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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): December 19, 2001
(December 16, 2001)

ALPHA INDUSTRIES, INC.

(Exact name of registrant as specified in charter)

Delaware	1-5560	04-2302115
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
20 Sylvan Road, Woburn, MA		01801
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (781) 935-5150

Item 5. Other Events.

On December 16, 2001, Alpha Industries, Inc. (the "Registrant") entered into an Agreement and Plan of Reorganization dated as of December 16, 2001 (the "Merger Agreement") with Conexant Systems, Inc. ("Conexant") and Washington Sub, Inc., a wholly-owned subsidiary of Conexant ("Washington"). Conexant and Washington also entered into a Contribution and Distribution Agreement dated as of December 16, 2001 (the "Distribution Agreement"). Pursuant to the Distribution Agreement, Conexant will contribute to Washington the wireless communications business presently conducted by Conexant, excluding certain assets and liabilities as set forth in the Distribution Agreement, and will distribute all the outstanding shares of Washington to Conexant's shareowners (the "Spin-off"). Immediately thereafter, pursuant to the Merger Agreement, Washington will merge with and into the Registrant, with the Registrant as the surviving corporation (the "Merger"). The Merger is subject to, among other things, regulatory approval, a ruling by the IRS that the Spin-off qualifies as tax-free and approval by the Registrant's stockholders.

Upon completion of the Merger, the Registrant will purchase (i) Conexant's semiconductor assembly, module manufacturing and test facility, located in Mexicali, Mexico, pursuant to the Mexican Stock and Assset Purchase Agreement dated as of December 16, 2001 between Conexant and the Registrant (the "Mexicali Agreement") and (ii) Conexant's Package Design Team that supports the Mexicali facility, pursuant to the U.S. Asset Purchase Agreement dated as of December 16, 2001 between Conexant and the Registrant (the "U.S. Assset Purchase Agreement").

The foregoing description of the Merger, the Merger Agreement, the Distribution Agreement, the Mexicali Agreement and the U.S. Asset Purchase Agreement is qualified in its entirety by reference to the Merger Agreement, the Distribution Agreement, the Mexicali Agreement, the U.S. Asset Purchase Agreement and the joint press release of the Registrant and Conexant dated as of December 17, 2001, copies of which are filed herewith as Exhibits 2.1, 2.2, 2.3, 2.4 and 99.1, respectively, and each of such Exhibits is hereby incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Reorganization dated as of December 16, 2001 by and among Conexant Systems, Inc., Washington Sub, Inc. and Alpha Industries, Inc. (excluding exhibits).
2.2	Contribution and Distribution Agreement dated as of December 16, 2001 by and between Conexant Systems, Inc. and Washington Sub, Inc. (excluding exhibits).
2.3	Mexican Stock and Asset Purchase Agreement dated as of December 16, 2001 by and between Conexant Systems, Inc. and Alpha Industries Inc. (excluding exhibits).
2.4	U.S. Asset Purchase Agreement dated as of December 16, 2001 by and between Conexant Systems, Inc. and Alpha Industries, Inc. (excluding exhibits).
99.1	Press release dated December 17, 2001.

SIGNATURES

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

ALPHA INDUSTRIES, INC.

Date: December 19, 2001

By: /s/ Paul E. Vincent

Paul E. Vincent
Chief Financial Officer and Secretary

EXHIBIT INDEX

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AGREEMENT AND PLAN OF REORGANIZATION

DATED AS OF DECEMBER 16, 2001

BY AND AMONG

CONEXANT SYSTEMS, INC.,

WASHINGTON SUB, INC.

AND

ALPHA INDUSTRIES, INC.

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AGREEMENT AND PLAN OF REORGANIZATION

AGREEMENT AND PLAN OF REORGANIZATION, dated as of December 16, 2001 (this "Agreement"), by and among CONEXANT SYSTEMS, INC., a Delaware corporation ("Conexant"), WASHINGTON SUB, INC., a Delaware corporation and a wholly-owned subsidiary of Conexant ("Washington"), and ALPHA INDUSTRIES, INC., a Delaware corporation ("Alpha").

W I T N E S S E T H :

WHEREAS, simultaneously with the execution and delivery of this Agreement, Conexant and Washington are entering into a contribution and distribution agreement in the form attached hereto as Exhibit A (the "Distribution Agreement") pursuant to which (a) all the Washington Assets (as defined in the Distribution Agreement) will be assigned to Washington and/or to one or more of the Washington Subsidiaries (as defined in the Distribution Agreement) and all of the Washington Liabilities (as defined in the Distribution Agreement) will be assumed by Washington and/or by one or more of the Washington Subsidiaries, all as provided in the Distribution Agreement (the "Contribution") and (b) all of the issued and outstanding shares of common stock, par value $.01 per share, of Washington (the "Washington Common Stock") will be distributed on a pro rata basis to Conexant's stockholders as provided in the Distribution Agreement (the "Distribution");

WHEREAS, the Boards of Directors of Conexant, Washington and Alpha deem it advisable and in the best interests of each corporation and its respective stockholders that Washington and Alpha enter into a merger transaction in order to advance the long-term strategic business interests of Conexant, Washington and Alpha;

WHEREAS, the Boards of Directors of Conexant, Washington and Alpha have determined to consummate such merger transaction by means of the business combination transaction provided for herein in which, immediately following the Distribution Washington will, subject to the terms and conditions set forth herein, merge with and into Alpha (the "Merger"), with Alpha being the surviving corporation (hereinafter sometimes referred to in such capacity as the "Combined Company") in the Merger;

WHEREAS, the parties to this Agreement intend that the Contribution and the Distribution qualify under Sections 355 and 368 of the Internal Revenue Code of 1986, as amended (the "Code"), as a reorganization, that the Merger qualify under Section 368 of the Code as a reorganization and that this Agreement shall constitute a "plan of reorganization" for purposes of Sections 354 and 361 of the Code;

WHEREAS, the parties desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe certain conditions to the Merger; and

WHEREAS, capitalized terms used in this Agreement will have the respective meanings set forth (i) in Section 10.11 or (ii) in the Sections of this Agreement or in the relevant Reorganization Agreement (as defined in Section 10.11) set forth opposite such terms in Section 10.11.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1 THE MERGER. Upon the terms and conditions of this Agreement, and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), at the Effective Time (as defined in Section 1.2(b)), Washington shall merge with and into Alpha. Alpha shall be the surviving corporation in the Merger and shall continue its corporate existence under the laws of the State of Delaware. Upon consummation of the Merger, the separate corporate existence of Washington shall terminate.

SECTION 1.2 CLOSING; EFFECTIVE TIME.

(a) The closing of the Merger (the "Closing") will take place as soon as practicable, but in any event within three Business Days, after the satisfaction or waiver (subject to Applicable Laws) of the conditions (excluding conditions that, by their nature, cannot be satisfied until the Closing Date (as defined below)) set forth in Article VIII, unless this Agreement has been theretofore terminated pursuant to its terms or unless another time or date is agreed to in writing by the parties hereto (the actual time and date of the Closing being referred to herein as the "Closing Date"). The Closing shall be held at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, New York, unless another place is agreed to in writing by the parties hereto.

(b) The Merger shall become effective as set forth in the certificate of merger relating thereto substantially in the form attached hereto as Exhibit D that shall be filed with the Secretary of State of the State of Delaware (the "Delaware Secretary") on the Closing Date (the "Certificate of Merger"). The term "Effective Time" shall be the date and time when the Merger becomes effective, as set forth in the Certificate of Merger. The Effective Time shall occur immediately after the Time of Distribution (as defined in the Distribution Agreement).

SECTION 1.3 EFFECTS OF THE MERGER. At and after the Effective Time, the Merger shall have the effects set forth in the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all of the properties, rights, privileges, powers and franchises of Washington shall vest in Alpha, and all debts, liabilities and duties of Washington shall become the debts, liabilities and duties of Alpha.

SECTION 1.4 CONVERSION OF WASHINGTON COMMON STOCK. At the Effective Time, by virtue of the Merger and without any action on the part of Washington, Alpha or the holders of any capital stock of Washington or Alpha:

(a) Subject to Section 3.2(d), each share of Washington Common Stock issued and outstanding immediately prior to the Effective Time (after giving effect to the Distribution), other than shares of Washington Common Stock held in Washington's treasury or owned by Alpha or any wholly-owned Subsidiary of Washington or Alpha, shall automatically be converted into the right to receive 0.342 shares (the "Exchange Ratio") of common stock, par value $.25 per share, of Alpha (including the associated preferred share purchase rights, the "Alpha Common Stock"). If (i) between the date hereof and the Effective Time, the outstanding shares of Alpha Common Stock, (ii) between the date hereof and the Time of Distribution, the outstanding shares of Conexant Common Stock (as defined in Section 5.2(b)(i)) or (iii) following the Time of Distribution and prior to the Effective Time, the outstanding shares of Washington Common Stock, shall have been increased, decreased, changed into or exchanged for a different number or kind of shares or securities (or a record date within any such period shall have been established for any of the foregoing) as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in capitalization (other than solely as a result of the Distribution or the Merger, but including any increase or decrease in the outstanding shares of Conexant Common Stock as a result of the issuance of any security in accordance with the Conexant Rights Agreement (as defined in Section 5.2(b)(i)), an appropriate and proportionate adjustment shall be made to the Exchange Ratio to the extent necessary to reflect such reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or similar change in capitalization.

(b) All shares of Washington Common Stock converted into the right to receive Alpha Common Stock pursuant to this Article I shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each certificate or book-entry credit previously evidencing any such shares of Washington Common Stock (a "Washington Certificate") shall thereafter evidence only the right to receive (i) the number of whole shares of Alpha Common Stock (which shall be in uncertificated book-entry form unless a physical certificate is requested) and (ii) cash in lieu of fractional shares of Alpha Common Stock into which the shares of Washington Common Stock formerly evidenced by such Washington Certificate have been converted pursuant to this Section 1.4 and Section 3.2(d), without any interest thereon.

(c) All shares of Washington Common Stock held in Washington's treasury or owned by Alpha, or any wholly-owned Subsidiary of Washington or Alpha shall be canceled and shall cease to exist and no shares of Alpha Common Stock or other consideration shall be delivered in exchange therefor.

SECTION 1.5 ALPHA COMMON STOCK. At and after the Effective Time, each share of Alpha Common Stock issued and outstanding immediately prior to the Effective Time shall remain an issued and outstanding share of common stock of the Combined Company and shall not be affected by the Merger.

SECTION 1.6 CERTIFICATE OF INCORPORATION. At the Effective Time, the certificate of incorporation of the Combined Company shall be in the form attached hereto as Exhibit B, with such changes thereto as shall be mutually agreed upon by Conexant and Alpha (the "Restated Certificate"), until thereafter amended in accordance with the terms thereof and Applicable Laws (as defined in Section 10.11).

SECTION 1.7 BY-LAWS. At the Effective Time, the by-laws of the Combined Company shall be in the form attached hereto as Exhibit C, with such changes as may be mutually agreed upon by Conexant and Alpha (the "By-Laws"), until thereafter amended in accordance with the terms thereof, the Restated Certificate and Applicable Laws.

SECTION 1.8 OFFICERS. At the Effective Time, David J. Aldrich shall be Chief Executive Officer of the Combined Company and Moiz M. Beguwala shall be President of the Combined Company and otherwise the initial officers of the Combined Company shall be as Conexant and Alpha shall agree prior to the Effective Time, and such officers shall hold office until their respective successors are duly appointed and qualified, or their earlier death, resignation or removal.

SECTION 1.9 BOARD OF DIRECTORS. At the Effective Time, until duly changed in compliance with the Restated Certificate, the By-Laws and Applicable Laws, the Board of Directors of the Combined Company shall consist of either nine or eleven persons (as agreed by Conexant and Alpha prior to the Effective Time), including (a) four (in the case of a nine-person Board of Directors) or five (in the case of an eleven-person Board of Directors) persons (one of whom shall be Chairman of the Board of the Combined Company) to be named by the Board of Directors of Conexant, (b) four (in the case of a nine-person Board of Directors) or five (in the case of an eleven-person Board of Directors) persons to be named by the Board of Directors of Alpha and (c) one person to be jointly named by the Boards of Directors of Conexant and Alpha. The directors named by Conexant and Alpha shall be allocated proportionately among the classes of the Board of Directors of the Combined Company as shall be agreed between Conexant and Alpha prior to the Effective Time.

SECTION 1.10 NAME; CORPORATE OFFICES.

(a) At the Effective Time, the name of the Combined Company shall be as agreed by Conexant and Alpha prior to the Effective Time.

(b) At the Effective Time, the Combined Company shall have joint headquarters located in Newport Beach, California and Woburn, Massachusetts.

SECTION 1.11 FISCAL YEAR. The fiscal year of the Combined Company will initially end on September 30 of each year.

ARTICLE II

OPTIONS

SECTION 2.1 OPTION CONVERSION. At or prior to the Effective Time, Washington and Alpha will take all action necessary such that each Washington Option (as defined in the Employee Matters Agreement) that is

outstanding and unexercised immediately prior thereto (after giving effect to the adjustments to Conexant Stock Options (as defined in Section 5.2(b)(i)) to be effected in connection with the Distribution as provided for in the Employee Matters Agreement) shall cease to represent a right to acquire shares of Washington Common Stock and shall, as of the Effective Time, automatically be converted into a Converted Option exercisable for a number of shares of Alpha Common Stock and at an exercise price determined as provided below (and otherwise subject to the terms of the appropriate Washington Stock Plan (as defined in the Employee Matters Agreement) governing such option and the agreements evidencing grants thereunder):

(i) The number of shares of Alpha Common Stock to be subject to the Converted Option shall be equal to the product of the number of shares of Washington Common Stock subject to the unexercised portion of the Washington Option (as adjusted in connection with the Distribution) multiplied by the Exchange Ratio, provided that any fractional shares of Alpha Common Stock resulting from such multiplication shall be rounded down to the nearest whole share; and

(ii) The exercise price per share of Alpha Common Stock under the Converted Option shall be equal to the exercise price per share of Washington Common Stock under the Washington Option (as adjusted in connection with the Distribution) divided by the Exchange Ratio, provided that such exercise price shall be rounded up to the nearest whole cent.

