

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A (No.1)

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 25, 1994

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission File Number 1-7882

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

Delaware
(State or other jurisdiction of incorporation or organization)

94-1692300
(IRS Employer Identification Number)

One AMD Place
Sunnyvale, California
(Address of principal executive offices)

94088-3453
(Zip Code)

Registrant's telephone number, including area code: (408) 732-2400

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	(Name of each exchange on which registered)
-----	-----
\$.01 par value Common Stock	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange
Depository Convertible Exchangeable Preferred Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by nonaffiliates as of February 27, 1995.

\$2,813,646,457

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

95,942,821 shares as of February 27, 1995.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the Annual Report to Stockholders for the fiscal year ended December 25, 1994, are incorporated into Parts I, II and IV hereof.

(2) Portions of the Proxy Statement dated on or before March 31, 1995, for the Annual Meeting of Stockholders to be held on May 9, 1995, are incorporated into Part III hereof.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)
1. Financial Statements

The financial statements listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules Covered by Report of Independent Auditors are filed or incorporated by reference as part of this annual report. The following is a list of such Financial Statements:

<TABLE>
<CAPTION>

	Page References	

	1994 Annual	
	Form	Report to
	10-K	Stockholders
	----	-----
<S>	<C>	<C>
Report of Ernst & Young LLP, Independent Auditors.....	--	25
Consolidated Statements of Income for each of the three fiscal years in the period ended December 25, 1994.....	--	11
Consolidated Balance Sheets at December 26, 1993 and December 25, 1994.....	--	12
Consolidated Statements of Cash Flows for each of the three fiscal years in the period ended December 25, 1994.....	--	13
Notes to consolidated financial statements.....	--	14
Supplementary financial data:		
Fiscal years 1993 and 1994 by quarter (unaudited).....	--	26

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2. Financial Statement Schedules

The financial statement schedules listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules Covered by Reports of Independent Auditors are filed or incorporated by reference as part of this annual report. The following is a list of such Financial Statement Schedules:

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	10-K	Stockholders
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<S>	<C>	<C>
VIII Valuation and qualifying accounts.....	F-3	--

</TABLE>

All other schedules have been omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedules, or because the information required is included in the consolidated financial statements or notes thereto. With the exception of the information incorporated by reference into Parts I, II and IV of this Form 10-K, the 1994 Annual Report to Stockholders is not to be deemed filed as part of this report.

3. Exhibits

The Exhibits listed in the accompanying Index to Exhibits are filed or incorporated as part of this annual report. The following is a list of such exhibits:

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Exhibit Number	Description of Exhibits
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3.1	Certificate of Incorporation, as amended, filed as Exhibit 3.1 to the Corporation's Annual Report on Form 10-K for the fiscal period ended December 27, 1987, is hereby incorporated by reference.
3.2	Certificate of Designations for Convertible Exchangeable Preferred Shares, filed as Exhibit 3.2 to the Corporation's Annual Report on

Form 10-K for the fiscal year ended March 27, 1987, is hereby incorporated by reference.

3.3 Certificate of Designations for Series A Junior Participating Preferred Stock, filed as Exhibit 3.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.

3.4 By-Laws, as amended, filed as Exhibit 4.5 to the Corporation's Registration Statement on Form S-3 (Registration No. 33-57653), are hereby incorporated by reference.

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4.1	Deposit Agreement with respect to the \$30 Convertible Exchangeable Preferred Shares, filed as Exhibit 4.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.2	Indenture with respect to the 6% Convertible Subordinated Debentures due in 2012, filed as Exhibit 4.4 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.3	The Corporation hereby agrees to file on request of the Commission a copy of all instruments not otherwise filed with respect to long-term debt of the Corporation or any of its subsidiaries for which the total amount of securities authorized under such instruments does not exceed 10% of the total assets of the Corporation and its subsidiaries on a consolidated basis.
4.4	Rights Agreement between the Corporation and Bank of America N.T. & S.A., filed as Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated February 7, 1990, is hereby incorporated by reference.
*10.1	AMD 1982 Stock Option Plan, as amended, filed as Exhibit 10.1 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.2	AMD 1986 Stock Option Plan, as amended, filed as Exhibit 10.2 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
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*10.4	AMD 1980 Stock Appreciation Rights Plan, as amended, filed as Exhibit 10.4 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.5	AMD 1986 Stock Appreciation Rights Plan, as amended, filed as Exhibit 10.5 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.6	MMI 1975 Stock Option Plan, as amended, filed as Exhibit 10.6 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.7	MMI 1981 Incentive Stock Option Plan, as amended, filed as Exhibit 10.7 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

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*10.8	Forms of Stock Option Agreements, filed as Exhibit 10.8 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, are hereby incorporated by reference.
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- *10.9 Form of Limited Stock Appreciation Rights Agreement, filed as Exhibit 4.11 to the Corporation's Registration Statement on Form S-8 (No. 33-26266), is hereby incorporated by reference.
- *10.10 AMD 1987 Restricted Stock Award Plan, as amended, filed as Exhibit 10.10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
- *10.11 Forms of Restricted Stock Agreements, filed as Exhibit 10.11 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
- *10.12 Resolution of Board of Directors on September 9, 1981, regarding acceleration of vesting of all outstanding stock options and associated limited stock appreciation rights held by officers under certain circumstances, filed as Exhibit 10.10 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 1985, is hereby incorporated by reference.
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- *10.14 Management Continuity Agreement between the Corporation and W. J. Sanders III, filed as Exhibit 10.14 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
- *10.15 Bonus Agreement between the Corporation and Richard Previte, filed as Exhibit 10.15 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
- *10.16 Executive Bonus Plan, as amended.
- *10.17(a) Bonus Agreement between the Corporation and Anthony B. Holbrook, filed as Exhibit 10.17 for the fiscal year ended December 27, 1992, is hereby incorporated by reference.

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- *10.17(b) Letter Agreement between the Corporation and Anthony B. Holbrook dated August 24, 1994.
- *10.18 Form of Bonus Deferral Agreement, filed as Exhibit 10.12 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 30, 1986, is hereby incorporated by reference.
- *10.19 Form of Executive Deferral Agreement, filed as Exhibit 10.17 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
- *10.20 Director Deferral Agreement of R. Gene Brown, filed as Exhibit 10.18 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
- 10.21 License Agreement with Western Electric Company, Incorporated, filed as Exhibit 10.5 to the Corporation's Annual Report on Form 10-K for the fiscal year ended 1979, is hereby incorporated by reference.
- 10.22 Intellectual Property Agreements with Intel Corporation, filed as Exhibit 10.21 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, are hereby incorporated by reference.
- 10.23 Award of Arbitrator in Case No. 626879 between the Corporation and Intel Corporation, filed as Exhibit 28.2 on Form 8-K dated February 24, 1992, is hereby incorporated by reference.
- *10.24 Form of Indemnification Agreements with former officers of

Monolithic Memories, Inc., filed as Exhibit 10.22 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1987, is hereby incorporated by reference.

10.25 Agreement and Plan of Reorganization between Monolithic Memories Inc., the Corporation and Advanced Micro Devices Merger Corporation, filed as Annex A to the Corporation's Amendment No. 1 to Registration Statement on Form S-4 (No. 33-15015), dated June 25, 1987, is hereby incorporated by reference.

*10.26 Form of Management Continuity Agreement, filed as Exhibit 10.25 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.

