony). In all cases, however, you shall be entitled to reimbursement, upon receipt by the Company of suitable documentation, for reasonable and necessary travel and other expenses which you may incur at the specific request of the Company incurred in connection with your assistance and as approved by the Company in advance and in accordance with its policies and procedures established from time to time.

If you are contacted by any party, potential party, attorney or other individual or entity in regard to any dispute, potential dispute, litigation or potential litigation matter relating to or involving the Company, its subsidiaries and affiliates, or any of their officers, directors, shareholders, or employees, you will first contact the Company before communicating with such person or persons, and will allow legal counsel of the Company's choosing to participate in any such communication. If you receive notice that you are required to provide testimony or information in any context about the Company, any of its customers, or your employment with the Company to any third party, you agree to inform Harry Wolin ([harry.wolin@amd.com](mailto:harry.wolin@amd.com)) (or his designee/successor) in writing within 24 hours of receiving such notice, and you agree to cooperate with the Company and its attorneys in responding to (if necessary) such legal process. If you are required to provide testimony in any such context, you are, of course, expected to testify truthfully.

If at any time during the Transition Period or after the Separation Date, you are required to give testimony in any legal proceeding involving or relating to the Company, any of its customers, or your employment with the Company, you understand that the Company will provide outside counsel of its choosing without expense to you.

15. **Taxes.** The parties hereto acknowledge and agree that the form and timing of the Separation Amount and the other payments and benefits to be provided pursuant to this Agreement are intended to comply with one or more exceptions to the requirements of Section 409A of the Code and applicable Treasury Regulations thereunder ("**Section 409A**"), including the requirement for a six-month suspension on payments to "specified employees" as defined in Section 409A that are not otherwise permitted to be paid within the six-month suspension period. The parties hereto further acknowledge and agree that for purposes of Section 409A you do not have discretion with respect to the timing of the payment of any amounts provided under this Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company, its affiliates, subsidiaries, successors, and each of their respective officers, directors, employees and representatives, neither represent nor warrant the tax treatment under any federal, state, local, or foreign laws or regulations thereunder (individually and collectively referred to as the "**Tax Laws**") of any payment or benefits contemplated by this Agreement including, but not limited to, when and to what extent such payments or benefits may be subject to tax, penalties and interest under the Tax Laws.

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16. Family Protection. In the event of your death prior to payment of all amounts payable under this Agreement, any unpaid amounts that would have otherwise been payable had you survived shall be paid to your wife, if she is then living, otherwise to your estate.

17. Enforcement. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect; however, the remaining provisions shall be enforced to the maximum extent possible. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found overbroad or unreasonable. In addition, you agree that your willful and knowing failure to return to the Company property that relates to the maintenance of security of the Company Entities and each of their successors and assigns, or your breach or threatened breach of paragraph 8, 9, 10, or 11 of this Agreement, shall entitle the Company to obtain from any court of competent jurisdiction, in addition to any other remedies, a restraining order, injunction or other equitable relief without the necessity of a hearing or posting a bond.

18. No Admission. This Agreement is not intended, and shall not be construed, as an admission that either you or any of the Company, its subsidiaries and affiliates, their respective past and present directors and officers, and their successors and assigns (collectively, the "Company Entities and Persons") have violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever.

19. Tax Withholding. All payments, benefits and other amounts made or provided pursuant to this Agreement will be subject to withholding of applicable federal, state and local taxes.

20. Successors. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

21. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas without regard to the principles of conflicts of law.

22. Entire Agreement. You acknowledge that this Agreement constitutes the complete understanding between the Company and you regarding its subject matter and supersedes any and all prior written, and prior or contemporaneous oral, agreements, understandings, and discussions, whether written or oral, between you and any of the Company Entities and Persons, including the Employment Agreement; provided, however, that notwithstanding the foregoing, the Confidentiality Agreement shall remain in full force and effect in accordance with its terms. No other promises or agreements shall be binding on the Company unless in writing and signed by both the Company and you after the date of this Agreement.

23. Effective Date. You may accept this Agreement by signing it and returning it to the Company's General Counsel, Harry Wolin, at Advanced Micro Devices, Inc., 7171 Southwest Pkwy, Austin, Texas 78735, e-mail address: ([harry.wolin@amd.com](mailto:harry.wolin@amd.com)). The effective date of this Agreement shall be the date it is signed by both parties, provided that the provisions of paragraph 4 shall not become effective until the Effective Date as defined in paragraph 3 of the Release Agreement. In the event you do not accept this Agreement (including the Release Agreement) as set forth in this paragraph 23, this Agreement, including but not limited to the obligation of the Company hereunder to provide the payments and other benefits described herein, shall be deemed automatically null and void.

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24. Headings. The headings used herein are for the convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions of this Agreement.

25. Counterparts. This Agreement may be executed in one or more counterparts, including emailed or telecopied facsimiles, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth below.