SECTION 2.2 INCENTIVE STOCK OPTIONS. The adjustment provided herein with respect to any options that are "incentive stock options" (as defined in Section 422 of the Code) shall be and is intended to be effected in a manner that is consistent with Section 424(a) of the Code. Except as set forth in this Section 2.2, the duration and other terms of such Converted Option shall be the same as the Washington Option, except that all references to Washington shall be deemed to be references to the Combined Company (but taking into account any changes thereto provided for in the Washington Stock Plans by reason of this Agreement or the transactions contemplated hereby).

SECTION 2.3 SHARES RESERVED; REGISTRATION. Following the Effective Time, the Combined Company shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Alpha Common Stock for delivery upon exercise of the Converted Options pursuant to the terms set forth in this Article II. As soon as practicable but in any event not later than five days following the Effective Time, the shares of Alpha Common Stock subject to the Converted Options will be covered by an effective registration statement on Form S-8 (or any successor form) or another appropriate form and the Combined Company shall use its reasonable best efforts to maintain the effectiveness of such registration statement for so long as the Converted Options remain outstanding.

ARTICLE III

EXCHANGE OF SHARES

SECTION 3.1 ALPHA TO MAKE SHARES AVAILABLE. From time to time, prior to, at or after the Effective Time, Alpha shall deposit, or shall cause to be deposited, with a bank or trust company appointed by Conexant and reasonably acceptable to Alpha (the "Exchange Agent"), for the benefit of the holders of the Washington Certificates, for exchange in accordance with this Article III, the shares of Alpha Common Stock to be issued pursuant to Section 1.4 and delivered pursuant to Section 3.2(a) in exchange for Washington Certificates (such shares of Alpha Common Stock, together with any dividends or distributions with respect thereto, the "Exchange Fund").

SECTION 3.2 EXCHANGE OF SHARES.

(a) As soon as reasonably practicable after the Effective Time, the Exchange Agent shall make book-entry credits as of the Closing Date for each holder of record of Washington Common Stock immediately prior to the Effective Time for that number of whole shares of Alpha Common Stock into which the shares of Washington Common Stock formerly evidenced by such holder's Washington Certificate shall have been converted pursuant to this Agreement and shall deliver to each such holder (x) an account statement indicating the number of whole shares of Alpha Common Stock that such holder owns of record as of the Effective Time and (y) a check representing the amount of any cash in lieu of fractional shares that such holder has the right to receive pursuant to Section 3.2(d) in respect of such holder's Washington Certificate. No interest will be paid or accrued on any cash in lieu of fractional shares or on any unpaid dividends and distributions payable to holders of Washington Certificates.

(b) If any certificate or book-entry credit evidencing shares of Alpha Common Stock is to be registered in a name other than that in which the Washington Certificate is registered, it shall be a condition of the issuance thereof that an appropriate instrument of transfer of Washington Certificates be delivered and that the person requesting such exchange will have paid to the Exchange Agent in advance any transfer or other taxes required by reason of the issuance of a certificate or book-entry credit evidencing shares of Alpha Common Stock in any name other than that of the registered holder of the Washington Certificate formerly held, or required for any other reason, or shall have established to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

(c) After the Effective Time, there shall be no transfers on the stock transfer books of Washington of the shares of Washington Common Stock that were issued and outstanding immediately prior to the Effective Time.

(d) (i) Notwithstanding anything to the contrary contained herein, no certificates or scrip representing fractional shares of Alpha Common Stock or book-entry credit of the same shall be issued in exchange for Washington Certificates, no dividend or distribution with respect to Alpha Common Stock shall be payable on or with respect to any such fractional share, and such fractional share interests shall not entitle the owner thereof to vote or to any other rights of a stockholder of Alpha. In lieu of the issuance of any such fractional share, Alpha shall pay to each holder of Washington Certificates who otherwise would be entitled to receive such fractional share an amount in cash determined in the manner provided in clauses (ii) and (iii) of this Section 3.2(d).

(ii) As promptly as practicable following the Effective Time, the Exchange Agent shall determine the excess of (x) the number of full shares of Alpha Common Stock delivered to the Exchange Agent by Alpha pursuant to Section 3.1 for issuance to holders of Washington Certificates pursuant to Section 1.4 over (y) the aggregate number of full shares of Alpha Common Stock to be distributed to holders of Washington Certificates pursuant to this Section 3.2 (such excess being herein referred to as the "Excess Alpha Shares"). As soon as reasonably practicable following the Effective Time, the Exchange Agent, as agent for such holders of Washington Certificates, shall sell the Excess Alpha Shares at then prevailing prices on the Nasdaq National Market System, all in the manner provided in clause (iii) of this Section 3.2(d).

(iii) The sale of the Excess Alpha Shares by the Exchange Agent shall be executed on the Nasdaq National Market System through one or more member firms of the National Association of Securities Dealers, Inc. and shall be executed in round lots to the extent practicable. Until the net proceeds of any such sale or sales have been distributed to the holders of Washington Certificates, the Exchange Agent will hold such proceeds in trust for such holders as part of the Exchange Fund. The Combined Company shall pay all commissions, transfer taxes and other out-of-pocket transaction costs of the Exchange Agent incurred in connection with such sale or sales of Excess Alpha Shares. In addition, the Combined Company shall pay the Exchange Agent's compensation and expenses in connection with such sale or sales. The Exchange Agent shall determine the portion of such net proceeds to which each holder of Washington Certificates shall be entitled, if any, by multiplying the amount of the aggregate net proceeds by a fraction, the numerator of which is the amount of the fractional share interest to which such holder of Washington Certificates is entitled (after taking into account all Washington Certificates then held by such holder) and the denominator of which is the aggregate amount of fractional share interests to which all holders of Washington Certificates are entitled. As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of Washington Certificates with respect to any fractional share interests, the Exchange Agent shall promptly pay such amounts to such holders of Washington Certificates subject to and in accordance with this Section 3.2.

(e) Any portion of the Exchange Fund that remains unclaimed by holders of Certificates for twelve months after the Effective Time shall be delivered to the Combined Company, and any holders of Washington Certificates who have not theretofore complied with this Article III shall thereafter look only to the Combined Company for payment of the shares of Alpha Common Stock, cash in lieu of any fractional shares and any unpaid dividends and distributions on the Alpha Common Stock deliverable in respect of each share of Washington Common Stock formerly evidenced by such Washington Certificate as determined pursuant to this Agreement, without any interest thereon. Any such portion of the Exchange Fund remaining unclaimed by holders of Washington Certificates five years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity (as defined in Section 5.1(c)(iii)) shall, to the extent permitted

by Applicable Laws, become the property of the Combined Company free and clear of any claims or interest of any Person previously entitled thereto.

(f) None of the Combined Company, Conexant, Washington, the Exchange Agent or any other Person shall be liable to any holder of Washington Certificates for any shares of Alpha Common Stock, cash in lieu of fractional shares thereof and any dividend or other distribution with respect thereto delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar Applicable Laws.

(g) The Exchange Agent shall invest any cash included in the Exchange Fund, as directed by the Combined Company, on a daily basis. Any interest and other income resulting from such investments shall be paid to the Combined Company promptly upon request by the Combined Company.

(h) The Combined Company shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Washington Certificates such amounts as the Combined Company or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Combined Company or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Alpha Common Stock in respect of which such deduction and withholding was made by the Combined Company or the Exchange Agent.

SECTION 3.3 AFFILIATES. Notwithstanding anything to the contrary herein, to the fullest extent permitted by law, no certificates or book-entry credits evidencing shares of Alpha Common Stock or cash shall be issued or delivered pursuant to this Article III to a Person who may be deemed an "affiliate" of Washington in accordance with Section 7.12 hereof for purposes of Rule 145 under the Securities Act of 1933, as amended (the "Securities Act"), until such Person has executed and delivered an Affiliate Agreement (as defined in Section 7.12) pursuant to Section 7.12.

ARTICLE IV

CERTAIN PRE-MERGER TRANSACTIONS

SECTION 4.1 ANCILLARY AGREEMENTS. Prior to the Time of Distribution, Conexant, Washington and Alpha will execute and deliver a tax allocation agreement substantially in the form attached hereto as Exhibit F (the "Tax Allocation Agreement") and an employee matters agreement substantially in the form attached hereto as Exhibit G (the "Employee Matters Agreement"). Prior to the Effective Time, Conexant and Alpha will execute and deliver a Newport Supply Agreement substantially on the terms attached hereto as Exhibit K (the "Newport Supply Agreement"), a Newbury Supply Agreement substantially on the terms attached hereto as Exhibit L (the "Newbury Supply Agreement") and a Transition Services Agreement in accordance with Section 7.20 (the "Transition Services Agreement").

SECTION 4.2 CONTRIBUTION. Prior to the Time of Distribution and pursuant to the terms and conditions of the Distribution Agreement, Conexant and Washington will consummate the Contribution contemplated by Article II of the Distribution Agreement.

SECTION 4.3 DISTRIBUTION. Prior to the Effective Time, and pursuant to the terms and conditions of the Distribution Agreement, Conexant will cause Washington to be recapitalized and effect the Distribution.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

SECTION 5.1 REPRESENTATIONS AND WARRANTIES OF ALPHA. Except as set forth in the Alpha Disclosure Schedule delivered by Alpha to Conexant prior to the execution of this Agreement (the "Alpha Disclosure Schedule") (each section of which, to the extent specified therein, qualifies the correspondingly numbered representation and warranty or covenant of Alpha contained herein and, to the extent it is apparent on the face of such disclosure that such disclosure qualifies another representation and warranty of Alpha contained herein, such other representation and warranty of Alpha), Alpha represents and warrants to Conexant as follows:

(a) Organization, Standing and Power; Subsidiaries.

(i) Each of Alpha and its Subsidiaries is a corporation

or other organization duly organized, validly existing and in good standing (where applicable) under the laws of its jurisdiction of incorporation or organization, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and as it will be conducted through the Effective Time, except where the failure to be so organized, existing and in good standing or to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, other than in such jurisdictions where the failure so to qualify or to be in good standing, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. The copies of the certificate of incorporation and by-laws of Alpha which were previously furnished or made available to Conexant are true, complete and correct copies of such documents as in effect on the date of this Agreement.

(ii) Exhibit 21 to Alpha's Annual Report on Form 10-K for the year ended April 1, 2001 includes all the Subsidiaries of Alpha which as of the date of this Agreement are Significant Subsidiaries of Alpha (as defined in Rule 1-02 of Regulation S-X of the Securities and Exchange Commission (the "SEC")). All the --- outstanding shares of capital stock of, or other equity interests in, each such Significant Subsidiary have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by Alpha, free and clear of all material pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and free of any other material ----- restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other equity interests, but excluding restrictions under the Securities Act). None of Alpha or any of its Subsidiaries directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity (other than Subsidiaries of Alpha), that is or would reasonably be expected to be material to Alpha and its Subsidiaries taken as a whole.

(b) Capital Structure.

(i) The authorized capital stock of Alpha consists of 100,000,000 shares of Alpha Common Stock. As of December 14, 2001, 44,174,096 shares of Alpha Common Stock were issued and outstanding and no other shares of capital stock of Alpha were issued and outstanding. As of December 14, 2001, 10,370,507 shares of Alpha Common Stock were reserved for issuance upon exercise of options outstanding under Alpha Stock Plans. As of December 14, 2001, no shares of Alpha Common Stock were held as treasury shares. Since December 14, 2001 to the date of this Agreement, no shares of capital stock of Alpha or any other securities of Alpha have been issued other than shares of Alpha Common Stock issued pursuant to options or rights outstanding as of December 14, 2001 under the Alpha Stock Plans. All issued and outstanding shares of capital stock of Alpha are duly authorized, validly issued, fully paid and nonassessable, and no class of capital stock of Alpha is entitled to preemptive rights. There are outstanding as of the date hereof no options, warrants or other rights to acquire capital stock from Alpha other than options and other rights to acquire Alpha Common Stock from Alpha ("Alpha Stock Options") representing in the aggregate the right to purchase 6,619,900 shares of Alpha Common Stock under the Alpha Stock Plans. Section 5.1(b) of the Alpha Disclosure Schedule sets forth a complete and correct list as of a recent date of all outstanding Alpha Stock Options and the exercise prices thereof.

(ii) No bonds, debentures, notes or other indebtedness of Alpha having the right to vote on any matters on which stockholders of Alpha may vote ("Alpha Voting Debt") are issued or outstanding.

(iii) Except as otherwise set forth in this Section 5.1(b), as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which Alpha or any of its Subsidiaries is a party or by which any of them is bound obligating Alpha or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of Alpha or any of its Subsidiaries or obligating Alpha or any of its Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. As of the date of

this Agreement, there are no outstanding obligations of Alpha or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Alpha or any of its Subsidiaries.

(c) Authority; No Conflicts.

(i) Alpha has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, subject, in the case of the consummation of the Merger, to the approval and adoption of this Agreement and the Merger by the Required Alpha Vote (as defined in Section 5.1(g)). The execution and delivery of this Agreement by Alpha and the consummation by Alpha of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Alpha, subject in the case of the consummation of the Merger, to the approval and adoption of this Agreement and the Merger by the Required Alpha Vote. This Agreement has been duly executed and delivered by Alpha and, assuming the due authorization and valid execution and delivery of this Agreement by each of Conexant and Washington, constitutes a valid and binding agreement of Alpha, enforceable against Alpha in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Applicable Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(ii) The execution and delivery of this Agreement by Alpha does not, and the consummation by Alpha of the Merger and the other transactions contemplated hereby will not, conflict with, or result in any breach or violation of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of or result by its terms in the termination, amendment, cancellation or acceleration of any obligation or the loss of a material benefit under, or the creation of a Lien, charge, "put" or "call" right or other encumbrance on, or the loss of, any assets (any such conflict, breach, violation, default, right of termination, amendment, cancellation or acceleration, loss or creation, a "Violation") pursuant to: (A) any provision of the certificate of incorporation or by-laws or similar organizational documents of Alpha or any Significant Subsidiary of Alpha or (B) except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries or, to the Knowledge of Alpha, the Combined Company and its Subsidiaries following the Merger, subject to obtaining or making the Alpha Necessary Consents (as defined in paragraph (iii) below), (I) any loan or credit agreement, note, instrument, mortgage, bond, indenture, lease, benefit plan or other contract, agreement or obligation (a "Contract") to which Alpha or any of its Subsidiaries is a party or by which any of them or any of their respective properties or assets is bound, or (II) any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Alpha or any Subsidiary of Alpha or their respective properties or assets.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any supranational, national, state, municipal, local or foreign government, any instrumentality, subdivision, court, administrative agency or commission or other authority thereof, or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority (a "Governmental Entity") or any other Person is required by or with respect to Alpha or any Subsidiary of Alpha in connection with the execution and delivery of this Agreement by Alpha or the consummation by Alpha of the Merger and the other transactions contemplated hereby, except for those required under or in relation to (A) the Required Alpha Vote, (B) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (C) state securities or "blue sky" laws, (D) the Securities Act, (E) the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (F) the DGCL with respect to the filing of the Certificate of Merger with the Delaware Secretary, (G) the rules and regulations of Nasdaq, (H) antitrust or other competition laws of other jurisdictions and (I) such consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. Consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to any of the foregoing clauses (A) through (H) or set forth in Section 5.1(c)(iii) of the Alpha Disclosure Schedule are hereinafter referred to as "Alpha Necessary Consents".