**10.27(a) Joint Venture Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(a) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

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**10.27(b) Technology Cross-License Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(b) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

**10.27(c) AMD Investment Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(c) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

**10.27(d) Fujitsu Investment Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(d) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

**10.27(e) Joint Venture License Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(e) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

**10.27(f) Joint Development Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(f) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

10.28 Credit Agreement dated as of September 21, 1994, among the Corporation, Bank of America National Trust and Savings Association as Agent, The First National Bank of Boston as Co-Agent, filed as Exhibit 10.1 to the Corporation's Quarterly Report on Form 10-Q for the period ended September 25, 1994, is hereby incorporated by reference.

10.29(a) Amended and Restated Guaranty dated as of December 17, 1993, by the Corporation in favor of CIBC Inc.

10.29(b) First Amendment to Amended and Restated Guaranty, dated September 21, 1994, by and between the Corporation and CIBC Inc.

10.29(c) Building Lease by and between CIBC Inc. and AMD International Sales & Service, Ltd. dated as of September 22, 1992, filed as Exhibit 10.28(b) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.

10.29(d) First Amendment to Building Lease dated December 22, 1992, by and between CIBC Inc. and AMD International Sales & Service, Ltd., filed as Exhibit 10.28(c) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.

10.29(e) Second Amendment to Building Lease dated December 17, 1993, by and between CIBC Inc. and AMD International Sales & Service, Ltd.

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10.29(f)	Land Lease by and between CIBC Inc. and AMD International Sales & Service, Ltd. dated as of September 22, 1992, filed as Exhibit 10.28(d) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
10.29(g)	First Amendment to Land Lease dated December 22, 1992, by and between CIBC Inc. and AMD International Sales & Service, Ltd., filed as Exhibit 10.28(e) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
10.29(h)	Second Amendment to Land Lease dated December 17, 1993, by and between CIBC Inc. and AMD International Sales & Service, Ltd.
*10.30	Executive Savings Plan, as amended.
*10.31	Form of Split Dollar Agreement, as amended.
*10.32	Form of Collateral Security Assignment Agreement, filed as Exhibit 10.32 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.33	Forms of Stock Option Agreements to the 1992 Stock Incentive Plan, filed as Exhibit 4.3 to the Corporation's Registration Statement on Form S-8 (No. 33-46577), is hereby incorporated by reference.
*10.34	1992 United Kingdom Share Option Scheme, filed as Exhibit 4.2 to the Corporation's Registration on Form S-8 (No. 33-46577), is hereby incorporated by reference.
***10.35	Compaq Computer Corporation/AMD, Inc. Agreement.
***10.36	Foundry Agreement between the Corporation and Digital Equipment Corporation.
***10.37	Foundry Agreement between the Corporation and Taiwan Semiconductor Manufacturing Corporation, Ltd.
*10.38	Form of Indemnification Agreements with current officers and directors of the Corporation.
10.39	Term Loan Agreement dated as of January 5, 1995, among the Corporation, ABN AMRO Bank, N.V. as Administrative Agent, and ABN AMRO Bank N.V. and CIBC Inc., as Co-Arrangers.
11.	Statement re computation of per share earnings.

</TABLE>

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13.	Selected portions of 1994 Annual Report to Stockholders, which has been incorporated by reference into Parts I, II and IV of this annual report. To the extent filed, refer to the front page hereinabove.
21.	List of AMD subsidiaries.
23.	Consent of Ernst & Young LLP, Independent Auditors, refer to page F-2 herein.
24.	Power of Attorney.
27.1	Financial Data Schedule
99.1	Findings of Fact and Conclusions of Law following 'ICE' module of trial dated October 7, 1994, in Intel v. AMD, Inc., Case No. C-93-20301 PVT, United States District Court, Northern District of California, San Jose Division, filed as Exhibit 99.1 to the Corporation's Quarterly Report in Form 10-Q, for the period ended September 25, 1994, is hereby incorporated by reference.
99.2	Stipulated Preliminary Injunction dated October 31, 1994, in Intel

Corporation v. AMD, Inc., Case No. C-93-20301 PVT, United States District Court, Northern District of California, San Jose Division, filed as Exhibit 99.2 to the Corporation's Quarterly Report on Form 10-Q, for the period ended September 25, 1994, is hereby incorporated by reference.

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The Corporation will furnish a copy of any exhibit on request and payment of the Corporation's reasonable expenses of furnishing such exhibit.

* Management contracts and compensatory plans or arrangements required to be filed as an Exhibit to comply with Item 14(a)(3).

** Confidential treatment has been granted as to certain portions of these Exhibits.

*** Confidential treatment has been requested as to certain portions of these Exhibits. Amendment No. 1 to this report includes a copy of Exhibit 10.35 which contains information not included in the copy filed with the original Report.

(b) Reports on Form 8-K

1. A current Report on Form 8-K dated December 30, 1994, was filed announcing developments in AMD/Intel Technology Agreement Arbitration, the settlement of AMD/Intel litigations, and restatement of earnings.

2. A current Report on Form 8-K dated February 10, 1995, was filed announcing that the Convertible Exchangeable Preferred Stock of the Corporation was called for redemption.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to report to be signed on its behalf by the undersigned, thereunto duly authorized.

Advanced Micro Devices, Inc.
Registrant

August 7, 1995

By: /s/ Marvin D. Burkett

Marvin D. Burkett
Senior Vice President, Chief
Administrative Officer; Chief
Financial Officer and Treasurer

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ADVANCED MICRO DEVICES, INC.

INDEX TO EXHIBITS
(Item 14(A)(3))

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- 4.4 Rights Agreement between the Corporation and Bank of America N.T. & S.A., filed as Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated February 7, 1990, is hereby incorporated by reference.
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**10.27(c)	AMD Investment Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(c) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.27(d)	Fujitsu Investment Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(d) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.27(e)	Joint Venture License Agreement between the Corporation and Fujitsu Limited, filed as Exhibit 10.27(e) to the Corporation's Amendment No. 1 to its Annual Report on Form 10K/A for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
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10.29(f)	Land Lease by and between CIBC Inc. and AMD International Sales & Service, Ltd. dated as of September 22, 1992, filed as Exhibit 10.28(d) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
10.29(g)	First Amendment to Land Lease dated December 22, 1992, by and between CIBC Inc. and AMD International Sales & Service, Ltd., filed as Exhibit 10.28(e) to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
10.29(h)	Second Amendment to Land Lease dated December 17, 1993, by and between CIBC Inc. and AMD International Sales & Service, Ltd.
*10.30	Executive Savings Plan, as amended.

- *10.31 Form of Split Dollar Agreement, as amended.
- *10.32 Form of Collateral Security Assignment Agreement, filed as Exhibit 10.32 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
- *10.33 Forms of Stock Option Agreements to the 1992 Stock Incentive Plan, filed as Exhibit 4.3 to the Corporation's Registration Statement on Form S-8 (No. 33-46577), is hereby incorporated by reference.
- *10.34 1992 United Kingdom Share Option Scheme, filed as Exhibit 4.2 to the Corporation's Registration on Form S-8 (No. 33-46577), is hereby incorporated by reference.
- ***10.35 Compaq Computer Corporation/AMD, Inc. Agreement.
- ***10.36 Foundry Agreement between the Corporation and Digital Equipment Corporation.
- ***10.37 Foundry Agreement between the Corporation and Taiwan Semiconductor Manufacturing Corporation, Ltd.
- *10.38 Form of Indemnification Agreements with current officers and directors of the Corporation.
- 10.39 Term Loan Agreement dated as of January 5, 1995, among the Corporation, ABN AMRO Bank, N.V. as Administrative Agent, and ABN AMRO Bank N.V. and CIBC Inc., as Co-Arrangers.
- 11. Statement re computation of per share earnings.