/s/ Rory P. Read

Rory P. Read

Date: October 13, 2014

**ADVANCED MICRO DEVICES, INC.**

By: /s/ Bruce L. Clafin

Bruce L. Clafin, Chairman of the Board of Directors

Date: October 14, 2014



EXHIBIT A

WAIVER AND RELEASE OF CLAIMS

(DO NOT SIGN UNTIL ON OR AFTER THE SEPARATION DATE)

In exchange for the consideration described in paragraph 4 of the Transition, Separation Agreement and Release (the "*Separation Agreement*") by and between Advanced Micro Devices, Inc. (the "*Company*") and Rory P. Read ("*Executive*") (together, the "*Parties*") and in accordance with the terms of the Employment Agreement (as defined in the Separation Agreement), Executive hereby agrees as follows:

1. Executive's Release

(a) Executive hereby forever releases and discharges the Company and its parents, affiliates, successors, and assigns, as well as each of their respective past, present, and future officers, directors, employees, agents, attorneys, and shareholders (collectively, the "*Company Released Parties*"), from any and all claims, charges, complaints, liens, demands, causes of action, obligations, damages, and liabilities, known or unknown, suspected or unsuspected, that Executive had, now has, or may hereafter claim to have against the Company Released Parties arising out of or relating in any way to Executive's employment with, or separation from, the Company, from the beginning of time to the date Executive signs this Waiver and Release of Claims (the "*Executive's Release*").

(b) Executive's Release specifically extends to, without limitation, any and all claims or causes of action for wrongful termination, breach of an express or implied contract, including, without limitation, the Employment Agreement, breach of the covenant of good faith and fair dealing, breach of fiduciary duty, employment discrimination, including harassment, fraud, misrepresentation, defamation, slander, infliction of emotional distress, disability, loss of future earnings, and any claims under any applicable state, federal, or local statutes and regulations, including, but not limited to, the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, as amended, the Fair Labor Standards Act, as amended, the Americans with Disabilities Act of 1990, as amended (the "*ADA*"), the Rehabilitation Act of 1973, as amended, the Age Discrimination in Employment Act, as amended ("*ADEA*"), as amended, the Older Workers Benefit Protection Act, as amended, the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), the Worker Adjustment and Retraining Notification Act, as amended (the "*WARN Act*"), Section 806 of the Sarbanes-Oxley Act, the Family and Medical Leave Act, as amended, and the Texas Labor Code, the Texas Payday Law, and the Texas Commission on Human Rights Act, or any other federal or state laws relating to employment or employment discrimination, and any claims for attorneys' fees and costs; provided, however, that Executive's Release does not waive, release or otherwise discharge (i) any claim or cause of action that cannot legally be waived by private agreement between Executive and the Company, including, but not limited to, any claim for unpaid wages, workers' compensation benefits or unemployment benefits; (ii) any rights to indemnification Executive may have under paragraph 6 of the Separation Agreement; (iii) any vested benefits provided under the terms of any employee benefit plan applicable to Executive; (iv) any claim or cause of action to enforce any of Executive's rights under the Separation Agreement; or (v) any claim or cause of action based on Executive's rights as a shareholder of the Company.

(c) This release extends to any claims that may be brought on Executive's behalf by any person or agency, as well as any class or representative action under which Executive may have any rights or benefits; Executive agrees not to accept any recovery or benefits under any such claim or action, and Executive assigns any such recovery or benefits to the Company. For the purpose of implementing a full and complete release, Executive understands and agrees that this Waiver and Release of Claims is intended to include all claims, if any, which Executive may have and which Executive does not now know or suspect to exist in his favor against the Company Released Parties and this Waiver and Release of Claims extinguishes those claims.

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(d) Executive's Release shall not prevent Executive from filing a charge with the Equal Employment Opportunity Commission (or similar state or local agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state or local agency); provided, however, that Executive acknowledges and agrees that any claims by Executive for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) hereby are barred.

2. **ADEA Waiver and Release.** Executive understands and agrees that he is waiving his rights under the ADEA and thus:

(a) Executive has been informed and understands and agrees that he has the period of at least twenty-one (21) calendar days after receipt of this Waiver and Release of Claims to consider whether to sign it.

(b) Executive has been informed and understands and agrees that he may revoke this Waiver and Release of Claims at any time during the seven (7) calendar days after it is signed and returned to the Company, in which case none of the provisions of this Waiver and Release of Claims will have any effect. Executive acknowledges and agrees that if he wishes to revoke this Waiver and Release of Claims, he must do so in writing, and that such revocation must be signed by Executive and received by the General Counsel of the Company no later than the seventh (7th) day after Executive has signed the Waiver and Release of Claims. Executive acknowledges and agrees that, in the event Executive revokes the Waiver and Release of Claims, he shall have no right to receive any of the consideration described in paragraph 4 of the Separation Agreement.

(c) Executive agrees that prior to signing this Waiver and Release of Claims, he read and understood each and every provision of the document.

(d) Executive understands and agrees that he has been advised in this writing to consult with an attorney of his choice concerning the legal consequences of this Waiver and Release of Claims and the Separation Agreement and Executive hereby acknowledges that prior to signing this Waiver and Release of Claims he had the opportunity to consult, and did consult, with an attorney of his choosing regarding the effect of each and every provision of both this Waiver and Release of Claims and the Separation Agreement.

(e) Executive acknowledges and agrees that he knowingly and voluntarily entered into this Waiver and Release of Claims and the Separation Agreement with complete understanding of all relevant facts, and that he was neither fraudulently induced nor coerced to enter into this Waiver and Release of Claims or the Separation Agreement.

(f) Executive understands that he is not waiving, releasing or otherwise discharging any claims under the ADEA that may arise after the date he signs this Waiver and Release of Claims.