(d) Reports and Financial Statements.

(i) Alpha has filed all registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by it with the SEC since January 1, 2000 (collectively, including all exhibits thereto, the "Alpha SEC Reports"). No Subsidiary of Alpha is subject to the periodic reporting requirements of the Exchange Act. None of the Alpha SEC Reports, as of their respective dates (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the financial statements (including the related notes) included in the Alpha SEC Reports fairly presents, in all material respects, the consolidated financial position and consolidated results of operations and cash flows of Alpha and its consolidated Subsidiaries as of the respective dates or for the respective periods set forth therein, all in conformity with generally accepted accounting principles ("GAAP") consistently applied during the ---- periods involved except as otherwise noted therein, and subject, in the case of unaudited interim financial statements, to normal and recurring year-end adjustments that have not been and are not expected to be material in amount. All Alpha SEC Reports, as of their respective dates (and as of the date of any amendment to the respective Alpha SEC Report), complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder.

(ii) Except as disclosed in the Alpha SEC Reports filed and publicly available prior to the date hereof (the "Alpha Filed SEC Reports"), since April 1, 2001, Alpha and its Subsidiaries have not incurred any liabilities that are of a nature that would be required to be disclosed on a balance sheet of Alpha and its Subsidiaries or in the footnotes thereto prepared in conformity with GAAP, other than liabilities incurred in the ordinary course of business or that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(e) Information Supplied.

(i) None of the information supplied or to be supplied by Alpha for inclusion or incorporation by reference in (A) the Form S-4 (as defined in Section 7.1(a)) will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (B) the Proxy Statement/Prospectus (as defined in Section 7.1(a)) will, on the date it is first mailed to Conexant stockholders or Alpha stockholders or at the time of the Alpha Stockholders Meeting (as defined in Section 7.1(b)), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) Notwithstanding the foregoing provisions of this Section 5.1(e), no representation or warranty is made by Alpha with respect to statements made or incorporated by reference in the Form S-4 or the Proxy Statement/Prospectus based on information supplied by Conexant or Washington for inclusion or incorporation by reference therein, or based on information with is not included or incorporated by reference in such documents but which should have been disclosed therein pursuant to Section 5.2(e).

(f) Board Approval. The Board of Directors of Alpha, by resolutions duly adopted by unanimous vote at a meeting duly called and held and, other than as provided for in Section 7.5, not subsequently rescinded or modified in any way, has duly (i) determined that this Agreement and the Merger are advisable and in the best interests of Alpha and its stockholders, (ii) approved this Agreement and the Merger, (iii) resolved to recommend that the stockholders of Alpha approve and adopt this Agreement and the Merger and directed that this Agreement and the Merger be submitted for consideration by Alpha's stockholders at the Alpha Stockholders Meeting and (iv) taken all other action necessary to render (A) the limitations on business combinations contained in Section 203 of the DGCL (or any similar provision) and (B) the provisions of Article Fifteenth of Alpha's Certificate of Incorporation inapplicable to the transactions contemplated hereby. To the Knowledge of Alpha, except for the limitations on business combinations contained in Section 203 of the DGCL

(which have been rendered inapplicable), no state takeover statute is applicable or purports to be applicable to the Merger or the other transactions contemplated hereby.

(g) Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of Alpha Common Stock (the "Required Alpha Vote") to approve and adopt this Agreement and the Merger is the only vote of the holders of any class or series of Alpha capital stock necessary to approve or adopt this Agreement and the Merger and the other transactions contemplated hereby.

(h) Litigation; Compliance with Laws.

(i) Except as set forth in the Alpha Filed SEC Reports, there is no suit, action, proceeding or regulatory investigation pending or, to the Knowledge of Alpha, threatened, against or affecting Alpha or any Subsidiary of Alpha or any property or asset of Alpha or any Subsidiary of Alpha which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Alpha or any Subsidiary of Alpha which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(ii) Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, Alpha and its Subsidiaries hold all permits, licenses, franchises, variances, exemptions, orders and approvals of all Governmental Entities which are necessary for the operation of the businesses of Alpha and its Subsidiaries, taken as a whole (the "Alpha Permits"), and no suspension or cancellation of any of the Alpha Permits is pending or, to the Knowledge of Alpha, threatened, except for suspensions or cancellations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. Alpha and its Subsidiaries are in compliance with the terms of the Alpha Permits, except where the failure so to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. None of Alpha or any of its Subsidiaries is in violation of, and Alpha and its Subsidiaries have not received any notices of violations with respect to, any Applicable Laws, except for violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(i) Absence of Certain Changes or Events. Except as set forth in the Alpha Filed SEC Reports, since April 1, 2001, Alpha and its Subsidiaries have conducted their business only in the ordinary course, consistent with past practice. Except as set forth in the Alpha Filed SEC Reports, since April 1, 2001, there has not been any event, change, circumstance or development which, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on Alpha and its Subsidiaries. Since April 1, 2001 through the date of this Agreement, none of Alpha or any of its Subsidiaries has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of Section 6.1 (other than Section 6.1(a)(i)).

(j) Environmental Matters. Except as set forth in the Alpha Filed SEC Reports and except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, (i) the operations of Alpha and its Subsidiaries have been and are in compliance with all applicable Environmental Laws (as defined below) and with all Alpha Permits required by applicable Environmental Laws, (ii) there are no pending or, to the Knowledge of Alpha, threatened, actions, suits, claims, investigations or other proceedings (collectively, "Actions") under or pursuant to Environmental Laws against Alpha or its Subsidiaries or involving any real property currently owned or, to the Knowledge of Alpha, formerly owned, or currently or formerly operated or leased, by Alpha or its Subsidiaries and (iii) to the Knowledge of Alpha, Alpha and its Subsidiaries are not subject to any Environmental Liabilities (as defined below), and no facts, circumstances or conditions relating to, arising from, associated with or attributable to any real property currently or formerly owned, operated or leased by Alpha or its Subsidiaries or operations thereon would reasonably be expected to result in Environmental Liabilities for Alpha or its Subsidiaries. The representations and warranties in this Section 5.1(j) constitute the sole representations and warranties of Alpha concerning environmental matters in this Agreement.

As used in this Agreement, "Environmental Laws" means any and all federal, state, local or municipal laws, rules, orders, regulations,

statutes, ordinances, codes, decisions, injunctions, orders, decrees, requirements of any Governmental Entity, any and all common law requirements, rules and bases of liability regulating or imposing liability or legally binding standards of conduct concerning pollution, Hazardous Materials (as defined below) or protection of human health, safety or the environment, as in effect on or prior to the Closing Date and includes the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., the Clean Air Act, 33 U.S.C. Section 2601 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. and the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq., as such laws have been amended or supplemented, and the regulations promulgated pursuant thereto, and all analogous state or local statutes. As used in this Agreement, "Environmental Liabilities" with respect to any Person means any and all liabilities of or relating to such Person or any of its Subsidiaries (including any entity which is a predecessor of such Person or any of such Subsidiaries and for which such Person has liability by law or contract), whether vested or unvested, contingent or fixed, which (i) arise under or relate to matters covered or regulated by, or for which liability is imposed under, Environmental Laws and (ii) relate to actions occurring or conditions existing on or prior to the Closing Date. As used in this Agreement, "Hazardous Materials" means any hazardous or toxic substances, materials or wastes, defined, listed, classified or regulated as such in or under any Environmental Laws and which includes petroleum, petroleum products, friable asbestos, urea formaldehyde and polychlorinated biphenyls.

(k) Intellectual Property. Except as set forth in the Alpha Filed SEC Reports and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries: (i) Alpha and each of its Subsidiaries owns, or is licensed to use (in each case, free and clear of any Liens), all Intellectual Property (as defined below) used in or necessary for the conduct of its business as currently conducted; (ii) to the Knowledge of Alpha, the use of any Intellectual Property by Alpha and its Subsidiaries does not infringe on or otherwise violate the rights of any Person; (iii) the use of Intellectual Property by or on behalf of Alpha and its Subsidiaries is in accordance with any applicable license pursuant to which Alpha or any Subsidiary acquired the right to use any Intellectual Property; (iv) to the Knowledge of Alpha, no Person is challenging, infringing on or otherwise violating any right of Alpha or any of its Subsidiaries with respect to any Intellectual Property owned by and/or licensed to Alpha or its Subsidiaries; and (v) Alpha does not have any Knowledge of any pending claim, order or proceeding with respect to any use of Intellectual Property by Alpha and its Subsidiaries and, to the Knowledge of Alpha, no Intellectual Property owned and/or licensed by Alpha or its Subsidiaries is being used or enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of such Intellectual Property. For purposes of this Agreement, "Intellectual Property" shall mean trademarks, service marks, brand names, certification marks, trade dress and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; inventions, discoveries and ideas, whether patentable or not, in any jurisdiction; patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions or reissues thereof and rights to apply for any of the foregoing, in any jurisdiction; nonpublic information, trade secrets and confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any Person; writings and other works, whether copyrightable or not, in any jurisdiction; and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; and any similar intellectual property or proprietary rights.

(l) Title to Properties. Each of Alpha and its Subsidiaries has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of its tangible properties and assets, except where the failure to have such good and valid title, or valid leasehold interest, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(m) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Alpha or any of its Subsidiaries, except U.S. Bancorp Piper Jaffray (the "Alpha Financial

Advisor"), whose fees and expenses will be paid by Alpha in accordance with Alpha's agreement with such firm.

(n) Opinion of Alpha Financial Advisor. Alpha has received the opinion of the Alpha Financial Advisor, dated the date of this Agreement, to the effect that, as of such date, the consideration to be paid to Washington's stockholders in the Merger is fair, from a financial point of view, to Alpha and its stockholders.

(o) Taxes.

(i) Each of Alpha and its Subsidiaries has timely filed or has caused to be timely filed all Tax returns or reports required to be filed by it, or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, and all such returns and reports are complete and correct, except to the extent that such failures to file, to have extensions granted that remain in effect or to be complete or correct, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. Alpha and each of its Subsidiaries has paid or caused to be paid all Taxes shown as due on such returns and the most recent financial statements contained in the Alpha Filed SEC Reports reflect an adequate reserve in accordance with GAAP for all Taxes payable by Alpha and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements.

(ii) No deficiencies for any Taxes have been proposed, asserted or assessed in writing against Alpha or any of its Subsidiaries that are not adequately reserved for, except for deficiencies that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. The U.S. federal income Tax returns of Alpha and each of its Subsidiaries consolidated in such returns have been either examined by and settled with the IRS or closed by virtue of the applicable statute of limitations and no requests for waivers of the time to assess any such Taxes are pending.

(iii) None of Alpha or any of its Subsidiaries has taken any action, and Alpha has no Knowledge of any fact, agreement, plan or other circumstance, that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(iv) None of Alpha or any of its Subsidiaries is a party to any Tax sharing or Tax indemnity agreements (other than agreements between or among Alpha and its Subsidiaries).

(v) Within the past five years, none of Alpha or any of its Subsidiaries has been a "distributing corporation" or a "controlled corporation" in a distribution intended to qualify under Section 355(a) of the Code.

(vi) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, none of Alpha or any of its Subsidiaries is obligated to make any payments, or is a party to any contract that could obligate it to make any payments, that would not be deductible by reason of Section 162(m) or Section 280G of the Code.

(vii) None of Alpha or any of its Subsidiaries has agreed to make, or is required to make, any material adjustment under Section 481(a) of the Code or any similar provision of state, local or foreign law by reason of a change in accounting methods or otherwise.

(p) Certain Contracts. As of the date hereof, none of Alpha or any of its Subsidiaries is a party to or bound by (i) any non-competition agreement or any other Contract that limits or otherwise restricts Alpha or any of its Subsidiaries or any of their respective affiliates or any successor thereto, or that would, after the Effective Time, to the Knowledge of Alpha, limit or restrict the Combined Company or any of its Subsidiaries or any of their respective affiliates or any successor thereto, from engaging or competing in any line of business in any geographic area, which agreements or other Contracts, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries, after giving effect to the Merger or (ii) any employee benefit plan, employee contract or any other material Contract, pursuant to which any benefits will arise or be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis

of any of the transactions contemplated by this Agreement. All material Contracts of Alpha and its Subsidiaries are valid and binding on Alpha and its Subsidiaries, as applicable, and in full force and effect except to the extent they have previously expired in accordance with their terms or if the failure to be valid, binding and in full force and effect, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. None of Alpha or any of its Subsidiaries has Knowledge of, or has received notice of, any violation or default under (nor to their Knowledge does there exist any condition which with the passage of time or the giving of notice would cause such a violation or default under) the provisions of any Contract of Alpha or any of its Subsidiaries, except for violations or defaults which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(q) Employee Benefits.

(i) With respect to each Alpha Plan, except for Alpha Plans the liabilities under which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, Alpha has made available to Conexant a true, correct and complete copy of: (A) all plan documents, trust agreements, and insurance contracts and other funding vehicles; (B) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules and exhibits, if any; (C) the current summary plan description and any material modifications thereto, if any (in each case, whether or not required to be furnished under ERISA); (D) the three most recent annual financial reports, if any; (E) the three most recent actuarial reports, if any; (F) the most recent determination letter from the IRS, if any; and (G) the annual compliance testing under Sections 401(a) through 416 of the Code for the three most recently completed plan years, if any.