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Exhibit Number -----	Description of Exhibits -----
<S>	<C>
13.	Selected portions of 1994 Annual Report to Stockholders, which has been incorporated by reference into Parts I, II and IV of this annual report. To the extent filed, refer to the front page hereinabove.
21.	List of AMD subsidiaries.
23.	Consent of Ernst & Young LLP, Independent Auditors, refer to page F-2 herein.
24.	Power of Attorney.
27.1	Financial Data Schedule
99.1	Findings of Fact and Conclusions of Law following 'ICE' module of trial dated October 7, 1994, in Intel v. AMD, Inc., Case No. C-93-20301 PVT, United States District Court, Northern District of California, San Jose Division, filed as Exhibit 99.1 to the Corporation's Quarterly Report in Form 10-Q, for the period ended September 25, 1994, is hereby incorporated by reference.
99.2	Stipulated Preliminary Injunction dated October 31, 1994, in Intel Corporation v. AMD, Inc., Case No. C-93-20301 PVT, United States District Court, Northern District of California, San Jose Division, filed as Exhibit 99.2 to the Corporation's Quarterly Report on Form 10-Q, for the period ended September 25, 1994, is hereby incorporated by reference.

</TABLE>

Exhibit 10.35 is the only Exhibit attached to Amendment No. 1 to this Report. The Corporation will furnish a copy of any exhibit on request and payment of the Corporation's reasonable expenses of furnishing such exhibit.

- * Management contracts and compensatory plans or arrangements required to be filed as an Exhibit to comply with Item 14(a)(3).
- ** Confidential treatment has been granted as to certain portions of these Exhibits.
- *** Confidential treatment has been requested as to certain portions of these Exhibits. Amendment No. 1 to this report includes a copy of Exhibit 10.35 which contains information not included in the copy filed with the original Report.

CONFIDENTIAL PORTIONS OF THIS DOCUMENT HAVE BEEN DELETED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

COMPAQ COMPUTER CORPORATION/ADVANCED MICRO DEVICES, INC.
AGREEMENT

This Agreement ("Agreement"), effective as of January 1, 1994 (Effective Date), is made by Compaq Computer Corporation ("Compaq") and Advanced Micro Devices, Inc. ("AMD"). The terms and conditions contained in this Agreement shall govern the purchase and sale of Product specified on purchase orders issued by Compaq. For purposes of this Agreement, Product shall mean any current or future microprocessors that are Microsoft Windows Compatible and any Microsoft Windows Compatible follow-ons thereto that AMD either currently makes available or plans to make available to any of its customers. Microprocessors that are Microsoft Windows Compatible shall include AMD's current 80X86 microprocessor family, and/or future derivatives thereof, including any future derivative microprocessors that are based on a similar architecture. Product shall not include any of AMD's custom or customer specific products (Custom Products). Custom Products shall mean product that: (i) contains significant functional differences from Product sold by AMD, and (ii) is sold to only one customer.

1. INTENT AND ROAD MAP MEETINGS

- A. Compaq intends to enter into a long-term relationship with AMD. As such, AMD is willing to cooperate with Compaq to further mutual long-term goals by sharing Product road map and technology directions. During the term of this Agreement, the parties agree to meet at least on a quarterly basis to review AMD's Product road map (excluding Custom Products) and technology directions (Road Map Meeting). The topics discussed shall include Product specifications, anticipated prices, existing and planned capacity, projected schedules and availability dates. Compaq shall provide feedback to AMD regarding those items in AMD's Product road map which may be of interest to Compaq based on Compaq's product plans. Compaq may disclose to AMD those products in Compaq's road map which Compaq believes will pertain to AMD's Products. In addition, each quarter at the Road Map Meeting, the parties shall agree on a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] new Products that may be purchased over the next [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall be updated for each quarter for the next [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and each [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall be incorporated into this Agreement as part of Exhibit A. On an ongoing basis, Compaq may provide AMD with input on the specifications of AMD's future Products.

Compaq also expects that AMD will cooperate to achieve Compaq's long-term program goals such as shortening Product lead-times, increasing volume flexibility, achieving Just-in-Time delivery at all of Compaq's manufacturing sites, achieving ongoing cost reductions and specific quality goals, and continuous quality improvement.

- B. Unless expressly stated otherwise for a particular Product, this Agreement is not a requirements contract and does not obligate Compaq to purchase any minimum quantity of Product but only establishes the terms and conditions for such purchases if and when they occur.

2. PURCHASE ORDERS

- A. Compaq will purchase Products only by issuing purchase orders ("Order or Orders") to AMD. Orders shall contain such things as quantity, price, desired delivery date, part number, and revision level. Compaq shall make commercially reasonable efforts to send written confirmation (except by mutual agreement) of Orders within one (1) week after issuance. AMD shall sign and return the acknowledgment copy of the Order within five (5)

days after receipt. If AMD fails to return the acknowledgment, AMD will be deemed to have accepted any Order which conforms with the terms of this Agreement. Acceptance by AMD is limited to the terms of Compaq's offer as contained in this Agreement and the Order. No additional or different provisions proposed by AMD shall apply unless expressly agreed to in writing by Compaq. Compaq hereby gives notice of its objection to any additional or different terms.

- B. AMD agrees that all Compaq sites, and subsidiaries, wherever located, shall

be entitled to make purchases under this Agreement. In addition, at Compaq's request, AMD agrees to drop ship Product to Compaq's subcontractors.

3. EARLY PRODUCTION PRODUCT AND TESTING

AMD agrees to provide Compaq with prototypes and early production samples of Product for all new Products that Compaq notifies AMD it wishes to receive. AMD shall use reasonable efforts to provide such prototypes and samples to Compaq as soon as they become available, and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq will use reasonable efforts to evaluate and test such prototypes and early production samples of Product received from AMD and provide AMD with feedback regarding Compaq's test results.

4. TERM OF AGREEMENT

- A. The term of this Agreement shall be for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] (Term), commencing on the Effective Date, unless extended pursuant to Section 4.B. or 4.C. below.
- B. The Term of this Agreement may be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] extended for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] in the following cases:
- (1) If Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the Term will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] extended for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].
 - (2) If Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the Term will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] extended for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].
 - (3) If Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and therefore the Term was not [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] extended for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the Term will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] extended for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. There shall be no more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] pursuant to this Section 4.B.

In the event that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] if applicable, and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] then Compaq shall be deemed to have [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for the purposes of this Section 4.B.

- C. This Agreement shall be automatically renewed at the conclusion of the Term for successive [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] unless one of the parties indicates by written notice to the other party not less than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] prior to the end of the Term that it does not intend to renew the Agreement. Notwithstanding the foregoing, the Agreement shall remain in full force and effect and shall be applicable to any Order(s) issued by Compaq to AMD during the Term of this Agreement until any and all obligations of the parties under such Order(s) have been fulfilled.

5. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] PRODUCT & NEW CAPACITY

- A. AMD shall offer for purchase by Compaq all new Products that AMD markets or intends to market. AMD agrees that Compaq shall have the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] made available by AMD, except for new Products that are equivalent in form, fit, function and performance to products from other third party suppliers and such third party suppliers' products are used in computer systems which are generally available in the marketplace ("Equivalent Products"). For each Product that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], AMD agrees that each such Product will include any similar Product which does not have significant functional or performance differences.

- B. The parties agree to negotiate a separate agreement for any co-developed product, and any exclusivity benefits desired by Compaq will be as set forth in such separate agreement.
- C. Compaq will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] on any new product as defined in this Section 5, if Compaq provides AMD [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] within 30 days of Compaq's receipt of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Such [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] at a minimum, include an [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] requirements during the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] defined below. AMD may, at its option, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] choice of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. AMD shall notify Compaq in [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] within thirty (30) days after [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], Compaq will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] production quantities sufficient to meet all of Compaq's requirements [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. AMD may make [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq may, at its option, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq may make [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq shall notify AMD of such [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of AMD's rejection notice.

For each [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] pursuant to this Agreement, (i) Compaq will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], provided that, within sixty (60) days of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] described in Section 5.C. above; (ii) Compaq will also [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for a period of thirty (30) days from [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. At the end of such thirty (30) day period, if Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], an additional thirty (30) days [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq.

For Equivalent Product, Compaq will be entitled, for a period or six (6) months following first production shipment of such Equivalent Product, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

- D. If, at any time during the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of a particular Product, a third party ships a product such that AMD's Product now can be classified as an Equivalent Product, then AMD may, at its option, and upon written notice to Compaq, immediately terminate Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for that particular Product, except that Compaq shall be entitled to the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for a period of six (6) months from the date that Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].
- E. AMD shall notify Compaq if and when AMD builds or obtains new or additional production capacity so that Compaq may, at its option elect to forecast (as shown in Exhibit A) and/or order more Product.

6. PRICING

- A. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] days prior to the end of the then-current quarter, Compaq and AMD shall meet to review pricing for the following quarter (Pricing Meeting). At the Pricing Meeting, Compaq and AMD shall agree on the price for Product

for the following quarter, subject to the conditions specified in this

Section 6. In addition, Compaq and AMD will, by mutual agreement, review and update Buyer's forecast and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] as shown in Exhibit A.

- B. Prices shall include all charges such as packaging, packing, crating, storage, forwarding agent or brokerage fees, document fees and duties. Prices shall also include any and all sales, use, excise and similar taxes. Compaq shall not accept Product at any price above that indicated on the Order.
- C. AMD acknowledges that Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], AMD represents that, subject to this Section 6, the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]:

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

AMD agrees to notify Compaq as soon as practically possible in the event that [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] scheduled for shipment to Compaq. In the event AMD provides [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to any one or more of its customers, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] as defined above, Compaq shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to such other customer. Thereafter, Compaq shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from that date forward. For purposes of this Agreement, the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall mean [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] customer. The sole exception to the foregoing is that Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

- D. AMD will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] or as a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] an amount [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of Product provided that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Within thirty day's after the end of each year, AMD shall notify Compaq in writing [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq shall notify AMD [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq may elect to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq. AMD [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] within forty five (45) days after the end of the preceding year. Compaq shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

AMD agrees that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] specified in the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq agrees that if [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] specified [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], Compaq will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. If Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], Compaq will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. In the event that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], Compaq and AMD agree to meet within a reasonable time [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to discuss the reasons therefor and potential ways to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

In the event that Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and the reasons for [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] then Compaq will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], as the case may be.

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

The percentage numbers [CONFIDENTIAL INFORMATION OMITTED AND FILED

SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] represent [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] including AMD.

AMD may, upon reasonable notice to Compaq, appoint an independent auditor to review Compaq's records to determine if Compaq has [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] as specified herein. Compaq shall allow such independent auditor access to all applicable records of Compaq for the purpose of conducting such audit. The independent auditor shall only report to AMD whether Compaq has [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], as the case may be.

- F. AMD agrees [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to Compaq, at the Price Meetings, AMD's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Such [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall include [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] each Product to its [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] without including [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].
- G. Compaq may, upon reasonable notice to AMD, appoint an independent auditor to review AMD's records to determine if Compaq is receiving pricing as agreed to hereunder and that AMD is complying with the terms of this Agreement. AMD shall allow such independent auditor access to all applicable records of AMD for the purpose of conducting such audit. The independent auditor shall only report to Compaq whether AMD is complying with the terms of this Agreement.
- H. Compaq shall be entitled to purchase Product from AMD at an Effective Price [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] equal to the lesser of: (i) the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].
- I. AMD shall maintain a vigorous cost reduction program to ensure that pricing is competitive at all times. In the event that Compaq does not consider AMD's pricing aggressive relative to the market, Compaq shall have the right to request an immediate meeting with AMD to renegotiate pricing.
- J. In the event that AMD [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for a particular Product, Compaq shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from the date of the Effective Price reduction. AMD shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] to the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] amount [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the number of such Product shipped or scheduled to be shipped in the previous three (3) week period.
- K. AMD may wish to obtain additional capacity from one or more foundries, and it may be necessary, as part of AMD's agreement with such foundries, for AMD to permit the foundries to internally consume certain quantities of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Product which is the same or similar to Product that Compaq is entitled to purchase. Compaq agrees that AMD may permit such foundries to internally consume up to 135,000 units of Product per year (aggregate for all foundries) without any requirement by AMD to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] pursuant to Section 6.C above because of AMD's arrangements with such foundries.

In the event that AMD's arrangements with such foundries permits such foundries to internally consume Product in quantities greater than 135,000 in 1994, Compaq shall be entitled to purchase from AMD an amount equal to the quantities above 135,000 per year that such foundries are internally consuming, at a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. If Compaq is not purchasing Products comparable to those that the foundries are consuming internally, Compaq will be eligible for a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the nearest comparable Product.

In the event that AMD's arrangement with such foundries permits such foundries to internally consume Product in quantities greater than 135,000 in 1995 and 1996, Compaq shall be entitled to purchase from AMD: (i) an amount equal to the quantities above 135,000 per year and less than 270,000 per year that such foundries are internally consuming at a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq is otherwise [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and (ii) an amount equal to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE

SECURITIES AND EXCHANGE COMMISSION] per year that such foundries are internally consuming at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] pursuant to this Section 6. If Compaq is not purchasing Products comparable to those that the foundries are consuming internally, Compaq will be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the nearest comparable product.