3. **Effective Date.** For purposes of this Waiver and Release of Claims, the "**Effective Date**" shall be the eighth (8th) calendar day following the date that Executive signs and returns this Waiver and Release of Claims to the Company, provided that Executive does not revoke or attempt to revoke his acceptance prior to such date. Executive understands and agrees that, in order to receive the consideration provided under paragraph 4 of the Separation Agreement, he must execute this Waiver and Release of Claims no earlier than the Separation Date (as defined in the Separation Agreement) and no later than twenty-one (21) days following the Separation Date and shall not have revoked or attempted to revoke such acceptance prior to the Effective Date.

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4. **Miscellaneous.** Executive represents and warrants that he has the full legal capacity, power and authority to execute and deliver this Waiver and Release of Claims and to perform his obligations hereunder. This Waiver and Release of Claims is binding upon and shall inure to the benefit of the Parties hereto as well as the Company Released Parties. For purposes of this Waiver and Release of Claims, a facsimile or electronic file containing Executive's signature printed by a receiving facsimile machine or printer shall be deemed an original signature.

IN WITNESS WHEREOF, Executive has executed this Release as of the date set forth below.

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Rory P. Read

Date:

Exhibit A – Page 3

## ADVANCED MICRO DEVICES, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is effective as of October 8, 2014 (the "Effective Date"), by and between Lisa T. Su ("Executive") and Advanced Micro Devices, Inc., a Delaware corporation (the "Company"). Certain capitalized terms used in this Agreement are defined in Section 6.

## RECITALS

**WHEREAS**, Executive is currently employed as the Company's Senior Vice President and Chief Operating Officer;

**WHEREAS**, the Company wishes to promote Executive to the position of President and Chief Executive Officer of the Company effective as of the Effective Date, and Executive wishes to accept such promotion; and

**WHEREAS**, the Company and Executive wish to set forth the terms and conditions of Executive's employment as the Company's President and Chief Executive Officer.

## AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises and agreements contained herein, the parties hereby agree as follows:

1. Duties.

(a) **Position.** From the Effective Date, Executive shall be employed as the President and Chief Executive Officer of the Company. In such capacity she shall have overall responsibility for the management of the affiliated group of companies for which the Company is the ultimate parent and report to and be subject to the direction and control of the Company's Board of Directors (the "Board"). At least annually, the Compensation Committee of the Board (the "Compensation Committee") will review Executive's performance in light of the Company's corporate goals and objectives and will discuss the results of such review with the Board. The Board may from time to time review this Agreement in light of external and internal conditions and may determine that such conditions warrant revisiting any terms of this Agreement. In such case, the Board may propose to Executive that certain modifications be made to this Agreement.

(b) **Board Membership.** As of the Effective Date, Executive shall be appointed as a member of the Board and, thereafter during the Employment Term (as defined below), Executive shall, subject to the approval of the Company's shareholders, continue to be a member of the Board.

(c) **Obligations to the Company.** Executive agrees to the best of her ability and experience that she will loyally and conscientiously perform all of the duties and obligations commensurate with her position as may be reasonably required of and from

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Executive pursuant to the terms hereof. During the term of Executive's employment by the Company (the "Employment Term"), Executive further agrees that she will devote all of her working time and attention to the business of the Company. Nothing in this Agreement will prevent Executive from accepting speaking or presentation engagements in exchange for honoraria or from serving on boards of charitable organizations so long as such engagements do not interfere with Executive's ability to fulfill her obligations under this Agreement. In addition, Executive shall be permitted to continue to serve on the board of directors of Analog Devices, Inc. provided that such board service does not interfere with Executive's performance of services to the Company. To the extent consistent with the terms of this Agreement, Executive will comply with and be bound by the Company's operating policies, procedures and practices from time to time in effect during the term of Executive's employment.

2. **At-Will Employment.** The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either party at any time for any or no reason. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement. The rights and duties created by this Section 2 may not be modified in any way except by a written agreement executed by a duly authorized member of the Board and Executive.

3. **Compensation.** For the duties and services to be performed by Executive hereunder, the Company shall pay Executive, and Executive agrees to accept, the compensation described below in this Section 3.

(a) **Salary.** From and after the Effective Date, Executive shall receive an annual salary of eight-hundred and fifty thousand dollars (\$850,000.00) (as may be adjusted from time to time, the "Base Salary"). Executive's Base Salary will be payable pursuant to the Company's normal payroll practices. Notwithstanding the foregoing, the Board shall review Executive's Base Salary no less frequently than annually, and may adjust Executive's Base Salary from time to time.

(b) **Annual Bonus.** In addition to the Base Salary, Executive will be eligible for an annual performance bonus under the Company's applicable annual incentive plan (currently, the Company's Executive Incentive Plan) and that beginning January 1, 2015, the Compensation Committee of the Board will set a target bonus each year of not less 150% of the Base Salary (the "Annual Bonus"). For the 2014 fiscal year, Executive's target bonus amount under the Company's Executive Incentive Plan will be prorated as 100% of Executive's base salary during the period beginning December 29, 2013, and ending October 7, 2014, and 150% of Executive's Base Salary from October 8 through December 27, 2014. The actual amount payable to Executive as an Annual Bonus will be dependent upon the achievement of performance objectives to be determined by the Compensation Committee of the Board. Depending on performance, the actual amount payable as an Annual Bonus to Executive may be less than, greater than or equal to the stated target bonus (and could be zero). Notwithstanding the foregoing, the Board shall review Executive's Annual Bonus percentage at least annually, and may adjust Executive's Annual Bonus percentage from time to time.