(ii) With respect to each Alpha Plan, Alpha and its Subsidiaries have complied with, and are now in compliance with, all provisions of ERISA, the Code and all other Applicable Laws and regulations applicable to such Alpha Plans and each Alpha Plan has been administered in accordance with its terms, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries. Each Alpha Plan that is required by ERISA to be funded is fully funded in accordance with reasonable actuarial assumptions, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(iii) All Alpha Plans subject to the Applicable Laws of any jurisdiction outside of the United States (A) have been maintained in accordance with all applicable requirements, (B) if they are intended to qualify for special tax treatment meet all requirements for such treatment, and (C) if they are intended to be funded and/or book-reserved are fully funded and/or book-reserved, as appropriate, based upon reasonable actuarial assumptions, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

(iv) None of Alpha or any of its Subsidiaries has any liability under or obligation to any Multiemployer Plan.

(r) Labor Relations. As of the date of this Agreement, (i) none of Alpha or any of its Subsidiaries is a party to any collective bargaining agreement, (ii) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, no labor organization or group of employees of Alpha or any of its Subsidiaries has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the Knowledge of Alpha, threatened to be brought or filed, with the National Labor Relations Board or any other domestic or foreign labor relations tribunal or authority and (iii) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, there are no organizing activities, strikes, work stoppages, slowdowns, lockouts, arbitrations or grievances, or other labor disputes pending or, to the Knowledge of Alpha, threatened against or involving Alpha or any of its Subsidiaries.

(s) Insurance. Alpha maintains insurance coverage with reputable insurers in such amounts and covering such risks as is deemed reasonably appropriate for its business (taking into account the cost and availability of such insurance).

(t) Liens. No Liens exist on any assets of Alpha or any of its

Subsidiaries, except (i) Liens expressly set forth in the notes to Alpha's audited consolidated financial statements as of April 1, 2001 included in the Alpha Filed SEC Reports, (ii) Liens consisting of zoning or planning restrictions, easements, permits or other restrictions or limitations on the use of real property or irregularities in title thereto which do not materially detract from the value of, or impair the use of, such property by Alpha and its Subsidiaries, (iii) Liens for current taxes, assessments or governmental charges or levies on property not yet due or which are being contested in good faith and for which appropriate reserves in accordance with GAAP have been created and (iv) Liens which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries.

SECTION 5.2 REPRESENTATIONS AND WARRANTIES OF CONEXANT. Except as set forth in the Conexant Disclosure Schedule delivered by Conexant to Alpha prior to the execution of this Agreement (the "Conexant Disclosure Schedule") (each section of which, to the extent specified therein, qualifies the correspondingly numbered representation and warranty or covenant of Conexant contained herein and, to the extent it is apparent on the face of such disclosure that such disclosure qualifies another representation and warranty of Conexant contained herein, such other representation and warranty of Conexant), Conexant represents and warrants to Alpha as follows:

(a) Organization, Standing and Power; Subsidiaries.

(i) Conexant and each Subsidiary of Conexant engaged in the Washington Business (as defined in the Distribution Agreement) is a corporation or other organization duly organized, validly existing and in good standing (where applicable) under the laws of its jurisdiction of incorporation or organization, except where the failure to be so organized, existing and in good standing, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. Each of the Washington Companies (as defined in Section 10.11) has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and as it will be conducted through the Effective Time, except where the failure to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, other than in such jurisdictions where the failure so to qualify or to be in good standing, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. The copies of the certificate of incorporation and by-laws of Conexant which were previously furnished or made available to Alpha are true, complete and correct copies of such documents as in effect on the date of this Agreement.

(ii) Washington is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Washington is a direct wholly-owned subsidiary of Conexant. The copies of the certificate of incorporation and by-laws of Washington which were previously furnished or made available to Alpha are true, complete and correct copies of such documents as in effect on the date of this Agreement.

(iii) Section 5.2(a)(iii) of the Conexant Disclosure Schedule sets forth a list of the Washington Companies which as of the date of this Agreement would be Significant Subsidiaries of Washington (as defined in Rule 1-02 of Regulation S-X of the SEC) if the Distribution had occurred immediately prior to the date hereof (the "Washington Significant Subsidiaries"). All the outstanding shares of capital stock of, or other equity interests in, each Washington Significant Subsidiary have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by Conexant, free and clear of all material Liens and free of any other material restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other equity interests, but excluding restrictions under the Securities Act). None of the Washington Companies directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity (other than Subsidiaries of Conexant) that is or would reasonably be expected to be material to the Washington Business taken as a whole.

(b) Capital Structure.

(i) The authorized capital stock of Conexant consists of 1,000,000,000 shares of Common Stock, par value $1.00 per share (the "Conexant Common Stock"), and 25,000,000 shares of preferred stock, without par value (the "Conexant Preferred Stock"), 1,500,000 shares of which are designated as "Series A Junior Participating Preferred Stock" and one share of which is designated as "Series B Voting Preferred Stock". As of November 30, 2001, (A) 254,423,819 shares of Conexant Common Stock and (B) one share of Conexant Preferred Stock designated as "Series B Voting Preferred Stock" were issued and outstanding and no other shares of capital stock of Conexant were issued and outstanding. As of November 30, 2001, 84,082,811 shares of Conexant Common Stock were reserved for issuance upon exercise of options outstanding under Conexant Stock Plans. As of November 30, 2001, no shares of Conexant Common Stock were held as treasury shares. Since November 30, 2001 to the date of this Agreement, no shares of capital stock of Conexant or any other securities of Conexant have been issued other than shares of Conexant Common Stock (and accompanying Conexant Rights (as defined below)) issued pursuant to (w) the Conexant Systems, Inc. Retirement Savings Plan and the Conexant Systems, Inc. Hourly Employees Savings Plan, (x) options or rights outstanding as of November 30, 2001 under Conexant Stock Plans and (y) the exchange or retraction of Exchangeable Shares of Philsar Semiconductor Inc. All issued and outstanding shares of capital stock of Conexant are duly authorized, validly issued, fully paid and nonassessable, and no class of capital stock of Conexant is entitled to preemptive rights. There are outstanding as of the date hereof no options, warrants or other rights to acquire capital stock from Conexant other than (w) rights (the "Conexant Rights") distributed to the holders of Conexant Common Stock pursuant to the Rights Agreement dated as of November 30, 1998, as amended as of December 9, 1999, between Conexant and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "Conexant Rights Agreement"), (x) options and other rights to acquire Conexant Common Stock from Conexant ("Conexant Stock Options") representing in the aggregate the right to purchase 51,394,095 shares of Conexant Common Stock under the Conexant Stock Plans, (y) $94,849,000 aggregate principal amount of Conexant's 4 1/4% Convertible Subordinated Notes due 2006 and $615,000,000 aggregate principal amount of Conexant's 4% Convertible Subordinated Notes due 2007 which are, on the date hereof, convertible into Conexant Common Stock at exercise prices of $23.098 and $108, respectively, per share (collectively, the "Conexant Convertible Notes") and (z) Exchangeable Shares of Philsar Semiconductor Inc. which are exchangeable into, or subject to retraction in exchange for, an aggregate of 357,640 shares of Conexant Common Stock. Section 5.2(b) of the Conexant Disclosure Schedule sets forth a complete and correct list as of a recent date of all outstanding Conexant Stock Options and the exercise prices thereof.

(ii) On the date hereof, the authorized capital stock of Washington consists of 1,000 shares of Washington Common Stock, all of which are issued and outstanding.

(iii) Except as otherwise set forth in this Section 5.2(b) or as provided for in the Reorganization Agreements, as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which Conexant or any member of the Washington Group (as defined in the Distribution Agreement) is a party or by which any of them is bound obligating any of Conexant or any member of the Washington Group to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of Conexant or any member of the Washington Group or obligating Conexant or any member of the Washington Group to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. As of the date of this Agreement, there are no outstanding obligations of Conexant or any member of the Washington Group to repurchase, redeem or otherwise acquire any shares of capital stock of Conexant or any member of the Washington Group.

(c) Authority; No Conflicts.

(i) Conexant has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, subject to further action of the Board of Directors of Conexant to establish the Record Date and the Distribution Date (each as defined in the Distribution Agreement) and provided that the effectiveness of the declaration of the Distribution by the Board of Directors of Conexant is subject to the satisfaction of the conditions set forth in the Distribution Agreement. The execution and delivery of this Agreement and the Reorganization Agreements by Conexant and the consummation by

Conexant of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Conexant, subject to further action of the Board of Directors of Conexant to establish the Record Date and the Distribution Date and provided that the effectiveness of the declaration of the Distribution by the Board of Directors of Conexant is subject to the satisfaction of the conditions set forth in the Distribution Agreement. This Agreement and the Distribution Agreement have been, and the other Reorganization Agreements will be, duly executed and delivered by Conexant and, assuming the due authorization and valid execution and delivery of this Agreement by Alpha, constitute or will constitute valid and binding agreements of Conexant, enforceable against Conexant in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Applicable Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(ii) Washington has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Washington and the consummation by Washington of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Washington. Conexant, as the sole stockholder of Washington, has duly approved and adopted this Agreement and the Merger and has duly approved the transactions contemplated hereby. This Agreement has been duly executed and delivered by Washington and constitutes a valid and binding agreement of Washington, enforceable against Washington in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Applicable Laws relating to or affecting creditors generally and by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The execution and delivery by Conexant and Washington of this Agreement and the Distribution Agreement do not, the execution and delivery by Conexant and Washington of the other Reorganization Agreements will not, and the consummation by Conexant and Washington of the Contribution, the Distribution, the Merger and the other transactions contemplated hereby and thereby will not result in a Violation pursuant to: (A) any provision of the certificate of incorporation or by-laws or similar organizational documents of Conexant, Washington or any Washington Significant Subsidiary or (B) except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business or, to the Knowledge of Conexant, the Combined Company and its Subsidiaries following the Merger, subject to obtaining or making the Conexant Necessary Consents (as defined in paragraph (iv) below), (I) any Contract included in the Washington Assets or by which any of the properties or assets included in the Washington Assets is bound, or (II) any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to any of the Washington Companies or the properties or assets included in the Washington Assets.

(iv) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or any other Person is required by or with respect to Conexant or any Subsidiary of Conexant in connection with the execution and delivery of this Agreement and the Reorganization Agreements by Conexant or Washington or the consummation by Conexant or Washington of the Contribution, the Distribution and the Merger and the other transactions contemplated hereby and thereby, except for those required under or in relation to (A) the HSR Act, (B) state securities or "blue sky" laws, (C) the Securities Act, (D) the Exchange Act, (E) the DGCL with respect to the filing of the Certificate of Merger with the Delaware Secretary, (F) the rules and regulations of Nasdaq, (G) antitrust or other competition laws of other jurisdictions, (H) the further action of the Board of Directors of Conexant to establish the Record Date and the Distribution Date, and the effectiveness of the declaration of the Distribution by the Board of Directors of Conexant (which is subject to the satisfaction of the conditions set forth in the Distribution Agreement) and (I) such consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. Consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to any of the foregoing clauses (A) through (H) or set forth in Section 5.2(c)(iv) of the Conexant Disclosure Schedule are hereinafter referred to as the "Conexant

Necessary Consents".

(v) The Board of Directors of Conexant, by resolutions duly adopted by a unanimous vote of those in attendance at a meeting duly called and held, a quorum being present, has duly (i) determined that this Agreement is advisable and in the best interests of Conexant and its stockholders and (ii) approved this Agreement and the Distribution Agreement and the transactions contemplated hereby and thereby. The Board of Directors of Washington, by resolutions duly adopted by a unanimous vote at a meeting duly called and held, or by action by unanimous written consent, has duly (i) determined that this Agreement is advisable and in the best interests of Washington and its stockholders and (ii) approved this Agreement and the transactions contemplated hereby.

(d) Reports and Financial Statements.

(i) No member of the Washington Group is subject to the periodic reporting requirements of the Exchange Act. With respect to the Washington Business, none of the registration statements, prospectuses, reports, schedules, forms, statements and other documents required to be filed by Conexant and its Subsidiaries with the SEC since January 1, 2000 (collectively, including all exhibits thereto, the "Conexant SEC Reports"), as of their respective dates (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) Included in Section 5.2(d)(ii) of the Conexant Disclosure Schedule are a special purpose statement as of September 30, 2001 of tangible assets and liabilities to be contributed by Conexant and its Subsidiaries to the Washington Group (together with the notes thereto, the "Unaudited Special Purpose Statement of Tangible Net Assets") and a special purpose product line contribution statement with respect to the Washington Business for the year ended September 30, 2001 (together with the notes thereto, and collectively with the Unaudited Special Purpose Statement of Tangible Net Assets, the "Washington Financial Statements"). The Washington Financial Statements fairly present, in all material respects, the tangible assets and liabilities to be contributed by Conexant and its Subsidiaries to the Washington Group as of September 30, 2001 and the product line contribution of the Washington Business for the year ended September 30, 2001.

(iii) Except as disclosed in the Conexant SEC Reports filed and publicly available prior to the date hereof (the "Conexant Filed SEC Reports") or in the Washington Financial Statements, since September 30, 2001, Conexant and its Subsidiaries have not incurred any liabilities that are of a nature that would be required to be disclosed on a statement of assets and liabilities of the Washington Business or in the footnotes thereto prepared in conformity with GAAP, other than liabilities incurred in the ordinary course of business or that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business.

(e) Information Supplied.

(i) None of the information supplied or to be supplied by Conexant or Washington for inclusion or incorporation by reference in (A) the Form S-4 will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (B) the Proxy Statement/Prospectus will, on the date it is first mailed to Conexant stockholders or Alpha stockholders or at the time of the Alpha Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) Notwithstanding the foregoing provisions of this Section 5.2(e), no representation or warranty is made by Conexant with respect to statements made or incorporated by reference in the Form S-4 or the Proxy Statement/Prospectus based on information supplied by Alpha for inclusion or incorporation by reference therein, or based on information which is not included or

incorporated by reference in such documents but which should have been disclosed pursuant to Section 5.1(e).

(f) Litigation; Compliance with Laws.

(i) Except as set forth in the Conexant Filed SEC Reports or in the Washington Financial Statements, there is no suit, action, proceeding or regulatory investigation pending or, to the Knowledge of Conexant, threatened, against or affecting any of the Washington Companies or any property or asset included in the Washington Assets which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Washington Business, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against any of the Washington Companies which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Washington Business.