- L. As specified in Section 7.E. below and Exhibit D, AMD agrees to have certain backup capacity available to Compaq for quantities over and above forecasted quantities as specified in Exhibit A. In the event that Compaq utilizes the backup capacity, the following prices apply. For the first [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Product purchased from the backup capacity quantities available to Compaq, Compaq will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] as determined pursuant to this Section 6. During 1994 only, for the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] purchased from backup capacity quantities, Compaq shall [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for such product, or in the case of Product [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq will [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq normally pays pursuant to this Section 6.
- M. Compaq agrees that Product purchased under this Agreement will be incorporated into Compaq's products except that Compaq may sell Product to its distributors and end-users for use as replacement parts, upgrades parts and/or spare parts.
- N. AMD agrees that Compaq will be in [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] relative to any
of it's other customers with respect to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

7. DELIVERY

- A. Compaq's Order shall state delivery dates for Product delivery by AMD on the committed date and shall be considered to be of equal importance as quality and price in meeting Compaq's requirements. Delivery performance shall be measured by on-dock date at Compaq's specified ship-to location. AMD represents and warrants that it will use its best efforts to at all times meet the delivery dates for Products on the committed delivery date.
- B. All sales are F.O.B. Point of Shipment. Title and risk of loss shall pass to Compaq upon AMD's delivery of Product purchased hereunder to carrier authorized by Compaq.
- C. If AMD delivers Product more than three (3) days in advance of the specified delivery date, Compaq may either return such Product at AMD's risk and expense for subsequent delivery on the specified delivery date or retain such material and make payment when it would have been due based on the specified delivery date.
- D. Changes to delivery dates may only be made by Compaq's authorized purchasing representatives. All other schedule changes are at AMD's risk. Compaq may, without cost or liability, issue change requests for Product quantities and schedule dates in accordance with the Flexibility Agreement attached as Exhibit D ("Flexibility Agreement"). Written confirmation will be sent by AMD to Compaq within two (2) work days of receiving such change request, and Compaq shall provide a confirming Order change within ten (10) working days of receiving AMD's confirmation.
- E. In addition, AMD agrees to have available backup capacity as specified in Exhibit D. The quarterly backup capacity quantities specified in Exhibit D represent Compaq's backup requirements for each quarter. The amounts listed for each quarter may be divided equally over the thirteen (13) weeks in the particular quarter. AMD agrees to supply such quantities in the quarter indicated upon eight (8) weeks written notice from Compaq of the need for the particular Product. In the event that Compaq does not need the backup capacity indicated above for a particular Product and quarter, Compaq will lose that backup capacity. In the event that AMD is unable to supply the backup capacity for a particular Product and quarter, Compaq may increase the backup capacity on another Product by the amount that AMD is unable to supply. Compaq and AMD shall update the quarterly backup capacity amounts on a rolling quarterly basis through 4Q95. Unless otherwise agreed to in writing, the backup capacity amounts for 1995 shall be a minimum of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] per quarter.
- F. AMD shall notify Compaq in writing immediately if AMD has knowledge of any impending material shortage, labor dispute, or other event which could

result in any change to the agreed delivery plan.

- G. In the event that Product scheduled for delivery is more than one (1) business day late, Compaq may request such Product to be shipped and delivered via a different mode of transportation. In such event, AMD agrees to pay or reimburse Compaq for all transportation charges in excess of the normal charges. Compaq agrees to discuss with AMD mutually acceptable alternatives that might be available for securing substitute for Product. Compaq agrees to attempt, with AMD's assistance, and as time allows, to obtain

Product from AMD's authorized distributors at no additional charge to Compaq. Compaq also agrees to make reasonable attempts to adjust orders placed with other third party vendors and/or adjust Compaq production schedules before incurring additional procurement costs. If Compaq cannot obtain Product in a timely fashion from AMD or AMD's authorized distributors, then, Compaq may purchase substitute for Product elsewhere. Without affecting other remedies Compaq may have, Compaq may charge AMD any reasonable additional cost incurred by Compaq as a result of obtaining substitutes as described in this Section G.

8. PACKING, MARKING, AND SHIPPING INSTRUCTIONS

- A. All Product shall be prepared and packed in a commercially reasonable manner so as to secure the lowest transportation rates and meet carrier's requirements or those set forth in the Product specification attached as Exhibit B ("Specification").
- B. Each shipping container shall be marked to show Compaq's Order number, part number, revision level, lot number, and quantity contained therein. A packing list showing the Order number shall be included in each container.
- C. AMD agrees to standardize the count multiples used in shipments so that Compaq can verify the quantity of each shipment.

9. QUALITY

- A. AMD agrees to use its best efforts to deliver defect-free materials to Compaq at all times. AMD shall establish and/or maintain a quality improvement plan acceptable to Compaq. AMD's Quality Improvement Plan is attached to this Agreement as Exhibit C ("Quality Plan").
- B. At Compaq's request, AMD will facilitate on-site visits and inspections by Compaq. Such inspections shall take place during normal business hours at AMD's facilities. AMD shall, as far as reasonably practicable, assist Compaq's personnel in the conduct of this inspection. Compaq's inspections shall in no way relieve AMD of its obligation to deliver conforming Product or waive Compaq's right of inspection and acceptance at the time the Products are delivered.
- C. AMD agrees to provide relevant outgoing inspection, quality, and reliability data upon Compaq's request.
- D. AMD agrees to conform to the revision level stated on Compaq's Order.
- E. AMD agrees to advise Compaq of any changes to process, materials, or sources of supply and ensure that such changes do not compromise specifications, quality, or reliability of Products ordered by Compaq.

10. INSPECTION AND ACCEPTANCE

- A. Products purchased pursuant to this Agreement shall be subject to inspection and test by Compaq at all times and places, including the period of manufacture or development. Unless otherwise specified in the Order, final inspection and acceptance of Product by Compaq shall be at Compaq's facilities. Compaq reserves the right to reject Product which does not conform to the specifications, drawings, samples or other descriptions

specified by Compaq. Compaq shall contact AMD to discuss mutually acceptable remedies for defective or non-conforming Product provided however that, ultimately, Compaq may, at its option, either return defective or non-conforming Product for full credit of the purchase price plus any transportation charges paid by Compaq, or require prompt correction or replacement of defective or non-conforming Product, which rights shall be in addition to such other rights as Compaq may have in law or under any other agreement. Return to AMD of any non-conforming or defective Product shall be at AMD's expense and no replacements shall be made unless specified by Compaq. Product required to be corrected or replaced shall be subject to the same inspection and warranty provisions of this Agreement as Product originally delivered under any Order.

- B. In the event Compaq returns Product back to AMD for correction or replacement, AMD shall use its best efforts to repair or replace all defective Product within five (5) days of receipt of such Product. AMD will issue a "Return Material Authorization" within twenty-four (24) hours of

receipt of notification by Compaq of defective Product. AMD shall bear all risk and costs such as, material, sorting (provided Compaq notifies AMD of the anticipated sorting costs) and shipping to and from Compaq's facilities. If Compaq incurs any such costs, it may either receive them directly from AMD or set-off via a credit note any amounts due to AMD. AMD agrees to provide failure analysis of rejected material within five (5) days after receipt of such rejected materials. AMD will also provide a written corrective action report addressing the steps that will be taken to eliminate the cause of the problem.

C. Upon notification of rejection, Compaq will advise AMD of the reason for rejection.

11. WARRANTY

A. AMD warrants that title to all Products delivered to Compaq under this Agreement shall be free and clear of all liens, encumbrances, security interests or other claims and that for a period of three (3) years from date of acceptance of material by Compaq, all Product shall be free from defects in material, workmanship, and design. AMD further warrants that all Product shall conform to applicable specifications, drawings, samples, and descriptions referred to in this Agreement. The warranty for replaced Product will be the same as the original Product.

B. Defective material discovered during Compaq's manufacturing or assembly processes are not considered to be a warranty repair and shall be corrected in accordance with Section 10.B.

C. AMD agrees that in case of epidemic failure (greater than 2% failure for the same cause in any six (6) month period), AMD shall provide correction or replacement in accordance with Section 10.B.

D. Except as expressly provided in this Section 11 and Section 19, no warranties, express or implied, statutory or otherwise, are made with respect to the Product delivered by AMD to Compaq under this Agreement.

