

May 11, 2006

The attached text dated May 11, 2006, will become effective only when the Semiconductor Industry Association, China, becomes a member of the WSC. Until that time, the text of the AGREEMENT ESTABLISHING THE WORLD SEMICONDUCTOR COUNCIL will be that which was in effect as amended on May 19, 2005.

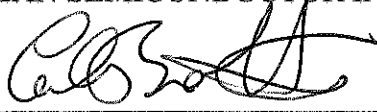
JAPAN ELECTRONIC AND INFORMATION TECHNOLOGY INDUSTRIES  
ASSOCIATION, SEMICONDUCTOR BOARD

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Done this 11th day of May, 2006, in San Francisco, California

## AGREEMENT ESTABLISHING THE WORLD SEMICONDUCTOR COUNCIL

### ARTICLE I. PURPOSE AND BASIC PRINCIPLES

The world semiconductor industry is of vital importance in both technological and economic terms in advancing the information age. Sustainable growth of the world semiconductor industry is one of the keys to future progress in social and economic spheres around the globe.

Semiconductors are a core technology for the 21st Century. Semiconductor research, development, and manufacturing, coupled with expanding use of semiconductors in an increasingly wide range of products, will continue to have a significant impact on global economies throughout this century.

The world semiconductor industry, together with semiconductor markets, is continuing globalization in a manner and scale beyond our historical experience. The increasing globalization of the semiconductor sector raises important issues that must be addressed effectively through international cooperation within the world semiconductor industry.

The semiconductor sector is marked by constant and rapid innovation. Such dynamic change in the industry creates an ongoing series of issues that are best dealt with on an international basis.

Accordingly, the World Semiconductor Council (WSC) has been established. The purposes of the WSC are to promote cooperative semiconductor industry activities, and to expand international cooperation in the semiconductor sector in order to facilitate the healthy growth of the industry from a long-term, global perspective.

WSC activities shall be undertaken on a voluntary basis and shall be guided by principles of fairness, respect for market principles, and consistency with WTO rules and with the laws of the respective countries or regions of each Member. The WSC recognizes that it is important to insure that markets will be open without discrimination. The competitiveness of companies and their products should be the principal determinant of industrial success and international trade.

### ARTICLE II. MEMBERSHIP

#### A. CRITERIA

The four Members which created the WSC are now known for the purposes of the WSC meeting as:

Semiconductor Industry Association in Japan

Semiconductor Industry Association in United States

Semiconductor Industry Association in Europe

Semiconductor Industry Association in Korea

These four Members will be referred to as Charter Members.

The association now known for the purposes of the WSC as Semiconductor Industry Association in Chinese Taipei, has been a member of the WSC since 1999. The association now known for the purposes of the WSC as Semiconductor Industry Association in China has been a member of the WSC since 2006.

Other semiconductor industry associations may join the WSC. In light of the purposes of the WSC, it is hoped that the semiconductor industry associations of countries or regions with major presence and importance in the world semiconductor industry will join the WSC, and upon admission to the WSC, will contribute to it in accordance with their presence and importance.<sup>1</sup> As a condition of membership, the government/authority of the association applying for membership will affirm that it supports the objectives of the WSC.

Membership in the WSC will be based on the following additional criteria: (i) the semiconductor market size of the country or region, (ii) the size of the semiconductor industry in the country or region as suppliers in the world market, and/or (iii) the existence of leading indigenous semiconductor manufacturers in the country or region.

Before being considered for membership, however, an industry association, whether existing at the time of the creation of the WSC or formed thereafter, must meet one of the following tariff elimination requirements:

- (i) The country or region where the association is located has eliminated all tariffs on semiconductors;

or

- (ii) The country or region where the association is located has committed to an expeditious elimination of all tariffs on semiconductors or has suspended these tariffs pending their formal elimination.