(ii) Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business, the Washington Companies hold all permits, licenses, franchises, variances, exemptions, orders and approvals of all Governmental Entities which are necessary for the operation of the Washington Business, taken as a whole (the "Washington Permits"), and no suspension or cancellation of any of the Washington Permits is pending or, to the Knowledge of Conexant, threatened, except for suspensions or cancellations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. The Washington Companies are in compliance with the terms of the Washington Permits, except where the failure so to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. None of the Washington Companies is in violation of, and the Washington Companies have not received any notices of violations with respect to, any Applicable Laws, except for violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business.

(g) Absence of Certain Changes or Events. Except as set forth in the Conexant Filed SEC Reports or in the Washington Financial Statements, since September 30, 2001, the Washington Companies have conducted the Washington Business only in the ordinary course, consistent with past practice. Except as set forth in the Conexant Filed SEC Reports, since September 30, 2001, there has not been any event, change, circumstance or development which, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on the Washington Business. Since September 30, 2001 through the date of this Agreement, none of the Washington Companies has taken any action that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of Section 6.2 (other than Section 6.2(a)(i)). Washington has not conducted any activities other than in connection with the organization of Washington, the negotiation, execution and performance of this Agreement and the Reorganization Agreements and the consummation of the transactions contemplated hereby and thereby.

(h) Environmental Matters. Except as set forth in the Conexant Filed SEC Reports or in the Washington Financial Statements and except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business, (i) the operations of the Washington Companies have been and are in compliance with all applicable Environmental Laws and with all Washington Permits required by applicable Environmental Laws, (ii) there are no pending or, to the Knowledge of Conexant, threatened, Actions under or pursuant to Environmental Laws against the Washington Companies or involving any real property currently owned or formerly owned, or currently or formerly operated or leased, by the Washington Companies and (iii) to the Knowledge of Conexant, the Washington Companies are not subject to any Environmental Liabilities and no facts, circumstances or conditions relating to, arising from, associated with or attributable to any real property currently or formerly owned, operated or leased by the Washington Companies or operations thereon would reasonably be expected to result in Environmental Liabilities for the Washington Companies. The representations and warranties in this Section 5.2(h) constitute the sole representations and warranties of Conexant concerning environmental matters in this Agreement.

(i) Intellectual Property. Except as set forth in the Conexant Filed SEC Reports or in the Washington Financial Statements and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business: (i) the Washington Companies own, or are licensed to use (in each case, free and clear of any Liens), all Intellectual Property used in or necessary for the conduct of the Washington Business as currently conducted; (ii) to the Knowledge of

Conexant, the use of any Intellectual Property by the Washington Companies does not infringe on or otherwise violate the rights of any Person; (iii) the use of Intellectual Property by or on behalf of the Washington Companies is in accordance with any applicable license pursuant to which the Washington Companies acquired the right to use any Intellectual Property; (iv) to the Knowledge of Conexant, no Person is challenging, infringing on or otherwise violating any right of the Washington Companies with respect to any Intellectual Property owned by and/or licensed to the Washington Companies; and (v) Conexant does not have any Knowledge of any pending claim, order or proceeding with respect to any use of Intellectual Property by the Washington Companies and, to the Knowledge of Conexant, no Intellectual Property owned and/or licensed by the Washington Companies is being used or enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of such Intellectual Property.

(j) Title to Properties. Each of the Washington Companies has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of the tangible properties and assets that are Washington Assets, except where the failure to have such good and valid title, or valid leasehold interest, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business.

(k) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Conexant or any of its Subsidiaries, except Credit Suisse First Boston Corporation (the "Conexant Financial Advisor"), whose fees and expenses will be paid by Conexant in accordance with Conexant's agreement with such firm.

(l) Opinion of Conexant Financial Advisor. Conexant has received the opinion of the Conexant Financial Advisor, dated the date of this Agreement, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to holders of Conexant Common Stock.

(m) Taxes.

(i) Each of the Washington Companies has timely filed or has caused to be timely filed all Tax returns or reports required to be filed by it with respect to Taxes for which the Washington Group will have liability following the Time of Distribution pursuant to the Tax Allocation Agreement, or requests for extensions to file such returns or reports have been timely filed, granted and have not expired, and all such returns and reports are complete and correct, except to the extent that such failures to file, to have extensions granted that remain in effect or to be complete or correct, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. The Washington Companies have paid or caused to be paid all Taxes shown as due on such returns, other than Taxes for which the Conexant Group will have liability following the Time of Distribution pursuant to the Tax Allocation Agreement.

(ii) No deficiencies for any Taxes have been proposed, asserted or assessed in writing against the Washington Companies that are not adequately reserved for, except for deficiencies that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business and deficiencies with respect to Taxes for which Conexant will have liability following the Time of Distribution pursuant to the Tax Allocation Agreement. The U.S. federal income Tax returns required to be filed with respect to Taxes for which the Washington Group will have liability following the Time of Distribution pursuant to the Tax Allocation Agreement have been either examined by and settled with the IRS or closed by virtue of the applicable statute of limitations and no requests for waivers of the time to assess any such Taxes are pending.

(iii) None of Conexant or its Subsidiaries has taken any action, and Conexant has no Knowledge of any fact, agreement, plan or other circumstance, that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(iv) No member of the Washington Group is a party to any Tax sharing or Tax indemnity agreements (other than agreements between or among members of the Washington Group) that will be in effect after the Time of Distribution.

(v) Within the past five years, no member of the

Washington Group has been a "distributing corporation" or a "controlled corporation" in a distribution intended to qualify under Section 355(a) of the Code.

(vi) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business, no member of the Washington Group is obligated to make any payments, or is a party to any contract that could obligate it to make any payments, that would not be deductible by reason of Section 162(m) or Section 280G of the Code.

(vii) No member of the Washington Group has agreed to make, or is required to make, any material adjustment under Section 481(a) of the Code or any similar provision of state, local or foreign law by reason of a change in accounting methods or otherwise.

(n) Certain Contracts. As of the date hereof, none of the Washington Companies is a party to or bound by (i) any non-competition agreement or any other Contract that will be binding on any member of the Washington Group following the Time of Distribution that limits or otherwise restricts the Washington Companies or any of their respective affiliates or any successor thereto, or that would, after the Effective Time, to the Knowledge of Conexant, limit or restrict the Combined Company or any of its Subsidiaries or any of their respective affiliates or any successor thereto, from engaging or competing in any line of business in any geographic area, which agreements or other Contracts, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries, after giving effect to the Merger or (ii) any employee benefit plan, employee contract or any other material Contract that will be binding on any member of the Washington Group following the Time of Distribution, pursuant to which any benefits will arise or be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement. All material Contracts that will be included in the Washington Assets are valid and binding on the Washington Companies, as applicable, and in full force and effect except to the extent they have previously expired in accordance with their terms or if the failure to be valid, binding and in full force and effect, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business. None of the Washington Companies has Knowledge of, or has received notice of, any violation or default under (nor to their Knowledge does there exist any condition which with the passage of time or the giving of notice would cause such a violation or default under) the provisions of any Contract of the Washington Companies that will be included in the Washington Assets, except for violations or defaults which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business.

(o) Employee Benefits.

(i) With respect to each Washington Plan, except for Washington Plans the liabilities under which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Washington Business, Conexant has made available to Alpha a true, correct and complete copy of: (A) all plan documents, trust agreements, and insurance contracts and other funding vehicles; (B) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules and exhibits, if any; (C) the current summary plan description and any material modifications thereto, if any (in each case, whether or not required to be furnished under ERISA); (D) the three most recent annual financial reports, if any; (E) the three most recent actuarial reports, if any; (F) the most recent determination letter from the IRS, if any; and (G) the annual compliance testing under Sections 401(a) through 416 of the Code for the three most recently completed plan years, if any.

(ii) With respect to each Washington Plan, Conexant and its Subsidiaries have complied with, and are now in compliance with, all provisions of ERISA, the Code and all other Applicable Laws and regulations applicable to such Washington Plans and each Washington Plan has been administered in accordance with its terms, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business. Each Washington Plan that is required by ERISA to be funded is fully funded in accordance with reasonable actuarial assumptions, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business.

(iii) All Washington Plans subject to the Applicable Laws of any jurisdiction outside of the United States (A) have been

maintained in accordance with all applicable requirements, (B) if they are intended to qualify for special tax treatment meet all requirements for such treatment, and (C) if they are intended to be funded and/or book-reserved are fully funded and/or book-reserved, as appropriate, based upon reasonable actuarial assumptions, in each case except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business.

(iv) None of the Washington Companies has any liability under or obligation to any Multiemployer Plan that will be included in the Washington Liabilities.

(p) Labor Relations. As of the date of this Agreement, (i) none of the Washington Companies is a party to any collective bargaining agreement, (ii) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business, no labor organization or group of employees of the Washington Business has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the Knowledge of Conexant, threatened to be brought or filed, with the National Labor Relations Board or any other domestic or foreign labor relations tribunal or authority and (iii) except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business, there are no organizing activities, strikes, work stoppages, slowdowns, lockouts, arbitrations or grievances, or other labor disputes pending or, to the Knowledge of Conexant, threatened against or involving any of the Washington Companies.

(q) Insurance. The Washington Companies maintain insurance coverage with reputable insurers in such amounts and covering such risks as is deemed reasonably appropriate for its business (taking into account the cost and availability of such insurance).

(r) Liens. No Liens exist on any of the Washington Assets, except (i) Liens expressly set forth in the Washington Financial Statements, (ii) Liens consisting of zoning or planning restrictions, easements, permits or other restrictions or limitations on the use of real property or irregularities in title thereto which do not materially detract from the value of, or impair the use of, such property in the Washington Business, (iii) Liens for current taxes, assessments or governmental charges or levies on property not yet due or which are being contested in good faith and for which appropriate reserves in accordance with GAAP have been created and (iv) Liens which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business.

(s) Ownership of Alpha Common Stock. Conexant, together with its affiliates and associates (as those terms are defined in Rule 12b-2 promulgated under the Exchange Act), is not the beneficial owner of 5% or more of the outstanding shares of Alpha Common Stock. For purposes of this Section 5.2(s), a Person shall be deemed to be the "beneficial owner" of Alpha Common Stock if such Person, directly or indirectly, controls the voting of such Alpha Common Stock or has any options, warrants, conversion or other rights to acquire such Alpha Common Stock.

ARTICLE VI

COVENANTS RELATING TO CONDUCT OF BUSINESS

SECTION 6.1 COVENANTS OF ALPHA. During the period from the date of this Agreement and continuing until the Effective Time, Alpha agrees as to itself and its Subsidiaries that (except as required or otherwise expressly contemplated or permitted by this Agreement or Section 6.1 (including its subsections) of the Alpha Disclosure Schedule or as required by a Governmental Entity or to the extent that Conexant shall otherwise consent in writing, which consent shall not be unreasonably withheld or delayed):

(a) Ordinary Course.

(i) Alpha and its Subsidiaries shall carry on their respective businesses in the ordinary course, in substantially the same manner as heretofore conducted, and shall use all reasonable efforts to preserve intact their present business organizations, keep available the services of their current officers and other key employees and preserve their relationships with customers, suppliers and others having business dealings with them to the end that their ongoing businesses shall not be materially impaired at the Effective Time; provided, however, that no action by Alpha or its Subsidiaries

with respect to matters specifically addressed by any other provision of this Section 6.1 shall be deemed a breach of this Section 6.1(a)(i) unless such action would constitute a breach of one or more of such other provisions.

(ii) Other than in connection with acquisitions permitted by Section 6.1(e) or investments permitted by Section 6.1(g), Alpha shall not, and shall not permit any of its Subsidiaries to, (A) enter into any new material line of business or (B) incur or commit to any capital expenditures or any obligations or liabilities in connection with any capital expenditures other than capital expenditures and obligations or liabilities in connection therewith incurred or committed to in the ordinary course of business consistent with past practice.

(b) Dividends; Changes in Share Capital. Alpha shall not, and shall not permit any of its Subsidiaries to, and shall not propose to, (i) declare or pay any dividends on or make other distributions (whether in cash, stock or property) in respect of any of its capital stock, except for dividends by any direct or indirect wholly-owned Subsidiaries of Alpha, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such transaction by a wholly-owned Subsidiary of Alpha which remains a wholly-owned Subsidiary after consummation of such transaction or (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock.

(c) Issuance of Securities. Alpha shall not, and shall not permit any of its Subsidiaries to, issue, deliver, sell, pledge or otherwise encumber, or authorize or propose the issuance, delivery, sale, pledge or encumbrance of, any shares of its capital stock of any class, any Alpha Voting Debt or any securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such shares or Alpha Voting Debt, or enter into any commitment, arrangement, undertaking or agreement with respect to any of the foregoing, other than (i) the issuance of Alpha Common Stock upon the exercise of Alpha Stock Options outstanding on the date hereof in accordance with their present terms or pursuant to Alpha Stock Options or other stock based awards granted pursuant to clause (ii) below, (ii) the granting of Alpha Stock Options or other stock based awards under the Alpha Stock Plans in a manner consistent with Alpha's established policies and guidelines in effect on the date hereof relating to the granting of Alpha Stock Options or other stock based awards or (iii) issuances by a wholly-owned Subsidiary of Alpha of capital stock of such Subsidiary to such Subsidiary's parent or another wholly-owned Subsidiary of Alpha.

(d) Governing Documents. Except to the extent required to comply with its obligations hereunder or with Applicable Laws, Alpha shall not amend or propose to so amend its certificate of incorporation, by-laws or other governing documents.

(e) No Acquisitions. Alpha shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire by merger or consolidation, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, limited liability entity, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any material assets (excluding the acquisition of assets used in the operations of the business of Alpha and its Subsidiaries in the ordinary course consistent with past practice, which assets do not constitute a business unit, division or all or substantially all of the assets of the transferor); provided, however, that the foregoing shall not prohibit (x) internal reorganizations or consolidations involving existing Subsidiaries of Alpha or (y) the creation of new direct or indirect wholly-owned Subsidiaries of Alpha organized to conduct or continue activities otherwise permitted by this Agreement.