E. Compaq's obligations under this Section shall be as follows: (i) Compaq shall notify AMD either in writing or orally of defects or non-conformity in any unit of Product for which Compaq wishes to make a warranty claim; (ii) Compaq will obtain authorization from AMD to return such Product; (iii) such Product will be returned to AMD, transportation costs paid by AMD, F.O.B. Point of Shipment, in accordance with AMD's customer Product return guidelines; and (iv) AMD's examination of returned Product must disclose to AMD's

satisfaction that such alleged defect or non-conformity actually existed and was not caused by negligence, misuse, improper installation, accident, or unauthorized repair.

F. Except as set forth specifically in Section 19, this warranty is in lieu of all other warranties, expressed or implied, including the implied warranty of fitness for a particular purpose, the implied warranty of merchantability and of all other warranty obligations or liabilities on AMD's part and it neither assumes nor authorizes any other person to assume for AMD any other liabilities. The foregoing constitutes Compaq's sole and exclusive remedy for the furnishing of defective or non-conforming Product.

12. PAYMENT AND SET-OFF

A. Compaq shall issue payment for Product delivered by AMD under individual Orders. Terms of payment shall be net [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] days from the date of AMD's invoice, provided that Product has been received by Compaq. Payment of invoices shall not constitute final acceptance of the Product Invoices and shall be subject to adjustment for errors, shortages, and defects.

B. Amounts owed to Compaq due to rejections of Product or discrepancies on paid invoices will be, at Compaq's option, fully credited against future invoices payable by AMD's receipt of a debit memo, or other written request for payment from Compaq.

C. Unless otherwise specified in Exhibit A or agreed to in writing by the parties, payment shall be in U.S. dollars.

13. CHANGES

A. Compaq may from time to time change the specifications for the Products, and AMD agrees to make best efforts to comply with such changes. If such changes result in a change in AMD's costs or in the time for performance, an adjustment in price and time for performance will be made by the parties in writing, provided, however, that AMD shall request such an adjustment within ten (10) days of receipt by AMD of the notice of such changes.

B. No changes shall be made by AMD in the form, fit, or function of Products

purchased hereunder without AMD providing Compaq at least ninety (90) days prior written notice, or as soon as possible if AMD is not reasonably able to provide ninety (90) days prior notice.

14. TERMINATION FOR CAUSE

- A. AMD may terminate this Agreement and/or any Order issued hereunder at any time by written notice in the event Compaq:
1. Fails to comply with any material provision of this Agreement or any Order issued hereunder, and, in the case of a breach which is capable of remedy, fails to remedy same within thirty (30) days of notification of said breach; or
 2. Becomes insolvent or makes an assignment for the benefit of creditors, or a receiver or similar officer is appointed to take charge of all or a part of Compaq's assets and such condition is not cured within thirty (30) days; or
 3. Assigns or attempts to assign, or subcontracts or attempts to subcontract, any or all of its rights or obligations under this Agreement or any Orders issued hereunder to a third party without AMD's prior written approval, which approval shall not be unreasonably withheld.
- B. Compaq may terminate this Agreement and/or any Order issued hereunder at any time by written notice in the event AMD:
1. Fails to comply with any material provision of this Agreement or any Order issued hereunder, and in the case of a breach which is capable of remedy, fails to remedy same within thirty (30) days of notification of said breach, or
 2. Becomes insolvent or makes an assignment for the benefit of creditors, or a receiver or similar officer is appointed to take charge of all or a part of AMD's assets and such condition is not cured within thirty (30) days, or
 3. Assigns or attempts to assign, or subcontracts or attempts to subcontract, any or all of its rights or obligations under this Agreement or any Orders issued hereunder to a third party without Compaq's prior written approval.
- C. Upon termination of the Agreement and/or any Order issued hereunder:
1. Compaq shall have the option to purchase any materials or work in progress which AMD may have purchased or processed for the fulfillment of any Order at AMD's cost plus a reasonable amount for any value already added by AMD,
 2. Compaq shall have no liability beyond payment for any balance due for Products delivered by AMD before notice of termination.

15. LIMITATION OF LIABILITY

- A. EXCEPT FOR A BREACH OF SECTION 19, 25 OR 26 OF THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE FOR ANY CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, UNLIQUIDATED INVENTORY, ETC.), INCIDENTAL, INDIRECT, SPECIAL, ECONOMIC, OR PUNITIVE DAMAGES EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

16. FORCE MAJEURE

- A. Neither party shall be liable for its failure to perform any of its obligations hereunder during any period in which such performance is delayed by fire, flood, war, embargo, riot or the intervention of any government authority ("Force Majeure"), provided that the party suffering such delay immediately notifies the other party of the delay. If, however, AMD's performance is delayed for reasons set forth above for a cumulative period of fourteen (14) calendar days or more, Compaq, notwithstanding any other provision of this Agreement to the contrary, may terminate this Agreement and/or any Order issued hereunder by notice to AMD. In the event of such termination, Compaq's sole liability hereunder will be for the payment to AMD of any balance due and owing for conforming Product delivered by AMD prior to AMD's notification of delay to Compaq. In the event the parties do not terminate this Agreement and/or Order due to a Force Majeure, the time for performance or cure will be extended for a period equal to the duration of the Force Majeure.

17. PRODUCT NOTICES

- A. Any notice given under this Agreement shall be in writing and will be effective when delivered personally or deposited in the mail, postage prepaid and addressed to the parties at their respective addresses set forth below, or at any new address subsequently designated in writing by either party to the other:

If to AMD:

Advanced Micro Devices, Inc.
20333 SH 249
Suite 525
Houston, TX
ATTN: Sales Manager

If to Compaq:

COMPAQ COMPUTER
CORPORATION
P.O. Box 692000
77070 MS070202
Houston, TX 77269-2000
ATTN.: Ken Chen

with a copy to:

Advanced Micro Devices, Inc.
One AMD Place
Mail Stop 68
Sunnyvale, CA 94088-3456
ATTN: Legal Department

with a copy to:

COMPAQ COMPUTER
CORPORATION
P.O. Box 692000
MS060803
Houston, TX 77269-2000
ATTN.:Legal Department

18. COMPLIANCE WITH LAWS

- A. All Product supplied and work performed under this Agreement shall comply with all applicable laws and regulations in effect. In particular, AMD agrees that its performance under this Agreement shall comply with all laws governing its relationship with its employees, agents or subcontractors and with the chlorofluorocarbon labeling requirements of the U.S. Clean Air Act of 1990. Upon request, AMD agrees to certify compliance with such applicable laws and regulations.

19. INTELLECTUAL PROPERTY WARRANTY AND INDEMNITY

- A. AMD warrants that, to the best of its knowledge and belief, the Products do not infringe any patent [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], copyright, mask work right, trademark, trade secret or any other intellectual property rights (collectively referred to as "IPR") of any third party. AMD further warrants that to the best of its knowledge and belief, Compaq's use of the Products for its intended purpose (including but not limited to combinations of said Products with other devices or elements) do not infringe any IPR of any third party. The parties recognize that [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] which are currently pending resolution before a court.