(c) **Annual Equity Incentives.** Executive shall be eligible to participate on a reasonable basis, subject to the discretion of the Compensation Committee, as to the level of actual awards, in equity and incentive compensation plans adopted from time to time by the Compensation Committee.

(d) **Promotional Equity Award.** On October 31, 2014 (the “Grant Date”), Executive will receive a one-time promotional equity award (the “Promotional Grant”) under the Company’s 2004 Equity Incentive Plan (the “Equity Plan”) with an aggregate grant date fair value equal to approximately two-million dollars (\$2,000,000), with fifty percent (50%) of such Promotional Grant in the form of performance-based restricted stock units (the “Promotional PRSUs”), twenty-five percent (25%) in the form of time-based restricted stock units (the “Promotional RSUs”) and twenty-five percent (25%) in the form of time-based stock options (the “Promotional Stock Options”). The target number of Promotional PRSUs and the number of Promotional RSUs shall be determined as the quotient obtained by dividing the applicable award value (\$1,000,000 in the case of the Promotional PRUs and \$500,000 in the case of the Promotional RSUs) by the volume-weighted average price of the Company’s common stock for the thirty (30) day period ending on October 30, 2014. The number of Promotional Stock Options shall be determined by converting the award value (\$500,000) using the volume-weighted average price of the Company’s common stock for the thirty (30) day period ending on October 30, 2014, and a binominal factor determined in accordance with the Company’s equity valuation practices. The exercise price of the Promotional Stock Options shall be 100% of the fair market value of the Company’s common stock on the Grant Date.

The Promotional PRSUs shall vest in two equal installments on December 31, 2015 and December 31, 2016, provided that Executive is employed by the Company on the applicable vesting date or as otherwise provided herein, and subject to the financial and/or other performance criteria or conditions established at the time of grant by the Compensation Committee. The Promotional RSUs shall vest in three equal installments on the first, second and third anniversaries of the Effective Date, and the Promotional Stock Options shall vest 33 $\frac{1}{3}$ % on the first anniversary of the Effective Date, and 8  $\frac{1}{3}$ % per quarter over the next eight following quarters; provided that, in each case, Executive employed by the Company on the applicable vesting date or as otherwise provided herein. The Promotional PRSUs, Promotional RSUs and Promotional Stock Options will be subject to the terms and conditions of the Equity Plan and the applicable award agreement thereunder.

(e) **2014 Annual Equity Award.** On the Grant Date, Executive will receive an annual equity award for the 2014 fiscal year (the “2014 Annual Grant”) under the Equity Plan with an aggregate grant date fair value equal to approximately five-million dollars (\$5,000,000), with fifty percent (50%) of such 2014 Annual Grant in the form of performance-based restricted stock units (the “2014 PRSUs”), twenty-five percent (25%) in the form of time-based restricted stock units (the “2014 RSUs”) and twenty-five percent (25%) in the form of time-based stock options (the “2014 Stock Options”). The

target number of 2014 PRSUs and the number of 2014 RSUs shall be determined as the quotient obtained by dividing the applicable award value (\$2,500,000 in the case of the 2014 PRUs and \$1,250,000 in the case of the 2014 RSUs) by the volume-weighted average price of the Company's common stock for the thirty (30) day period ending on October 30, 2014. The number of 2014 Stock Options shall be determined by converting the award value (\$1,250,000) using the volume-weighted average price of the Company's common stock for the thirty (30) day period ending on October 30, 2014, and a binominal factor determined in accordance with the Company's equity valuation practices. The exercise price of the 2014 Stock Options shall be 100% of the fair market value of the Company's common stock on the Grant Date.

The 2014 PRSUs shall vest in two equal installments on December 31, 2015 and December 31, 2016, provided that Executive is employed by the Company on the applicable vesting date or as otherwise provided herein, and subject to the financial and/or other performance criteria or conditions established at the time of grant by the Compensation Committee. The 2014 RSUs will vest in three equal installments on the first, second and third anniversaries of the Effective Date, and the 2014 Stock Options shall vest 33<sup>1</sup>/<sub>3</sub>% on the first anniversary of the Effective Date, and 8 <sup>1</sup>/<sub>3</sub>% per quarter over the next eight following quarters; provided that, in each case, Executive is employed by the Company on the applicable vesting date or as otherwise provided herein. The 2014 PRSUs, 2014 RSUs and 2014 Stock Options will be subject to the terms and conditions of the Equity Plan and the applicable award agreement thereunder.

(f) **Additional Benefits.** Executive shall be eligible to participate in the Company's employee benefit plans of general application, including without limitation, those plans covering medical, disability and life insurance in accordance with the rules established for individual participation in any such plan and under applicable law and on terms no less favorable than those applicable to the Company's other senior executive officers. Executive shall be eligible for vacation and sick leave in accordance with the policies in effect during the term of this Agreement.