(f) No Dispositions. Other than (i) internal reorganizations or consolidations involving existing Subsidiaries of Alpha or (ii) as may be required by or in conformance with Applicable Laws in order to permit or facilitate the consummation of the transactions contemplated hereby, Alpha shall not, and shall not permit any of its Subsidiaries to, sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, or agree to sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, any of its assets (including capital stock of Subsidiaries of Alpha but excluding inventory and obsolete equipment in the ordinary course of business consistent with past practice).

(g) Investments; Indebtedness. Alpha shall not, and shall not permit any of its Subsidiaries to, (i) make any loans, advances or capital

contributions to, or investments in, any other Person, other than (A) loans or investments by Alpha or a Subsidiary of Alpha to or in Alpha or a Subsidiary of Alpha, (B) pursuant to any contract or other legal obligation of Alpha or any of its Subsidiaries as in effect at the date of this Agreement, (C) employee loans or advances for travel, business, relocation or other reimbursable expenses made in the ordinary course of business, (D) loans, advances, capital contributions or investments which in the aggregate do not exceed the amount specified in Section 6.1(g) of the Alpha Disclosure Schedule or (E) loans, advances, capital contributions or investments in the ordinary course of business which are not, individually or in the aggregate, material to Alpha and its Subsidiaries taken as a whole or (ii) create, incur, assume or suffer to exist any indebtedness, issuances of debt securities, guarantees, loans or advances not in existence as of the date of this Agreement except in the ordinary course of business which are not, individually or in the aggregate, material to Alpha and its Subsidiaries taken as a whole. Without limiting Alpha's covenants contained in this Section 6.1, Alpha will consult with Conexant in any efforts by Alpha to obtain financing with respect to Alpha's obligations under the Facility Sale Agreement, provided that Conexant's consent in writing, which shall not be unreasonably withheld or delayed, shall be required prior to Alpha agreeing or committing to such financing. Conexant will cooperate with and reasonably assist Alpha, at Alpha's expense, in Alpha's efforts to obtain such financing.

(h) Tax-Free Qualification. Alpha shall use its reasonable best efforts not to, and shall use its reasonable best efforts not to permit any of its Subsidiaries to, take any action (including any action otherwise permitted by this Section 6.1) that would prevent or impede the Contribution and Distribution from qualifying as a reorganization under Sections 355 and 368 of the Code or the Merger from qualifying as a reorganization under Section 368 of the Code.

(i) Compensation. Except (x) as set forth in Section 6.1(c), (y) as required by Applicable Laws or by the terms of any collective bargaining agreement or other agreement currently in effect between Alpha or any Subsidiary of Alpha and any executive officer or employee thereof or (z) in the ordinary course of business, Alpha shall not increase the amount of compensation or employee benefits of any director, officer or employee of Alpha or any Subsidiary or business unit of Alpha, pay any pension, retirement, savings or profit-sharing allowance to any employee that is not required by any existing plan or agreement, enter into any Contract with any of its employees regarding his or her employment, compensation or benefits, increase or commit to increase any employee benefits, issue any additional Alpha Stock Options, adopt or amend or make any commitment to adopt or amend any Alpha Plan or make any contribution, other than regularly scheduled contributions, to any Alpha Plan. Alpha shall not accelerate the vesting of, or the lapsing of restrictions with respect to, any stock options or other stock-based compensation, except as required by Applicable Laws or in the ordinary course of business or in accordance with this Agreement, and any option committed to be granted or granted after the date hereof shall not accelerate as a result of the approval or consummation of any transaction contemplated by this Agreement. Notwithstanding the foregoing, Alpha may, without Conexant's consent but only after consultation with Conexant, enter into retention or other similar agreements with employees of Alpha on terms, and with such number of employees, as are substantially comparable to the severance or other similar agreements to be entered into between the Washington Companies and their employees.

(j) Accounting Methods; Income Tax Elections. Except as disclosed in the Alpha Filed SEC Reports, as required by a Governmental Entity or as required by changes in GAAP as concurred in by Alpha's independent public accountants, Alpha shall not make any material change in its methods of accounting in effect at April 1, 2001. Alpha shall not, and shall not permit its Subsidiaries to, (i) change its fiscal year or (ii) make any material Tax election or settle or compromise any material income Tax liability, other than in the ordinary course of business consistent with past practice.

(k) Certain Agreements and Arrangements. Alpha shall not, and shall not permit any of its Subsidiaries to, enter into any Contracts that limit or otherwise restrict Alpha or any of its Subsidiaries or any of their respective affiliates or any successor thereto, or that would, after the Effective Time, limit or restrict the Combined Company or any of its Subsidiaries or any of their respective affiliates or any successor thereto, from engaging or competing in any line of business in any geographic area which agreements or arrangements, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries following the Merger.

(l) No Related Actions. Alpha will not, and will not permit any of its Subsidiaries to, agree or commit to do any of the foregoing actions.

SECTION 6.2 COVENANTS OF CONEXANT AND WASHINGTON. During the period from the date of this Agreement and continuing until the Effective Time, Conexant, as to the Washington Companies, and Washington each agrees that (except for the Contribution, the Distribution, as required or otherwise expressly contemplated or permitted by this Agreement, the Reorganization Agreements or Section 6.2 (including its subsections) of the Conexant Disclosure Schedule or as required by a Governmental Entity or to the extent that Alpha shall otherwise consent in writing, which consent shall not be unreasonably withheld or delayed):

(a) Ordinary Course.

(i) The Washington Companies shall carry on the Washington Business in the ordinary course, in substantially the same manner as heretofore conducted, and shall use all reasonable efforts to preserve intact their present business organizations, keep available the services of their current officers and other key employees of the Washington Business and preserve their relationships with customers, suppliers and others having business dealings with them to the end that the Washington Business shall not be materially impaired at the Effective Time; provided, however, that no action by the Washington Companies with respect to matters specifically addressed by any other provision of this Section 6.2 shall be deemed a breach of this Section 6.2(a)(i) unless such action would constitute a breach of one or more of such other provisions.

(ii) Other than in connection with acquisitions permitted by Section 6.2(e) or investments permitted by Section 6.2(g), the Washington Companies shall not (A) enter into any new material line of business that would be part of the Washington Business or (B) incur or commit to any capital expenditures or any obligations or liabilities in connection with any capital expenditures other than capital expenditures and obligations or liabilities in connection therewith incurred or committed to in the ordinary course of business consistent with past practice.

(b) Dividends; Changes in Share Capital. The members of the Washington Group shall not, and shall not propose to, declare any dividends on or make other distributions (whether in cash, stock or property) in respect of any of their capital stock that will be payable after the Effective Time, except for dividends payable entirely to members of the Washington Group. Prior to the Time of Distribution, Conexant will not, and following the Time of Distribution and prior to the Effective Time, Washington will not, (i) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities of Conexant or Washington, as the case may be, in respect of, in lieu of or in substitution for, shares of its capital stock or (ii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock.

(c) Issuance of Securities.

(i) Prior to the Time of Distribution, Conexant shall not issue, deliver, sell, pledge or otherwise encumber, or authorize or propose the issuance, delivery, sale, pledge or encumbrance of, any shares of Conexant Common Stock or any securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such shares, or enter into any commitment, arrangement, undertaking or agreement with respect to any of the foregoing, other than (A) the issuance of Conexant Common Stock (and the associated Conexant Rights) (w) pursuant to the Conexant Systems, Inc. Retirement Savings Plan and the Conexant Systems, Inc. Hourly Employees Savings Plan, (x) upon the exercise of Conexant Stock Options outstanding on the date hereof in accordance with their present terms or pursuant to Conexant Stock Options or other stock based awards granted pursuant to clause (B) below, (y) upon conversion of the Conexant Convertible Notes or (z) pursuant to the exchange or retraction of Exchangeable Shares of Philsar Semiconductor Inc., (B) the granting of Conexant Stock Options or other stock based awards under the Conexant Stock Plans in a manner consistent with Conexant's established policies and guidelines in effect on the date hereof relating to the granting of Conexant Stock Options or other stock based awards or (C) issuances in accordance with the Conexant Rights Agreement.

(ii) Following the Time of Distribution and prior to the Effective Time, no member of the Washington Group will issue, deliver, sell, pledge or otherwise encumber, or authorize or propose the issuance, delivery, sale, pledge or encumbrance of, any shares of its capital stock of any class or any securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such shares, or enter into any commitment, arrangement, undertaking or agreement with respect to any of the foregoing, other

than (A) the granting of options to purchase Washington Common Stock upon conversion of Conexant Stock Options in connection with the Distribution in accordance with the Employee Matters Agreement or (B) issuances by a wholly-owned Subsidiary of Washington of capital stock of such Subsidiary to such Subsidiary's parent or another wholly-owned Subsidiary of Washington.

(d) Governing Documents. Except to the extent required to comply with its obligations hereunder or under the Reorganization Agreements or with Applicable Laws, Washington shall not amend or propose to so amend its certificate of incorporation, by-laws or other governing documents.

(e) No Acquisitions. The Washington Companies shall not acquire or agree to acquire by merger or consolidation, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, limited liability entity, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any material assets (excluding the acquisition of assets used in the operations of the Washington Business in the ordinary course consistent with past practice, which assets do not constitute a business unit, division or all or substantially all of the assets of the transferor), in each case, that would be part of the Washington Business; provided, however, that the foregoing shall not prohibit (x) internal reorganizations or consolidations involving existing Subsidiaries of Conexant or (y) the creation of new direct or indirect wholly-owned Subsidiaries of Conexant organized to conduct or continue activities otherwise permitted by this Agreement.

(f) No Dispositions. Other than (i) internal reorganizations or consolidations involving existing Subsidiaries of Conexant (with respect to which, to the extent involving Washington Assets or Washington Liabilities, Conexant shall reasonably consult with Alpha) or (ii) as may be required by or in conformance with Applicable Laws in order to permit or facilitate the consummation of the transactions contemplated hereby or by the Reorganization Agreements, the Washington Companies shall not sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, or agree to sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, any Assets that would constitute Washington Assets if the Distribution Date were the date hereof (including capital stock of members of the Washington Group, but excluding inventory and obsolete equipment in the ordinary course of business consistent with past practice).

(g) Investments; Indebtedness. The Washington Companies shall not (i) make any loans, advances or capital contributions to, or investments in, any other Person that will be included in the Washington Assets, other than (A) loans or investments by a member of the Washington Group to or in another member of the Washington Group, (B) pursuant to any contract or other legal obligation of any of the Washington Companies as in effect at the date of this Agreement, (C) employee loans or advances for travel, business, relocation or other reimbursable expenses made in the ordinary course of business, (D) loans, advances, capital contributions or investments which in the aggregate do not exceed the amount specified in Section 6.2(g) of the Conexant Disclosure Schedule or (E) loans, advances, capital contributions or investments in the ordinary course of business which are not, individually or in the aggregate, material to the Washington Business taken as a whole or (ii) create, incur, assume or suffer to exist any indebtedness, issuances of debt securities, guarantees, loans or advances not in existence as of the date of this Agreement that will be included in the Washington Liabilities except in the ordinary course of business which are not, individually or in the aggregate, material to the Washington Business taken as a whole.

(h) Tax-Free Qualification. Conexant and Washington shall use their reasonable best efforts not to, and shall use their reasonable best efforts not to permit any of their Subsidiaries to, take any action (including any action otherwise permitted by this Section 6.2) that would prevent or impede the Contribution and Distribution from qualifying as a reorganization under Sections 355 and 368 of the Code or the Merger from qualifying as a reorganization under Section 368 of the Code.

(i) Compensation. Except (x) as set forth in Section 6.2(c), (y) as required by Applicable Laws or by the terms of any collective bargaining agreement or other agreement currently in effect between any of the Washington Companies and any Washington Employee or (z) in the ordinary course of business, none of the Washington Companies shall increase the amount of compensation or employee benefits of any director or any Washington Employee, pay any pension, retirement, savings or profit-sharing allowance to any Washington Employee that is not required by any existing plan or agreement, enter into any Contract with any Washington Employee regarding his or her employment, compensation or benefits, increase or

commit to increase any employee benefits for Washington Employees, issue any additional Conexant Stock Options, adopt or amend or make any commitment to adopt or amend any Washington Plan or make any contribution, other than regularly scheduled contributions, to any Washington Plan for the benefit of Washington Employees. The Washington Companies shall not accelerate the vesting of, or the lapsing of restrictions with respect to, any stock options or other stock-based compensation, except as required by Applicable Laws or in the ordinary course of business or in accordance with this Agreement, and any option committed to be granted or granted after the date hereof shall not accelerate as a result of the approval or consummation of any transaction contemplated by this Agreement. Notwithstanding the foregoing, the Washington Companies may, without Alpha's consent but only after consultation with Alpha, enter into retention or other similar agreements with employees of the Washington Business on terms, and with such number of employees, as are substantially comparable to the severance or other similar agreements currently in effect or to be entered into between Alpha and its employees.

(j) Accounting Methods; Income Tax Elections. Except as disclosed in Conexant Filed SEC Reports or the Washington Financial Statements, as required by a Governmental Entity or as required by changes in GAAP as concurred in by their independent public accountants, the Washington Business shall not make any material change in its methods of accounting in effect at September 30, 2001. No member of the Washington Group will (i) change its fiscal year or (ii) make any material Tax election or settle or compromise any material income Tax liability with respect to matters that will be a liability of the Washington Group after the Time of Distribution pursuant to the Tax Allocation Agreement, other than in the ordinary course of business consistent with past practice.

(k) Certain Agreements and Arrangements. Except as contemplated by the Reorganization Agreements, the Washington Companies shall not enter into any Contracts that will bind any member of the Washington Group after the Time of Distribution that limit or otherwise restrict any of the Washington Companies or any of their respective affiliates or any successor thereto, or that would, after the Effective Time, limit or restrict the Combined Company or any of its Subsidiaries or any of their respective affiliates or any successor thereto, from engaging or competing in any line of business in any geographic area, which agreements or arrangements, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries following the Merger.

(l) No Washington Business Activities. Prior to the Effective Time, Washington will not conduct any activities other than in connection with the organization of Washington, the negotiation and execution of this Agreement, the Reorganization Agreements, the Mexican Stock and Asset Purchase Agreement dated as of the date hereof between Conexant and Alpha (the "Facility Sale Agreement"), the U.S. Asset Purchase Agreement dated as of the date hereof between Conexant and Alpha (the "U.S. Asset Purchase Agreement"), the Facility Services Agreement to be entered into prior to the Effective Time between Conexant and Alpha (the "Facility Services Agreement"), the Newport Supply Agreement, the Newbury Supply Agreement and the consummation of the transactions contemplated hereby and thereby.