- B. Except as limited elsewhere in this Section 19, AMD warrants that it will defend, at its expense, any claim, suit or proceeding ("legal action") brought against Compaq alleging either, (i) infringement by the Product of any IPR of a third party; and/or (ii) infringement by Compaq's use of the Product for its intended purpose (including but not limited to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]). AMD further warrants that it will indemnify

and hold Compaq harmless from any and all costs, expenses and damages suffered by Compaq in connection with legal action, resulting from a claim against Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of (i) infringement by the Product of any IPR of any third party; and/or (ii) infringement by Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] use of the Product for its intended purpose (including but not limited to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]), provided AMD is promptly notified in writing of such legal action and given the option to take sole control, at AMD's expense, of the defense of such legal action including any settlement negotiations.

In addition to the above, AMD warrants that it will assist and reimburse Compaq in the amount equal to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] in the defense of any legal action brought against Compaq alleging infringement by Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] use of the Product for its intended purpose (including but not limited to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of any IPR of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]). AMD further warrants that it will indemnify Compaq and hold Compaq harmless from [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of any costs, expenses and damages suffered by Compaq in connection with legal action, resulting from a claim against Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of infringement by Compaq's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] use of Product for its intended purpose (including but not limited to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of any IPR [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]). AMD shall not be liable to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], however, for any costs, expenses or damages from

such legal action relating to or resulting from Compaq's use of products obtained from vendors other than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. Compaq agrees to promptly notify AMD in writing of such legal action. The parties agree that Compaq shall have sole control of the defense of such legal action including any settlement negotiations. Compaq may not enter into any settlement of such legal action without the prior written consent of AMD, which consent shall not be unreasonably withheld. Compaq agrees to keep AMD informed of the status of such defense, including, but not limited to, the expenses associated with such defense.

- C. Without prejudice to the foregoing warranty and indemnity, in case any of the Products are held to constitute such infringement and the use of such Product(s) is enjoined, AMD shall at its discretion and expense, either (i) procure for Compaq the right to continue using the Product, (ii) modify such Product so that it becomes non-infringing without adversely affecting Compaq's specifications or requiring changes in the circuitry of Compaq's equipment where such Product is used and provide Compaq with such non-infringing Products in exchange for the infringing Products or if (i) or (ii) are not possible, then (iii)

remove such Product and refund the purchase price and transportation costs of such Products and reimburse Compaq for its reasonable expenses incurred in procuring substitute product.

- D. No rights to Compaq's or AMD's trademarks, trade names or brand names are conferred, either expressly or by implication.
- E. AMD represents and warrants that it will not assert any claim or action against Compaq or its customers that Compaq's or its customers' use of Product for its intended purpose infringes any IPR of AMD, and AMD hereby grants Compaq and its customers, mediate and immediate, an immunity from any such claim or action.
- F. Except for the rights specifically set forth elsewhere in Section 19 and Section 20, the sale of Products by AMD does not convey any license by implication, estoppel, or otherwise, under any patent claims covering combinations of said Products with other devices or elements, or the process or method of making such Products.
- G. Compaq shall defend, at its expense, AMD from any claims resulting from compliance of Products with Compaq's designs or custom specifications that are implemented by AMD as specified by Compaq if such Compaq specified implementation resulted in the claim of infringement of any patent, copyright, trademark, or other proprietary right of a third party, and shall pay all costs and damages awarded against AMD provided that Compaq is promptly notified in writing and given authority, information and assistance (at Compaq's expense) for the defense and compromise of same with counsel of Compaq's choice. The foregoing states the entire liability of Compaq for infringement of patent, copyright, trademark, or other proprietary rights of a third party. The foregoing obligation shall only apply to such Product that is sold to Compaq and shall not apply to any of such Product that AMD may sell to any of its other customers. In addition, the foregoing shall not apply to situations where the Compaq specified implementation was a result of AMD's failure to provide Product that has full Microsoft Windows Compatibility and Socket Compatibility.
- H. If, as a result of and in the performance of AMD's obligations under this Section 19, AMD's [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] such that AMD determines that it is no longer [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], then AMD may [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] by giving written notice to Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] prior to the date of termination, provided that such notice may be given no earlier than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] following the Effective Date of this Agreement.

20. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

- A. AMD [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq or Compaq's customers, either directly or indirectly, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Compaq's or Compaq's customers' [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] whether purchased from AMD or another third party supplier; and/or [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] provided such [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] before or during the Term of this Agreement.

- B. Compaq [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE

SECURITIES AND EXCHANGE COMMISSION] AMD, AMD's authorized manufacturers, or AMD's customers [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] that are [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] AMD's authorized manufacturers [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] provided such [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] before or during the Term of this Agreement. The foregoing shall not be construed to be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] with respect to the combination of AMD's microprocessors [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] in a [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

21. SPARES AVAILABILITY

- A. Except where AMD has discontinued manufacture of Product as specified below in Section 21.B, AMD shall make available for purchase by Compaq replacement Products ("Spares"). Spares shall be available for purchase at least [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] after delivery of the last shipment of such Product. Spares shall be of the latest revision.
- B. AMD shall provide Compaq at least six (6) months written notice ("Notice Period") that the manufacture of any Product will be discontinued by AMD. Compaq may place Orders for such Product during the Notice Period at prices set forth in this Agreement, and AMD shall deliver Product against such Orders even if the Notice Period extends beyond the Term of this Agreement. Compaq must take final delivery of this Product within [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the initial formal notification.

22. CAPACITY PLANNING

- A. AMD agrees to review forecasts provided by Compaq and advise Compaq if AMD anticipates that he will be unable to achieve the requested volumes. Compaq's volume forecasts will be provided to AMD in accordance with Exhibit A. AMD may from time to time request Compaq to review Compaq's forecast and advise of any changes.

23. GRATUITIES

- A. Each party represents that it has not offered nor given and will not offer nor give any employee, agent, or representative of the other party any gratuity with a view toward securing any business from the other party or influencing such person with respect to the business between the parties.

24. INSURANCE AND STATUTORY OBLIGATIONS

- A. If AMD's work under this Agreement or Orders issued hereunder require access by AMD to any of Compaq's premises or the premises of any of Compaq's customers or any location where Compaq conducts business, or with material or equipment furnished by Compaq, AMD shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work and except to the extent that such injury is due solely and directly to Compaq's acts or negligence, AMD shall indemnify Compaq against all loss which may result in any way from any act or negligence of AMD, its employees, servants, agents or subcontractors, and AMD shall maintain such insurance as shall protect Compaq from said risks and from any statutory liabilities whatsoever arising therefrom and shall provide evidence of such insurance to Compaq upon request.

25. INDEMNIFICATION

AMD agrees to protect, defend, indemnify and save Compaq harmless from all sums, costs and expense which Compaq may incur or be obliged to pay as a result of any and all loss, expense, damage, liability, claims, demands, either at law or in equity, of every nature whatsoever in favor of any person, including both AMD's and Compaq's employees, resulting from any personal injury or death caused by the use of any Product sold to Compaq by AMD hereunder, but AMD shall be so liable only to the extent required by applicable law and only where such claims, expenses, damages, or demands are held by a court of law to be the result of Products provided by AMD hereunder.

26. CONFIDENTIAL INFORMATION

- A. Each party recognizes that it may have previously entered or will in the future enter into various agreements with the other party which obligates it to maintain as confidential certain information disclosed to it by the other party. To the extent that such information or any further confidential information (collectively referred to hereinafter as "Information") is disclosed in furtherance of this Agreement or any Order issued hereunder, such Information shall be so disclosed pursuant to the minimum terms and

conditions listed below; provided, however, such minimum terms and conditions listed below shall in no way relieve the parties from any obligation or modify such obligations previously agreed to in such other agreements. Both parties agree that this Agreement and such other agreements shall hereafter be considered as coterminous, and shall expire no earlier than the date of expiration or termination of this Agreement.