B. ADMISSION

Participation in the WSC shall be voluntary. Any semiconductor industry association may seek admission to the WSC at any time. An association seeking admission to the WSC shall submit a written application to the Secretariat set forth in Article IV. This application shall request admission to the WSC and shall contain a certification by the applicant that the country or region in which the association is located meets one of the tariff elimination requirements set forth above. In addition, the application shall set forth a description of facts pertaining to the criteria for admission set forth in Article II, Section A, above. New Members will be informed of additional criteria, if any, necessary for membership on Committees and Task Forces, set forth in Article III, Section D.

<sup>1</sup> The semiconductor industry associations admitted as Members are listed in Appendix I.

Upon receipt of a written application for admission, the existing Members shall determine whether the applicant association has met the tariff elimination requirements and the general admission criteria set forth above. This determination will be based on the unanimous consent of the Members, but if such unanimity can not be reached, unanimous consent of then-participating Charter Members shall prevail.

#### C. WITHDRAWAL

Any Member may withdraw from the WSC, upon twelve months advance written notice of withdrawal sent to the Secretariat.

### ARTICLE III. ORGANIZATION AND ACTIVITIES

The WSC's organization and activities under this Article III shall be composed of, and carried on by, the representatives of member companies of semiconductor industry associations participating in the WSC under the framework set forth below.

#### A. WORLD SEMICONDUCTOR COUNCIL MEETING

The World Semiconductor Council Meeting ("Council Meeting") shall be held at least once a year, hosted by a Member in a location accessible to all members. The Council Meeting shall be attended by senior executives who are responsible for semiconductor operations at semiconductor manufacturing companies which are members of semiconductor industry associations participating in the WSC and who are selected to attend by their respective associations.

It is anticipated that the size of the delegation for each Member would be from three to six attendees.

At the Council Meeting, attending senior executives will exchange views and opinions on, and discuss as appropriate and necessary, the matters in the agenda prepared and proposed in advance by the Joint Steering Committee set forth in Article III, Section C, and other topics the attending senior executives may wish to raise. The Council Meeting shall be chaired by a senior executive representing, and selected by, the hosting Member industry association.

The Council Meeting shall be planned, prepared and supported by the Joint Steering Committee set forth in Section C, below. Planning shall include selection of the date, location and agenda for the Council Meeting.

A proposal to change a previously scheduled Council Meeting place or time may be made for a stated reason at any time by any Member. Members shall consider the proposal and may seek an alternative solution reflecting the stated reason.

#### B. WORLD SEMICONDUCTOR COUNCIL CHAIRMAN

The chairman for the Council Meeting shall act as the WSC Chairman until he or she is succeeded by the chairman of the next Council Meeting. In addition to acting as chairman for

the Council Meeting, the WSC Chairman will represent the WSC in external affairs of the WSC with respect to policies and positions explicitly agreed to by the Council, pursuant to Article V. This representation will include, but not be limited to, public relations activities.

#### C. JOINT STEERING COMMITTEE

A Joint Steering Committee ("JSTC") is hereby established with the mission to plan, prepare and support the Council Meetings. Planning shall include selection of date, location and agenda for the Council Meetings. The JSTC will also prepare reports to be submitted to the Council Meetings (or to the senior executives composing the Council Meetings) and undertake such other tasks as may be assigned as a result of the Council Meetings.

For preparation of its reports, the JSTC will receive reports from the Committees and Task Forces, set forth in Article III, Section D, below, as may be created from time to time by the JSTC, and may consult with those Committees and Task Forces concerning the contents of reports received from them, as appropriate.

The JSTC shall also undertake such other tasks as may be assigned to it pursuant to decisions reached at the Council Meetings. When these tasks require consultation or cooperation with the Committees or Task Forces, the JSTC may seek to do so, as needed and appropriate.

The JSTC shall be composed of industry experts who are the representatives of member companies of semiconductor industry associations participating in the WSC. It is anticipated that the size of delegation for each Member will consist of three to six delegates. Staff representing any Member association may also attend JSTC meetings, Committee meetings and Task Force meetings. It is anticipated that the size of staff delegations of an association will not exceed the number of company representatives of that association attending any meeting.