(m) No Related Actions. None of Conexant or its Subsidiaries (as to the Washington Companies) or Washington will agree or commit to do any of the foregoing actions.

SECTION 6.3 REPORTS; SEC REPORTS. Each of Conexant (with respect to the Washington Business) and Alpha shall (a) confer on a regular and frequent basis with the other and (b) report to the other (to the extent permitted by law or regulation or any applicable confidentiality agreement) on operational matters. Each of Conexant (with respect to the Washington Business) and Alpha shall file all reports required to be filed by each of them with the SEC between the date of this Agreement and the Effective Time and shall deliver to the other parties copies of all such reports promptly after the same are filed.

SECTION 6.4 CONTROL OF OTHER PARTY'S BUSINESS. Nothing contained in this Agreement shall give Conexant, directly or indirectly, the right to control or direct Alpha's operations prior to the Effective Time. Nothing contained in this Agreement shall give Alpha, directly or indirectly, the right to control or direct the operations of the Washington Business prior to the Effective Time. Prior to the Effective Time, each of Conexant and Alpha shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

ARTICLE VII

ADDITIONAL AGREEMENTS

SECTION 7.1 PREPARATION OF PROXY STATEMENT; STOCKHOLDERS MEETING.

(a) As promptly as reasonably practicable following the date hereof, Alpha and Conexant shall prepare and Alpha shall file with the SEC proxy materials which shall constitute the Proxy Statement/Prospectus to be mailed to Alpha's stockholders in connection with the Alpha Stockholders Meeting (such proxy statement/prospectus, and any amendments or supplements thereto, the "Proxy Statement/Prospectus") and Conexant and Alpha shall prepare and Alpha shall file with the SEC a registration statement on Form S-4 with respect to the issuance of Alpha Common Stock in the Merger (the "Form S-4"). The Proxy Statement/Prospectus will be included in and will constitute a part of the Form S-4 as Alpha's prospectus and will be mailed to Conexant's stockholders as an Information Statement in connection with the Distribution. The Form S-4 and the Proxy Statement/Prospectus will comply as to form in all material respects with the requirements of the Exchange Act and the Securities Act and the rules and regulations of the SEC thereunder. Alpha shall use reasonable best efforts to have the Proxy Statement/Prospectus cleared by the SEC as promptly as reasonably practicable after filing with the SEC, to have the Form S-4 declared effective by the SEC as promptly as reasonably practicable after filing with the SEC and to keep the Form S-4 effective as long as is necessary to consummate the Merger and the transactions contemplated thereby. Alpha shall, as promptly as practicable after receipt thereof, provide to Conexant copies of any written comments and advise Conexant of any oral comments with respect to the Proxy Statement/Prospectus and the Form S-4 received from the SEC. Alpha shall provide Conexant with a reasonable opportunity to review and comment on any amendment or supplement to the Form S-4 or the Proxy Statement/Prospectus prior to filing such with the SEC, and with a copy of all such filings made with the SEC. Notwithstanding any other provision herein to the contrary, no amendment or supplement (including by incorporation by reference) to the Proxy Statement/Prospectus or the Form S-4 shall be made without the approval of both Conexant and Alpha, which approval shall not be unreasonably withheld or delayed. Alpha will use reasonable best efforts to cause the Proxy Statement/Prospectus to be mailed to Alpha's stockholders, and Conexant will use reasonable best efforts to cause the Proxy Statement/Prospectus to be mailed to Conexant's stockholders, in each case as promptly as practicable after the Proxy Statement/Prospectus is cleared by the SEC and the Form S-4 is declared effective under the Securities Act. Alpha shall also take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified or to file a general consent to service of process) required to be taken under any applicable state securities laws in connection with the issuance of Alpha Common Stock in the Merger and Alpha and Conexant shall furnish all information concerning Alpha, Washington and Conexant and the holders of Conexant Common Stock as may be reasonably requested in connection with any such action. Alpha will advise Conexant, promptly after it receives notice thereof, of the time when the Form S-4 has become effective, the issuance of any stop order with respect to the Form S-4, the suspension of the qualification of the Alpha Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Proxy Statement/Prospectus or the Form S-4. If at any time prior to the Effective Time any information relating to Alpha or Washington, or any of their respective affiliates, officers or directors, should be discovered by Alpha or Conexant which should be set forth in an amendment or supplement to the Form S-4 or the Proxy Statement/Prospectus so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties hereto and, to the extent required by Applicable Laws, an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and disseminated to the stockholders of Alpha and Conexant.

(b) Alpha shall duly take all lawful action to call, give notice of, convene and hold a meeting of its stockholders on a date determined in accordance with the mutual agreement of Alpha and Conexant (the "Alpha Stockholders Meeting") for the purpose of obtaining the Required Alpha Vote with respect to the transactions contemplated by this Agreement and shall take all lawful action to solicit the approval and adoption of this Agreement and the Merger by the Required Alpha Vote, and the Board of Directors of Alpha shall recommend approval and adoption of this Agreement and the Merger by the stockholders of Alpha to the effect as set forth in Section 5.1(f) (the "Alpha Recommendation"), and shall not withdraw, modify or qualify (or propose to withdraw, modify or qualify) such recommendation (a "Change in the Alpha Recommendation"); provided, however, that the Board of Directors of Alpha may make a Change in the Alpha Recommendation pursuant to Section 7.5. Notwithstanding any Change in the Alpha Recommendation, this Agreement shall be submitted to the stockholders of Alpha at the Alpha Stockholders Meeting for the purpose of approving and adopting this Agreement and the Merger, and nothing contained

herein shall be deemed to relieve Alpha of such obligation.

SECTION 7.2 COMBINED COMPANY BOARD OF DIRECTORS AND MANAGEMENT. At or prior to the Effective Time, the parties will take all action necessary to effectuate the provisions of Sections 1.8 and 1.9.

SECTION 7.3 ACCESS TO INFORMATION. Upon reasonable notice, each of Conexant and Alpha shall (and shall cause its Subsidiaries to) afford to the officers, employees, accountants, counsel, financial advisors and other representatives of the other reasonable access during normal business hours, during the period prior to the Effective Time, to all its books, records, properties, plants and personnel (in the case of Conexant and its Subsidiaries, only with respect to the Washington Business) and, during such period, such party shall (and shall cause its Subsidiaries to) furnish promptly to the other party all information concerning it and its business, properties and personnel (as to Conexant and its Subsidiaries, only with respect to the Washington Business) as such other party may reasonably request; provided, however, that either party may restrict the foregoing access to the extent that (i) any Applicable Laws or Contract requires such party or its Subsidiaries to restrict or prohibit access to any such properties or information or (ii) the information is subject to confidentiality obligations to a third party. The parties will hold any such information obtained pursuant to this Section 7.3 in confidence in accordance with, and will otherwise be subject to, the provisions of the Mutual Confidentiality Agreement dated September 28, 2001 between Conexant and Alpha (as it may be amended or supplemented, the "Confidentiality Agreement"). Any investigation by either Alpha or Conexant shall not affect the representations and warranties contained herein or the conditions to the respective obligations of the parties to consummate the Merger.

SECTION 7.4 REASONABLE BEST EFFORTS.

(a) Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing or causing to be done, all things necessary, proper or advisable under this Agreement and Applicable Laws to consummate the Merger and the other transactions contemplated by this Agreement as soon as practicable after the date hereof, including (i) taking all reasonable actions to cause the conditions set forth in Article VIII to be satisfied as promptly as reasonably practicable; (ii) preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions and filings and to obtain as promptly as practicable the Tax Ruling, all Alpha Necessary Consents and Conexant Necessary Consents and all other consents, waivers, licenses, orders, registrations, approvals, permits, rulings, authorizations and clearances necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the Merger or any of the other transactions contemplated by this Agreement (collectively, the "Required Approvals") and (iii) taking all reasonable steps as may be necessary to obtain all Required Approvals. In furtherance and not in limitation of the foregoing, each party hereto agrees to make (i) an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby as promptly as practicable after the date hereof, (ii) appropriate filings, if any are required, with the European Commission and/or other foreign regulatory authorities in accordance with applicable competition, merger control, antitrust, investment or similar Applicable Laws, and (iii) all other necessary filings with other Governmental Entities relating to the Merger, and, in each case, to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to such Applicable Laws or by such authorities and to use reasonable best efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and the receipt of the Required Approvals under such other Applicable Laws or from such authorities as soon as practicable. Notwithstanding the foregoing, nothing in this Section 7.4 shall require any of Alpha and its Subsidiaries, Conexant and its Subsidiaries, Washington and its Subsidiaries or the Combined Company and its Subsidiaries to sell, hold separate or otherwise dispose of any assets of Alpha, Conexant, Washington, the Combined Company or their respective Subsidiaries (including the capital stock of any Subsidiary) or conduct their business in a specified manner, or agree to do so, whether as a condition to obtaining any approval from a Governmental Entity or any other Person or for any other reason, if such sale, holding separate or other disposition or the conduct of their business in a specified manner is not conditioned on the Closing or, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries, after giving effect to the Merger (or, only with respect to Conexant and its Subsidiaries, to have a Material Adverse Effect on Conexant and its Subsidiaries, after giving effect to the Distribution).

(b) Each of Alpha, on the one hand, and Conexant and

Washington, on the other hand, shall, in connection with the efforts referenced in Section 7.4(a) to obtain all Required Approvals, use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other party of any communication received by such party from, or given by such party to, the Antitrust Division of the Department of Justice (the "DOJ"), the Federal Trade Commission (the "FTC") or any other Governmental Entity and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, and (iii) permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, the DOJ, the FTC or any such other Governmental Entity or, in connection with any proceeding by a private party, with any other Person, and to the extent appropriate or permitted by the DOJ, the FTC or such other applicable Governmental Entity or other Person, give the other party the opportunity to attend and participate in such meetings and conferences.

(c) In furtherance and not in limitation of the covenants of the parties contained in Section 7.4(a) and Section 7.4(b), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Applicable Laws, or if any statute, rule, regulation, executive order, decree, injunction or administrative order is enacted, entered, promulgated or enforced by a Governmental Entity which would make the Merger or the other transactions contemplated hereby illegal or would otherwise prohibit or materially impair or delay the consummation of the Merger or the other transactions contemplated hereby, each of Conexant and Alpha shall cooperate in all respects with each other and use its respective reasonable best efforts, including, subject to the last sentence of Section 7.4(a), selling, holding separate or otherwise disposing of any assets of Alpha or its Subsidiaries or the Washington Companies (including the capital stock of any Subsidiary) or conducting their business (in the case of Conexant, only with respect to the Washington Business) in a specified manner, or agreeing to do so, to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Merger or the other transactions contemplated by this Agreement and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable so as to permit consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 7.4 shall limit a party's right to terminate this Agreement pursuant to Section 9.1(b) or Section 9.1(c) so long as such party has complied with its obligations under this Section 7.4.

(d) Each of Alpha, Conexant and Washington shall cooperate with each other in obtaining opinions of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Alpha, and Chadbourne & Parke LLP, counsel to Conexant and Washington, to satisfy the conditions set forth in Section 8.2(c) and Section 8.3(c). In connection therewith, each of Alpha and Conexant shall deliver to such counsel customary representation letters in form and substance reasonably satisfactory to such counsel.

SECTION 7.5 ACQUISITION PROPOSALS.

(a) Without limiting Alpha's other obligations under this Agreement (including under Article VI hereof), Alpha agrees that from and after the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement in accordance with Article IX, neither it nor any of its Subsidiaries shall, and it shall use its reasonable best efforts to cause its and its Subsidiaries' officers, directors, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any proposal or offer with respect to, or a transaction to effect, any Alpha Acquisition Proposal (as defined below), (ii) have any discussions with or provide any confidential information or data to any Person relating to an Alpha Acquisition Proposal, or engage in any negotiations concerning an Alpha Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement an Alpha Acquisition Proposal, (iii) approve or recommend, or propose publicly to approve or recommend, any Alpha Acquisition Proposal or (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Alpha Acquisition Proposal.

(b) For purposes of this Agreement, "Alpha Acquisition

Proposal" means any inquiry, proposal or offer from any Person with respect to (A) a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Alpha or any of its Significant Subsidiaries (as defined in Rule 1-02 of Regulation S-X of the SEC), (B) any purchase or sale or other disposition of 20% or more of the consolidated assets (including stock of its Subsidiaries) of Alpha and its Subsidiaries, taken as a whole, or (C) any purchase or sale of, or tender or exchange offer for, or similar transaction with respect to, the equity securities of Alpha that, if consummated, would result in any Person (or the stockholders of such Person) beneficially owning securities representing 20% or more of the total voting power of Alpha (or of the surviving parent entity in such transaction) or any of its Significant Subsidiaries, including in the case of each of clauses (A) through (C), any single or multi-step transaction or series of related transactions (other than a proposal or offer made by Conexant or a Subsidiary thereof).