- B. Information disclosed that is considered in good faith by the disclosing party as confidential and/or proprietary shall be clearly marked as "Confidential" or "Proprietary". Information not easily marked, including information orally disclosed, shall be summarized in writing and designated confidential by the disclosing party within thirty (30) days of its disclosure.
- C. Both parties agree that the party receiving Information will maintain such Information in confidence for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from the date of disclosure of such Information.
- D. Each party shall protect the other party's Information to the same extent that it protects its own confidential and proprietary information and shall take all reasonable precautions to prevent unauthorized disclosure to third parties.
- E. The parties acknowledge that the unauthorized disclosure of such Information will cause irreparable harm. Accordingly, the parties agree that the injured party shall have the right to seek immediate injunctive relief enjoining such unauthorized disclosure.
- F. This provision shall not apply to information (1) known to the receiving party at the time of receipt from the other party, (2) generally known or available to the public through no act or failure to act by the receiving party, (3) furnished to third parties by the disclosing party without restriction or disclosure, (4) furnished to the receiving party by a third party as a matter of right and without restriction on disclosure, or (5) that is independently developed by the recipient.
- G. Immediately upon termination of this Agreement or at the request of the other party, each of the parties shall promptly return all materials in its possession containing Information of the other party.

27. COUNTRY OF ORIGIN

- A. For each Product purchased under this Agreement, AMD shall furnish Compaq with country of origin (manufacture), by quantity and part number (Compaq's and AMD's) if necessary.
- B. AMD agrees to provide necessary export documents and to facilitate export of Product. AMD further agrees to assist Compaq's import of Product as reasonably requested by Compaq.

28. PROPERTY FURNISHED BY BUYER

- A. Any tools, drawings, specifications, or other materials furnished by Compaq for use by AMD in its performance under this Agreement or any Order issued hereunder shall be identified and shall remain the property of Compaq and shall be used by AMD only in its performance hereunder. Such property shall be delivered, upon request, to destination specified by Compaq in good condition, except for normal wear and tear.

29. GENERAL

- A. Any obligations and duties which by their nature extend beyond the expiration or earlier termination of this Agreement shall survive any such expiration or termination and remain in effect.
- B. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be enforced to the fullest extent permitted by applicable law and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- C. No action, except those regarding claims by third parties, or claims with respect to patents, copyrights, trademarks or trade names or the unauthorized disclosure of Confidential Information, regardless of form, arising out of this Agreement may be brought by either party more than two (2) years after the cause of action has arisen, or, in the case of non-payment, more than two (2) years from the date the payment was due.
- D. Any waiver of any kind by a party of a breach of this Agreement must be in writing, shall be effective only to the extent set forth in such writing and shall not operate or be construed as a waiver of any subsequent breach. Any delay or omission in exercising any right, power or remedy pursuant to a breach or default by a party shall not impair any right, power or remedy which either party may have with respect to a future breach or default.

- E. Each party hereby gives its assurance to the other party that it shall not export, re-export or otherwise disclose, directly or indirectly, technical data received from the other party or the direct product of such technical data to any person or destination when such export, re-export or disclosure is prohibited by the laws of the United States or regulations of a Department of the United States.
- F. The parties have requested that this Agreement and the documents relating hereto be drawn up in the English language.
- G. This Agreement is confidential to both parties. Neither party shall disclose the existence of this Agreement to the public or any third party without the prior written approval of both parties. Any public announcements or press releases which relate to or reference this Agreement require the prior written approval of both parties.
- H. The entire Agreement between the parties is incorporated in this Agreement and Appendices attached hereto, and it supersedes all prior discussions and agreements between the parties relating to the subject matter hereof. This Agreement can be modified only by a written amendment duly signed by persons authorized to sign agreements on behalf of both parties, and shall not be supplemented or modified by any course of dealing or trade usage. Variance from the terms and conditions of this Agreement in any Order, or other written notification from AMD or Compaq will be of no effect.
- I. The construction, validity, and performance of this Agreement and any Order issued under it shall be governed by the laws of the state of Texas, U.S.A.

IN WITNESS WHEREOF, THE AUTHORIZED REPRESENTATIVES OF THE PARTIES HAVE EXECUTED THIS AGREEMENT.

For Compaq

For AMD

/s/ Eckhard Pfeiffer 1/26/94

/s/ W.J. Sanders III 1/24/94

Signature (date)

Signature (date)

Eckhard Pfeiffer

W.J. Sanders III

Name

Name

President and CEO

Chairman and CEO

Title

Title

EXHIBIT A

FORECAST & [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

I. FORECAST

	Int. Core	Ext. Bus	1Q94	2Q94	3Q94	4Q94	Total
486SX	50	25	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				
486SX	66	33	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				
486DX	50	25	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				
486DX	66	33	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				
486DX	85	34	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				
486DX	100	50/33.33	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]				

Total

Product Requirements:

1. Compaq and AMD will work together to ensure mutually agreeable conversions [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] functionality and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] functionality on all [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. It is expected that [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and have [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

2. Full Microsoft Windows Compatibility and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

COMMISSION].

3. All DX microprocessors above [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] require [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] write back cache.

II. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

	Int. Core	Ext. Bus	1Q94	2Q94	Jly-Aug	Sep-Dec
486SX	50	25	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]			
486SX	66	33				
486DX	50	25				
486DX	66	33				
486DX*	85	34				
486DX*	100	50/33.33				
486DX	75	25				
486DX	33	33				
486DX	40	20				

* Indicates 3.3v.

** AMD reserves the right to ship Sept.-Dec. production of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] quantities in [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] provided sufficient notice is given to Compaq.

EXHIBIT B
SPECIFICATION

AMD agrees that all Product shall conform to the applicable specification for the Product. Compaq shall provide AMD with the applicable specification and part number for the Product prior to issuing Orders for such Product.

EXHIBIT C
QUALITY AGREEMENT

AMD and Compaq will work together to ensure that AMD's quality process is capable of mass production of Product in accordance with Compaq's World Class Supplier Process(W.C.S.P.) specification, to assure cost, delivery and flexibility.

EXHIBIT D

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] AGREEMENT

I. PURCHASE ORDERS [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

The following changes to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] on existing purchase orders may be made without cost or liability to Compaq.

NUMBER OF WEEKS PRIOR [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

	[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]			[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]		
	1H94	2H94	1995 & after	1H94	2H94	1995 & after
[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]	100%	100%	100%			
	50%	60%	100%			
	25%	35%	50%	100%	100%	
		10%		50%	50%	100%
	0	0	0	25%	33%	33%

II. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] REQUIREMENTS:

	1Q94	2Q94	3Q94	4Q94	Total
486 Sx/33					[CONFIDENTIAL INFORMATION OMITTED AND FILED
486 Sx2/50					SEPARATELY WITH THE SECURITIES AND EXCHANGE
486 Dx/33					COMMISSION]
486 Dx2/50					
486 Dx2/66					
486 Dx3/85					
486 Dx3/100					

TOTAL

* Applies only to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] no later than the following calendar quarter.