#### 4. **Termination of Agreement.**

(a) **Termination.** This Agreement may be terminated upon the occurrence of any of the following events:

- (i) The Company's termination of Executive for Cause (as defined in Section 6) ("**Termination for Cause**");
- (ii) Executive's Involuntary Termination Without Cause (as defined in Section 6), which may occur at any time at the Company's sole discretion, for any or no reason;
- (iii) Executive's Constructive Termination; or
- (iv) The delivery of a written notice sent to the Company from Executive stating that Executive is electing to terminate Executive's employment with the Company (other than a Constructive Termination), or the occurrence of Executive's death or Disability (each, a "**Voluntary Termination**");

(b) **Notice of Termination.** Any purported termination of Executive's employment by the Company or by Executive (other than termination due to Executive's death) shall be communicated by a written Notice of Termination to the other party hereto in accordance with Section 14(d). For purposes of this Agreement, "**Notice of Termination**" shall mean a notice that shall indicate the specific termination provision in this Agreement (if any) relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(c) **Date of Termination.** For purposes of this Agreement, "**Date of Termination**" shall mean (i) if Executive's employment is terminated due to Executive's death, the date of Executive's death or (ii) if Executive's employment terminates for any reason other than death, the date specified in the Notice of Termination, which date shall not be later than thirty (30) days after such Notice of Termination is communicated to the other party hereto in accordance with Section 14(d).

(d) **Board of Directors.** On the date that a Notice of Termination is communicated to the other party hereto in accordance with Section 14(d), Executive shall immediately resign from the Board of Directors of the Company and the board of directors or comparable body of every subsidiary, parent or other affiliated corporation of the Company, and every committee thereof.

5. **Severance Benefits.** Executive shall be entitled to receive severance benefits upon termination of employment only as set forth in this Section 5:

(a) **Covered Termination.** Except as otherwise provided in Section 5(b), in the event Executive experiences a Covered Termination (as defined in Section 6), Executive will be entitled to receive the following severance and other benefits, provided that Executive first provides the Company with an executed and effective general release of claims against the Company and its affiliates in reasonable form and substance acceptable to the Company on or before the fiftieth (50<sup>th</sup>) day after the date of such Covered Termination and complies with her obligations under Section 4(d) of this Agreement:

(i) **Accrued Base Salary.** The Company shall pay to Executive her full earned but unpaid Base Salary through the Date of Termination. In addition the Company shall pay to Executive all other amounts to which Executive is entitled under any compensation plan or practice of the Company on the Date of Termination.

(ii) **Severance Pay.** Subject to Section 7(b), on the 60<sup>th</sup> day following the Date of Termination (or such earlier date as permitted under Section 409A), the Company shall pay to Executive in a single lump sum an amount equal to two (2) times Executive's Base Salary at the rate in effect immediately prior to the Date of Termination.



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(iii) **Prorated Current Year Annual Bonus**. The Company shall pay Executive a bonus for the calendar year in which the Date of Termination occurs in an amount equal to the Annual Bonus for such year as determined by the Compensation Committee in accordance with the criteria established for such Annual Bonus and based on the Company's performance for such year. The amount of such Annual Bonus shall be prorated through the Date of Termination, and payable in a lump-sum on or before the date such annual bonuses are paid to executives who have continued employment with the Company (but in no event earlier than fifty (50) days after the Date of Termination nor later than the March 15 next following such calendar year).

(iv) **Equity Compensation**.

(A) Executive will be credited with (I) an additional twelve (12) months of service for purposes of calculating the service-based vesting of any unvested stock options, stock appreciation rights, restricted stock, restricted stock units and other equity awards granted to Executive on or after the Effective Date and then held by Executive at the Date of Termination, and (II) an additional twenty-four (24) months of service for purposes of calculating the service-based vesting of any unvested stock options, stock appreciation rights, restricted stock, restricted stock units and other equity awards granted to Executive prior to the Effective Date and then held by Executive at the Date of Termination. For avoidance of doubt, the foregoing additional service credit shall also apply to any outstanding unvested performance-based equity award held by Executive as of the Date of Termination.

(B) Any performance-based equity award (or portion thereof) for which the service-based vesting condition has been satisfied (or deemed satisfied by reason of Section 5(a)(iv)(A)) as of the Date of Termination shall continue in accordance with the terms of the applicable award agreement and, for avoidance of doubt, shall vest or be forfeited in accordance with the terms of the applicable award agreement based on actual performance for the applicable performance period. If applicable, the settlement of any such performance-based equity award (or portion thereof) shall occur at such time(s) as such performance-based equity award (or portion thereof) would have been settled had Executive continued her employment with the Company.

(C) Any performance-based equity award (or portion thereof) for which the service-based vesting condition is not satisfied (or deemed satisfied by reason of Section 5(a)(iv)(A)) as of the Date of Termination shall expire and terminate and be forfeited in full without consideration.

(D) All vested options held by Executive, including those deemed fully vested as of the Date of Termination as provided in Section 5(a)(iv)(A), shall become automatically exercisable for a period of one (1) year from the Date of Termination; *provided, however*, that in no event shall any option remain exercisable beyond the maximum period allowed therefore in the stock option plan or agreement under which it was granted, whichever is shorter.

(E) Except as otherwise provided in this Section 5(a)(iv), all unvested stock options, stock appreciation rights, restricted stock, restricted stock units and other equity awards then held by Executive at the Date of Termination shall expire and terminate and be forfeited in full without consideration. This Agreement shall serve as an amendment to any equity award granted to Executive prior to, on or after the Effective Date.