JSTC meetings shall be held at a frequency, date and location chosen by the JSTC. A proposal to change a previously scheduled JSTC meeting place or time may be made for a stated reason at any time by any Member. Members shall consider the proposal and may seek an alternative solution reflecting the stated reason.

The JSTC meeting can be hosted by any Member in a location accessible to all members and shall be chaired by a JSTC delegate representing, and selected by the hosting Member industry association.

#### D. COMMITTEES AND TASK FORCES

The JSTC shall have the power to create and discontinue Committees and Task Forces for cooperative activities among the semiconductor industry associations as determined by the WSC and/or the JSTC. It is anticipated that a Committee will be created to address activities of a permanent nature, while a Task Force will be created to address activities of a temporary nature. Each Committee and Task Force shall be composed of representatives of Members that wish to take part in the activities of the Committee or Task Force. The size and composition of the delegation for each Member in each Committee and Task Force will be determined by the Committees and/or Task Forces, taking into consideration the recommendations of other

Members.

Each Committee and Task Force shall set its own agenda of activities, subject to the approval and guidance of the JSTC. The Committees and Task Forces will be governed by unanimous decision of Members within each Committee or Task Force, but where unanimity can not be obtained, by the unanimous consent of the then-participating Charter Members within the Committee or Task Force. Each Committee is authorized to create and discontinue subcommittees within the Committee.

Each Committee and Task Force shall submit reports to the JSTC, as deemed necessary and appropriate by the respective Committee or Task Force and/or when requested by the JSTC. Each Committee and Task Force shall work with the JSTC when the JSTC requires consultation or cooperation with the Committee or Task Force in order to undertake tasks assigned to the JSTC as a result of the Council Meeting. The Committees and Task Forces may seek consultation with the JSTC on issues for which they require guidance or decisions of the JSTC.

#### E. ACTIVITIES

To pursue the purposes of the WSC set forth in Article I, WSC Members may elect to engage in a series of cooperative activities among semiconductor industry associations as determined by the WSC and/or the JSTC to address issues of global concern in the semiconductor sector with a goal of increasing fair and open competition in the industry and promoting technological advance and sound environmental and safety practices. These activities shall consist of cooperation among semiconductor industry associations, encompassing, without limitation, such areas as:

- Standardization – efforts to facilitate development of common standards for the next generation of semiconductor manufacturing technology,
- Environmental concerns – including, but not limited to, efforts to share information and jointly improve the industry’s abilities to reduce PFC emissions and to improve water and energy conservation,
- Worker health and safety,
- Intellectual property rights – including, but not limited to, efforts to insure appropriate protection of intellectual property rights in world markets including efforts to discourage the fraudulent remarking of semiconductors
- Trade and investment liberalization – including, but not limited to, cooperation to develop common recommendations for Members’ respective governments/authorities aimed at eliminating tariffs and removing other barriers to trade and investment in the semiconductor sector, and
- Market development efforts to develop new markets worldwide for semiconductors. Where feasible, Members of the WSC may cooperate on a voluntary basis to develop new markets. Members participating in such activities shall bear the cost of

organizing and running such events.

#### ARTICLE IV. ADMINISTRATION AND SECRETARIAT

The WSC shall have a Secretariat, made up of representatives of the existing Members. The primary function of the Secretariat shall be to facilitate the activities undertaken within the WSC namely, (1) to support Council Meetings, JSTC meetings and meetings of the Committees and Task Forces, and (2) to support the activities of the JSTC, and its Committees and Task Forces.