(v) **Other Benefits.** For twenty-four (24) months following the Date of Termination, the Company shall, monthly, pay to Executive an amount equal to the premium payments required for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") of the Executive and her eligible dependents under the Company's group medical and dental plans, in each case assuming coverage elected at the level in effect as of the Date of Termination. Such payments shall be reduced by withholding of applicable income and employment taxes.

(b) **Change of Control.** If Executive has a Covered Termination within the period commencing with the public announcement of a transaction which results in a Change of Control and ending twenty-four (24) months after such Change of Control, Executive will be entitled to receive the following severance and other benefits, provided that Executive first provides the Company with an executed and effective general release of claims against the Company and its affiliates in reasonable form and substance acceptable to the Company on or before the fiftieth (50<sup>th</sup>) day after the date of such Covered Termination and complies with her obligations under Section 4(d) of this Agreement:

(i) **Accrued Base Salary.** The Company shall pay to Executive her full earned but unpaid Base Salary through the Date of Termination. In addition the Company shall pay to Executive all other amounts to which Executive is entitled under any compensation plan or practice of the Company on the Date of Termination; and

(ii) **Severance Pay.** The Company shall pay to Executive in a single lump sum an amount equal to the sum of two (2) times Executive's Base Salary plus two (2) times Executive's target Annual Bonus, each at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect six (6) months prior to the Date of Termination.

(iii) **Equity Compensation.** All unvested stock options, stock appreciation rights, restricted stock, restricted stock units and other equity awards then held by Executive at the Date of Termination shall be deemed fully vested at such Date of Termination, and all performance-based vesting conditions with respect to such awards will be deemed achieved at the target levels set forth in the applicable award agreement. The settlement of Executive's equity awards will continue in accordance with the relevant award agreement. All vested options held by Executive, including those deemed fully vested as of the Date of Termination as provided in the immediately preceding sentence, shall become automatically exercisable for a period of one (1) year from the Date of Termination; *provided, however,* that in no event shall any option remain exercisable beyond the maximum period allowed therefore in the stock option plan or agreement under which it was granted, whichever is shorter. This Agreement shall serve as an amendment to any equity award granted to Executive prior to, on or after the Effective Date.

(iv) **Accrued Bonus.** The Company shall pay Executive an amount equal to the pro rata amount of the annual bonus accrued under the Company's Executive Incentive Plan (or any successor Company plan) assuming performance at target levels for the portion of the year prior to the Date of Termination.

(v) **Financial and Tax Planning.** To assist Executive with her monthly personal financial planning and tax planning expenses, the Company shall pay Executive the amount of \$4,000 per month for twelve (12) months following the Date of Termination.

(vi) **Other Benefits.** For twenty-four (24) months following the Date of Termination, the Company shall, monthly, pay to Executive an amount equal to the premium payments required for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") of the Executive and her eligible dependents under the Company's group medical and dental plans, in each case assuming coverage elected at the level in effect as of the Date of Termination. Such payments shall be reduced by withholding of applicable income and employment taxes.

(c) **Other Termination.** If Executive's employment with the Company is terminated for any reason other than a Covered Termination, Executive will receive payment(s) for all earned but unpaid Base Salary plus all other amounts to which Executive is entitled under any compensation plan or practice of the Company in effect on the Date of Termination.

(d) **No Mitigation.** Executive shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 5 be reduced by any compensation earned by Executive as the result of employment by another employer or self-employment, by retirement benefits, by offset against any amounts (other than loans or advances to Executive by the Company) claimed to be owed by Executive to the Company, or otherwise.

**6. Definition of Terms.** The following terms referred to in this Agreement shall have the following meanings:

(a) “Cause” for Executive’s termination shall mean (i) Executive’s repeated failure to perform assigned duties after being notified in writing of such failure with an opportunity to correct, or (ii) if Executive commits or participates in a willful act of embezzlement, fraud, misappropriation or dishonesty. For purposes of this provision, no act or failure to act, on Executive’s part, shall be considered “willful” unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that 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 Executive in good faith and in the best interests of the Company.

(b) “Change of Control” shall mean a change of control of the Company of a nature which would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (“Exchange Act”) or in response to any other form or report to the Securities and Exchange Commission or any stock exchange on which the Company’s shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities; (ii) in any two-year period, individuals who were members of the Board at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board, (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a Change of Control, (iv) there is consummated a merger or consolidation of the Company or subsidiary thereof with or into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation more than 50% of the combined voting power of the voting securities of either the Company or the other entity which survives such merger or consolidation or the parent of the entity which survives such merger or consolidation, or (v) the stockholders of the Company approve a plan of complete liquidation of the Company and such plan of complete liquidation of the Company is consummated or there is consummated the sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 80% of the combined voting power of the voting securities of

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which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale. Notwithstanding the foregoing definition, “Change of Control” for purposes of this Agreement, shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company. As used herein, the term “beneficial owner” shall have the same meaning as under Section 13(d) of the Exchange Act, and related case law.

(c) “Code” means the Internal Revenue Code of 1986, as amended.

(d) “Constructive Termination” shall mean Executive’s resignation from the Company for Good Reason that constitutes a “separation from service” within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder. Notwithstanding the foregoing, a resignation shall not constitute a “Constructive Termination” unless the condition constituting Good Reason that gives rise to such resignation continues more than thirty (30) days following Executive’s written notice of such condition provided to the Board within ninety (90) days of an occurrence of such condition.

(e) “Covered Termination” means Executive’s Involuntary Termination Without Cause or Constructive Termination.

(f) “Disability” shall mean Executive’s absence from Executive’s duties with the Company on a full-time basis for 180 days during any consecutive twelve-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company and acceptable to Executive or by the company which administers the Company’s long-term disability plan in which Executive is eligible to participate.

(g) “Good Reason” shall mean (i) a material diminution in Executive’s Base Salary or Annual Bonus opportunity; (ii) a material diminution in Executive’s authority, duties, or responsibilities or a change in the Executive’s position as President and Chief Executive Officer of the Company; (iii) a requirement imposed by the Company that Executive report to a corporate officer or employee instead of reporting directly to the Board; or (iv) any other action or inaction that constitutes a material breach by the Company of this Agreement.

(h) “Involuntary Termination Without Cause” means Executive’s dismissal or discharge other than for Cause that constitutes a “separation from service” within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder. The termination of Executive’s employment as a result of Executive’s death or Disability shall not constitute an Involuntary Termination Without Cause.

## 7. Tax Provisions.

### (a) Section 280G.

(i) Notwithstanding anything contained in this Agreement to the contrary, in the event that the benefits provided by this Agreement, together with all other payments and the value of any benefits received or to be received by Executive (the "Payments"), constitute "parachute payments" (within the meaning of Section 280G of the Code), and, but for this Section 7(a)(i), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments shall be made to Executive either (i) in full or (ii) as to such lesser amount as which would result in no portion of the Payments being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of the Payments may be subject to the Excise Tax. Unless Executive shall have given prior written notice specifying a different order to the Company to effectuate any reduction contemplated by the preceding sentence, the Company shall reduce or eliminate the Payments by first reducing or eliminating cash payments and then by reducing those payments or benefits which are not payable in cash, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(ii) Unless the Company and Executive otherwise agree in writing, an initial determination as to whether the Payments shall be reduced and the amount of such reduction shall be made, at the Company's expense, by an accounting firm that the Company selects (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and Executive within twenty (20) days of the Date of Termination, if applicable, or such other time as requested by the Company or by Executive (provided Executive reasonably believes that any of the Payments may be subject to the Excise Tax). Within ten (10) days of the delivery of the Determination to Executive, Executive shall have the right to dispute the Determination (the "Dispute"). If there is no Dispute, the Determination shall be binding, final and conclusive upon the Company and Executive.

(b) Section 409A of the Code. Notwithstanding any provision to the contrary in the Agreement, if Executive is deemed by the Company at the time of Executive's Date of Termination 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 benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such

portion of Executive's benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six-month period measured from the date of Executive's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Code) or (b) the date of Executive's death. Upon the expiration of the applicable period under Section 409A(a)(2)(B)(i) of the Code, all payments deferred pursuant to this Section 7(b) shall be paid in a lump sum to Executive (plus interest earned on any such amounts calculated based on the then applicable short-term Applicable Federal Rate for federal tax purposes), and any remaining payments due under the Agreement shall be paid as otherwise provided herein.

8. **Confidentiality Agreement.** Executive has signed a Proprietary Information and Invention Assignment Agreement in a form acceptable to the Company that covers protection of the Company's proprietary information and assignment of inventions (the "**Confidentiality Agreement**"). Executive hereby represents and warrants to the Company that Executive has complied with all obligations under the Confidentiality Agreement and agrees to continue to abide by the terms of the Confidentiality Agreement and further agrees that the provisions of the Confidentiality Agreement shall survive any termination of this Agreement or of Executive's employment relationship with the Company. Notwithstanding the foregoing terms of this Section 8, the Executive shall be permitted to retain copies of this Agreement, and any documentation related to her compensation benefits and equity rights arising under or contemplated by this Agreement.

9. **Noncompetition Covenant.** Executive hereby agrees that she shall not, while Executive is employed by the Company and for a period of eighteen (18) months thereafter, without the prior written consent of the Board, carry on any business or activity (whether directly or indirectly, as a partner, shareholder, principal, agent, director, affiliate, employee or consultant) that is a direct material competitor with the business conducted by the Company (as conducted now or during the term of this Agreement), nor engage in any other activities during the Employment Term that conflict with Executive's obligations to the Company.

10. **Nonsolicitation Covenant.**

(a) **Solicit Business.** Executive hereby agrees that she shall not, while employed by the Company and for a period of eighteen (18) months thereafter without the prior written consent of the Board, solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct her or its purchase of the Company's products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company; and

(b) **Solicit Personnel.** Except with respect to Executive's current or any former administrative assistant who are hereby exempted, Executive hereby agrees that she shall not, while employed by the Company and for a period of two (2) years thereafter without the prior written consent of the Board, solicit or influence or attempt to influence any person employed by the Company or any consultant then retained by the Company to terminate or otherwise cease her employment or consulting relationship with the Company or become an employee of or consultant to any competitor of the Company.

11. **Nondisparagement.** Company and Executive hereby agree that during Executive's employment and afterward, neither will at any time orally or in writing defame or intentionally make, publish or disseminate disparaging remarks that could reasonably be expected to have an adverse impact on the business reputation or prospects of the other party, including any of their respective administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns, except as may be required by judicial or administrative order or legal process.