The Member chairing the Council Meeting, JSTC meeting, Committee meeting or Task Force meeting shall supervise the meeting unless otherwise agreed by the Members participating in the respective meeting. The host Member shall bear the expenses of such meetings, including direct meeting expenses (such as rental of the meeting site) and logistical support, but shall not bear the travel and lodging expenses for the meeting attendees. The expenses for interpreters and equipment for interpreters shall be borne and shared by the Members who request the services of such interpreters.

#### ARTICLE V. DECISION-MAKING

Decisions of the WSC shall be made by the WSC, or by the JSTC if so directed by the WSC. Decisions of the WSC shall be made with the unanimous consent of all Members. In the event unanimity cannot be reached, unanimous consent of the then-participating Charter Members shall prevail. Each Member industry association reserves its right to make individual policy recommendations to its respective government/authority.

#### ARTICLE VI. DISSEMINATION OF INFORMATION

The contents of information and discussions at the Council Meeting shall be made available to semiconductor industry associations participating in the WSC, their member companies and their governments/authorities. The WSC will determine what information regarding its activities is to be communicated publicly, including to the press, prior to dissemination.

#### ARTICLE VII. RELATIONSHIP BETWEEN THE WSC AND GOVERNMENTS/AUTHORITIES

Semiconductors are the building blocks of the information age. Policies of governments/authorities have a tremendous impact on the semiconductor industry. Therefore, it is considered necessary for the governments/authorities of the semiconductor producing countries/regions represented in the WSC to meet regularly to discuss policies that affect this vital sector. Such meetings will allow cooperation and coordination on policies that will foster growth in the global semiconductor industry. The WSC shall report at the annual meeting with the governments/authorities of the WSC Members, and will make recommendations to governments/authorities at such meetings. The WSC will decide, after consultation with governments/authorities, the time and place of the governments/authorities meetings on semiconductors (GAMS).

ARTICLE VIII. CONSISTENCY WITH NATIONAL LAWS

All the activities of the WSC shall be implemented in full conformity with the laws of respective countries or regions of each semiconductor industry association participating in the WSC, including antitrust laws.

WSC Members recognize that Article VI of the GATT and the national laws of Member associations condemn injurious dumping, and reaffirm the need to avoid the problem of injurious dumping through fair and effective enforcement of national antidumping laws, and expeditious resolution of antidumping investigations.

In an effort to accommodate and enhance the progressive globalization of the semiconductor industry, certain semiconductor industry associations entered into bilateral agreements to promote these antidumping policies. Such efforts should advance common industry goals. This Agreement of the WSC shall not affect such agreements.

ARTICLE IX. AMENDMENT AND REVIEW OF THE AGREEMENT

This Agreement may be amended at any time with the unanimous consent of all Members. In case that unanimity cannot be reached, unanimous consent of then-participating Charter Members shall prevail.

This Agreement, as amended, shall be subject to review at a WSC meeting five years from the effective date of this Agreement, and thereafter at WSC meetings at five year intervals, or at times otherwise specified by the WSC.

Article X. EFFECTIVE DATE OF THE AGREEMENT

This Agreement, which originally took effect on August 1, 1999, was amended effective May 19, 2005, at the Ninth Meeting of the World Semiconductor Council in Kyoto, Japan and subsequently amended on May 11, 2006 by agreement of the participants in the 10<sup>th</sup> World Semiconductor Council in San Francisco, California.



APPENDIX I

ALPHABETICAL LISTING OF MEMBERS

THE MEMBERS OF THE WSC ARE KNOWN FOR THE PURPOSES OF THE WSC MEETING AS:

SEMICONDUCTOR INDUSTRY ASSOCIATION IN CHINA

SEMICONDUCTOR INDUSTRY ASSOCIATION IN CHINESE TAIPEI

SEMICONDUCTOR INDUSTRY ASSOCIATION IN EUROPE

SEMICONDUCTOR INDUSTRY ASSOCIATION IN JAPAN

SEMICONDUCTOR INDUSTRY ASSOCIATION IN KOREA

SEMICONDUCTOR INDUSTRY ASSOCIATION IN UNITED STATES