12. **Conflicts.** Executive represents that Executive's performance of all the terms of this Agreement will not breach any other agreement to which Executive is a party. Executive has not, and will not during the term of this Agreement, enter into any oral or written agreement in conflict with any of the provisions of this Agreement, unless the Company is a party to that agreement or has consented in writing to that agreement. Executive further represents that Executive is entering into or has entered into an employment relationship with the Company of Executive's own free will.

13. **Successors.** Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) or to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and assets that executes and delivers the assumption agreement described in this Section 13 or that becomes bound by the terms of this Agreement by operation of law. The terms of this Agreement and all of Executive's rights hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

14. **Miscellaneous Provisions.**

(a) **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of the parties. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(b) **Sole Agreement.** This Agreement and the Confidentiality Agreement referenced herein set forth the entire agreement of the parties hereto in respect of the subject matter contained herein and therein and supersede all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto, and any prior agreement of the parties hereto in respect of the subject matter contained herein, including, without limitation, the Offer Letter from the Company to Executive dated December 5, 2011, the Advanced Micro Devices, Inc. Executive Severance Plan (Effective June 1, 2013), and the Change of Control Agreement by and between the Company and Executive dated as of January 3, 2012. Any of Executive's rights hereunder shall be in addition to any rights Executive may otherwise have under benefit



plans or agreements of the Company (other than severance plans or agreements) to which Executive is a party or in which Executive is a participant, including, but not limited to, any Company sponsored employee benefit plans and incentive plans. Except as otherwise provided in the last sentence of each of Section 5(a)(iii) and Section 5(b)(iii), the provisions of this Agreement shall not in any way abrogate Executive's rights under such other plans and agreements.

(c) **Attorneys' Fees.** The Company will reimburse Executive for the reasonable attorney's fees incurred by Executive in relation to the negotiation and preparation of this Agreement.

(d) **Notices.** For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when sent by facsimile, delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the Company's principal offices or Executive's last known address as contained in the Company's files, as applicable. A copy of any notice to the Executive shall be provided to: Mark Hughes at Hughes Arrell Kinchen LLP, 1221 McKinney, Suite 3150, Houston, TX 77010, e-mail address: ([mhughes@hakllp.com](mailto:mhughes@hakllp.com)).

(e) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws.

(f) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party (including by means of electronic delivery or facsimile), it being understood that the parties need not sign the same counterpart. Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

(h) **Arbitration.**

(i) Arbitration shall be the exclusive and final forum for settling any disagreement, dispute, controversy or claim arising out of or in any way related to

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(i) this Agreement or the subject matter hereof or the interpretation hereof or any arrangements relating hereto or contemplated herein or the breach, termination or invalidity hereof; or (ii) the provision of or failure to provide any other benefits upon a Covered Termination pursuant to any other employment agreement, bonus or compensation plans, stock option plan, stock ownership plan, stock purchase plan, life insurance plan or similar plan or agreement with the Company and/or any of its subsidiaries. If this Section 14(h) conflicts with any provision in any such compensation or bonus plan, stock option plan, or any other similar plan or agreement, this provision requiring arbitration shall control.

(ii) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

(iii) The arbitral tribunal shall consist of one arbitrator. Except as otherwise provided in Section 14(i), the Company shall pay all the fees, if any, and expenses of such arbitration.

(iv) The arbitration shall be conducted in Austin, Texas or in any other city in the United States of America as the parties to the dispute may designate by mutual written consent.

(v) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever the award may be entered in any court having jurisdiction thereof.

(i) **Indemnification.** For nine years following the Date of Termination (or such longer period as may be provided under the Company's Certificate of Incorporation and Bylaws) Executive shall continue to be indemnified under the Company's Certificate of Incorporation and Bylaws at least to the same extent as prior to the Date of Termination, and Executive shall be covered by the directors' and officers' liability insurance, the fiduciary liability insurance and the professional liability insurance policies that are the same as, or provide coverage at least equivalent to, those the Company carried prior to the Date of Termination.

(j) **No Assignment of Benefits.** The rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this subsection shall be void.

(k) **Employment Taxes.** All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(l) **Assignment by Company.** Subject to the provisions of Section 13, the Company may not assign its duties under this Agreement, whether to an affiliate or

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otherwise, without Executive's prior written consent, which shall not be unreasonably withheld. Executive may not assign any of Executive's duties hereunder and Executive may not assign any of Executive's rights hereunder, without the written consent of the Company, which shall not be withheld unreasonably.

(m) **Expenses (Including Attorneys' Fees)**. If any dispute should arise under this Agreement involving an effort by Executive to protect, enforce or secure rights or benefits claimed by Executive hereunder, the Company shall pay (promptly upon demand by Executive accompanied by reasonable evidence of incurrence) all reasonable expenses (including attorneys' fees) incurred by Executive in connection with such dispute if Executive should prevail in such dispute. For this purpose, Executive shall be considered to prevail if the dispute is settled in a fashion that provides for a payment of cash or property to Executive or other relief requested by Executive, or if an arbitral tribunal having jurisdiction shall make a final, non-appealable determination that Executive is entitled to a payment of cash or property or other relief requested by Executive.

*(Signature Page Follows)*

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**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**ADVANCED MICRO DEVICES, INC.**

/s/ John E. Caldwell

\_\_\_\_\_  
Chairman, Compensation Committee of the  
Board of Directors

**EXECUTIVE**

/s/ Lisa T. Su

\_\_\_\_\_  
Lisa T. Su