(c) Notwithstanding anything in this Agreement to the contrary, Alpha or its Board of Directors shall be permitted to (i) to the extent applicable, comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to an Alpha Acquisition Proposal, (ii) effect a Change in the Alpha Recommendation or (iii) engage in any discussions or negotiations with, or provide any information to, any Person in response to an unsolicited bona fide written Alpha Acquisition Proposal by any such Person (which has not been withdrawn) in order to be informed with respect thereto in order to make any determination permitted in clause (ii), if and only to the extent that, in any such case referred to in clause (ii) or (iii), (A) the Alpha Stockholders Meeting shall not have occurred, (B) it has received an unsolicited bona fide written Alpha Acquisition Proposal from a third party (which has not been withdrawn) and (x) in the case of clause (ii) above, its Board of Directors concludes in good faith that such Alpha Acquisition Proposal constitutes a Superior Alpha Proposal and (y) in the case of clause (iii) above, its Board of Directors concludes in good faith that there is a reasonable likelihood that such Alpha Acquisition Proposal would constitute a Superior Alpha Proposal, (C) its Board of Directors, after consultation with its outside counsel, determines in good faith that such action is required by its fiduciary duties to stockholders under Applicable Laws as a result of such Alpha Acquisition Proposal, (D) in the case of clause (ii) above, it shall provide Conexant immediate written notice of such action, (E) prior to providing any information or data to any Person in connection with an Alpha Acquisition Proposal by any such Person, it receives from such Person an executed confidentiality agreement containing terms substantially the same as the Confidentiality Agreement and (F) prior to providing any information or data to any Person or entering into discussions or negotiations with any Person, it notifies Conexant promptly of such inquiries, proposals or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, such Person or any of its representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any inquiries, proposals or offers, and furnishes to Conexant a copy of any such written inquiry, proposal or offer. Alpha agrees that it will promptly keep Conexant informed of the status and terms of any such proposals or offers and the status and terms of any such discussions or negotiations and will promptly provide Conexant with any such written proposals or offers. Alpha agrees that it will, and will cause its officers, directors and representatives to, immediately cease and cause to be terminated any activities, discussions or negotiations existing as of the date of this Agreement with any Persons conducted heretofore with respect to any Alpha Acquisition Proposal, and request the return or destruction of all non-public information furnished in connection therewith. Alpha agrees that it will use reasonable best efforts to promptly inform its directors, officers, key employees, agents and representatives of the obligations undertaken by Alpha in this Section 7.5. Nothing in this Section 7.5 shall (x) permit Alpha to terminate this Agreement (except as specifically provided in Article IX) or (y) affect any other obligation of Alpha or Conexant under this Agreement. Alpha shall not submit to the vote of its stockholders any Alpha Acquisition Proposal other than the Merger.

(d) For purposes of this Agreement, "Superior Alpha Proposal" means a bona fide written Alpha Acquisition Proposal (for purposes of this definition of "Superior Alpha Proposal", references to 20% in the definition of "Alpha Acquisition Proposal" shall be deemed to be references to 50%) made by a Person other than a party hereto which is on terms which the Board of Directors of Alpha in good faith concludes (following receipt of the advice of its financial advisors), taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the Person making the proposal, (x) would, if consummated, result in a transaction that is more favorable to its stockholders (in their capacities as stockholders), from a financial point of view, than the transactions contemplated by this Agreement and (y) is reasonably likely to be completed.

(e) Without limiting Conexant's other obligations under this Agreement (including under Article VI hereof), Conexant agrees that from and after the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement in accordance with Article IX, neither it nor any of its Subsidiaries shall, and it shall use its reasonable best efforts to cause its and its Subsidiaries' officers, directors, employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate (including by way of furnishing information) any inquiries or the making of any proposal or offer with respect to, or a transaction to effect, any Washington Acquisition Proposal (as defined below), (ii) have any discussions with or provide any confidential information or data to any Person relating to a Washington Acquisition Proposal, or engage in any negotiations concerning a Washington Acquisition Proposal, or knowingly facilitate any effort or attempt to make or implement a Washington Acquisition Proposal, (iii) approve or recommend, or propose publicly to approve or recommend, any Washington Acquisition Proposal or (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Washington Acquisition Proposal.

(f) For purposes of this Agreement, "Washington Acquisition Proposal" means any inquiry, proposal or offer from any Person with respect to any purchase or sale or other disposition of 20% or more of the consolidated assets (including stock of subsidiaries) of the Washington Business, including any single or multi-step transaction or series of related transactions (other than a proposal or offer made by Alpha or a Subsidiary thereof).

SECTION 7.6 EMPLOYEE BENEFITS MATTERS.

(a) Continuation and Comparability of Benefits. Subject to the Employee Matters Agreement, from and after the Effective Time, the employee benefit plans established or assumed by Washington pursuant to the Employee Matters Agreement and the Alpha Plans in effect as of the date of this Agreement and at the Effective Time shall remain in effect with respect to Washington Participants (as defined in the Employee Matters Agreement) and employees and former employees of Alpha and its Subsidiaries (collectively, the "Combined Company Employees"), covered by such plans at the Effective Time, until such time as the Combined Company shall otherwise determine, subject to Applicable Laws and the terms of such plans. Prior to the Effective Time, or as soon as reasonably practicable thereafter, Conexant and Alpha shall cooperate in reviewing, evaluating and analyzing the Washington Plans and the Alpha Plans with a view towards developing appropriate new benefit plans for Combined Company Employees. It is the intention of Conexant and Alpha, to the extent permitted by Applicable Laws, to develop new benefit plans prior to the Effective Time or as soon as reasonably practicable after the Effective Time which, among other things, (i) treat similarly situated employees on a substantially equivalent basis, taking into account all relevant factors, including duties, geographic location, tenure, qualifications and abilities and (ii) do not discriminate between Combined Company Employees who were covered by Washington Plans, on the one hand, and those covered by Alpha Plans, on the other, at the Effective Time. Nothing in this Section 7.6 shall be interpreted as preventing the Combined Company from amending, modifying or terminating any employee benefit plans established or assumed by Washington pursuant to the Employee Matters Agreement or any Alpha Plan or other contract, arrangement, commitment or understanding, in accordance with its terms and Applicable Laws.

(b) Pre-Existing Limitations; Deductibles; Service Credit. With respect to any employee benefit plans in which any Combined Company Employees who were employees of Conexant or Alpha (or their Subsidiaries) prior to the Effective Time first become eligible to participate on or after the Effective Time, and in which the Combined Company Employees did not participate prior to the Effective Time (the "New Combined Company Plans"), the Combined Company shall: (A) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Combined Company Employees and their eligible dependents under any New Combined Company Plans in which such employees may be eligible to participate after the Effective Time, except to the extent such pre-existing conditions, exclusions or waiting periods would apply under the analogous Washington Plan or Alpha Plan, as the case may be; (B) provide each Combined Company Employee and their eligible dependents with credit for any co-payments and deductibles paid prior to the Effective Time under a Washington Plan or an Alpha Plan (to the same extent such credit was given under the analogous employee benefit plan prior to the Effective Time) in satisfying any applicable deductible or out-of-pocket requirements under any New Combined Company Plans in which such employees may be eligible to participate after the Effective Time; and (C) recognize all service of the Combined Company Employees with Conexant

and Alpha, and their respective affiliates, for purposes of eligibility to participate, vesting credit, entitlement to benefits and, other than with respect to defined benefit pension plans, benefit accrual, in any New Combined Company Plan in which such employees may be eligible to participate after the Effective Time, to the extent such service is taken into account under the applicable New Combined Company Plan; provided that the foregoing shall not apply to the extent it would result in duplication of benefits.

SECTION 7.7 Fees and Expenses. Subject to Section 9.2(c) of this Agreement and Section 4.09 of the Distribution Agreement, whether or not the Merger is consummated, all Expenses (as defined below) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such Expenses, except Expenses incurred in connection with the filing, printing and mailing of the Form S-4 and the Proxy Statement/Prospectus, which shall be shared equally by Alpha and Conexant. As used in this Agreement, "Expenses" means all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the transactions contemplated hereby, including the preparation, printing, filing and mailing of the Form S-4 and the Proxy Statement/Prospectus and the solicitation of stockholder approval and all other matters related to the transactions contemplated hereby.

SECTION 7.8 DIRECTORS' AND OFFICERS' INDEMNIFICATION AND INSURANCE.

(a) The Combined Company shall (i) indemnify and hold harmless, and provide advancement of expenses to, all past and present directors, officers and employees of Alpha and its Subsidiaries (in all of their capacities as such), to the same extent such persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by Alpha pursuant to Alpha's certificate of incorporation, by-laws and indemnification agreements, if any, in existence on the date hereof with any such directors, officers and employees of Alpha and its Subsidiaries for acts or omissions occurring at or prior to the Effective Time (including for acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby) and (ii) cause to be maintained for a period of six years after the Effective Time the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by Alpha (provided that the Combined Company may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous to the insured than the current policies maintained by Alpha) with respect to claims arising from facts or events that occurred on or before the Effective Time; provided, however, that in no event shall the Combined Company be required to expend in any one year an amount in excess of 200% of the annual premiums (on a per capita basis) currently paid by Alpha for such insurance; and, provided, further, that if the annual premiums of such insurance coverage exceed such amount, the Combined Company shall be obligated to obtain a policy with the greatest coverage available for a cost not exceeding such amount.

(b) The Combined Company shall (i) indemnify and hold harmless, and provide advancement of expenses to, all past and present directors, officers and employees of the Washington Companies (in all of their capacities as such), to the same extent such persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by Conexant pursuant to Conexant's certificate of incorporation, by-laws and indemnification agreements, if any, in existence on the date hereof with any such directors, officers and employees of the Washington Companies for acts or omissions occurring at or prior to the Effective Time (including for acts or omissions occurring in connection with the approval of this Agreement and the consummation of the transactions contemplated hereby) and (ii) maintain in effect for each of the applicable persons referred to in clause (i) for a period of six years after the Effective Time policies of directors' and officers' liability insurance and fiduciary liability insurance of at least the same coverage and amounts as, and containing terms and conditions which are, in the aggregate, no less advantageous to the insured than, the current policies of directors' and officers' liability insurance maintained by Conexant, with respect to claims arising from facts or events that occurred on or before the Effective Time; provided, however, that in no event shall the Combined Company be required to expend in any one year an amount in excess of 200% of the annual premiums (on a per capita basis) currently paid by Conexant for such insurance; and, provided, further, that if the annual premiums of such insurance coverage exceed such amount, the Combined Company shall be obligated to obtain a policy with the greatest coverage available for a cost not exceeding such amount.

(c) The provisions of this Section 7.8 are intended to be for the benefit of and shall be enforceable by each indemnified or insured

party referred to above in this Section 7.8.

SECTION 7.9 PUBLIC ANNOUNCEMENTS. Alpha and Conexant each shall use reasonable best efforts to develop a joint communications plan and each party shall use reasonable best efforts (i) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications plan, and (ii) unless otherwise required by Applicable Laws or by obligations pursuant to any listing agreement with or rules of any securities exchange or automated quotation system, to consult with each other before issuing any press release or, to the extent practicable, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby.

SECTION 7.10 ACCOUNTING MATTERS.

(a) Alpha shall use reasonable best efforts to cause to be delivered to Conexant two letters from Alpha's independent public accountants, one dated approximately the date on which the Form S-4 shall become effective and one dated the Closing Date, each addressed to Alpha, Conexant and Washington, in form and substance reasonably satisfactory to Conexant and reasonably customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Form S-4.

(b) Conexant shall use reasonable best efforts to cause to be delivered to Alpha two letters from Washington's independent public accountants, one dated approximately the date on which the Form S-4 shall become effective and one dated the Closing Date, each addressed to Conexant, Alpha and Washington, in form and substance reasonably satisfactory to Alpha and reasonably customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Form S-4.

SECTION 7.11 LISTING OF SHARES OF ALPHA COMMON STOCK. Alpha shall prior to the Effective Time use reasonable best efforts to cause the shares of Alpha Common Stock to be issued in the Merger and the shares of Alpha Common Stock to be reserved for issuance upon exercise of the Converted Options to be approved for listing on the Nasdaq National Market System prior to the Closing Date.

SECTION 7.12 AFFILIATES. Not less than 45 days prior to the Effective Time, Conexant shall deliver to Alpha a letter identifying all persons who, in the judgment of Conexant, may be deemed at the time this Agreement is submitted for approval by Conexant as the sole stockholder of Washington, "affiliates" of Washington for purposes of Rule 145 under the Securities Act and applicable SEC rules and regulations, and such list shall be updated as necessary to reflect changes from the date of delivery thereof. Conexant shall use reasonable best efforts to cause each person identified on such list to deliver to Alpha not less than 30 days prior to the Effective Time, a written agreement substantially in the form attached hereto as Exhibit H (an "Affiliate Agreement").

SECTION 7.13 SECTION 16 MATTERS. Prior to the Effective Time, Alpha shall take all such steps as may be required to cause any acquisitions or dispositions of Alpha Common Stock (including derivative securities with respect to Alpha Common Stock) resulting from the transactions contemplated by this Agreement by each individual who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Alpha to be exempt under Rule 16b-3 promulgated under the Exchange Act, such steps to be taken in accordance with applicable SEC rules and regulations and interpretations of the SEC staff.

SECTION 7.14 TAKEOVER STATUTES. If any "fair price", "moratorium", "control share acquisition" or other form of antitakeover statute or regulation shall become applicable to the transactions contemplated hereby, each of Conexant, Alpha and Washington and their respective Boards of Directors shall use all reasonable efforts to grant such approvals and take such actions as are reasonably necessary so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of such statute or regulation on the transactions contemplated hereby.

SECTION 7.15 ADVICE OF CHANGES. Each of Conexant and Alpha shall as promptly as reasonably practicable after becoming aware thereof advise the others of (a) any representation or warranty made by it contained in this Agreement that is qualified as to materiality becoming untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becoming untrue or inaccurate in any material respect, (b) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or

satisfied by it under this Agreement or (c) any change or event (i) having, or which would, individually or in the aggregate, reasonably be expected to have, in the case of Alpha, a Material Adverse Effect on Alpha and its Subsidiaries, and, in the case of Conexant, a Material Adverse Effect on the Washington Business, or (ii) which has resulted, or which, insofar as can reasonably be foreseen, would result, in any of the conditions set forth in Article VIII not being satisfied; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

SECTION 7.16 SHAREHOLDERS AGREEMENT. Concurrently with the execution and delivery of this Agreement, each of the directors and executive officers of Alpha set forth on Exhibit I shall execute and deliver a Shareholders Agreement, substantially in the form attached hereto as Exhibit J (the "Shareholders Agreement").

SECTION 7.17 TAX RULING. In connection with the Distribution, Conexant shall use its reasonable best efforts in seeking, as promptly as practicable, the Tax Ruling. Prior to filing with the Internal Revenue Service (the "IRS"), Conexant shall furnish Alpha with a draft of the ruling request letter with respect to the Tax Ruling and of any substantive supplemental submission in respect thereof. Alpha may review and provide any comments on such drafts and Conexant shall reasonably consider any comments provided in a reasonably prompt manner by Alpha. Conexant shall keep Alpha fully informed of the status of the Tax Ruling request. At Conexant's request, Alpha shall cooperate with and use its reasonable best efforts to assist Conexant in connection with the Tax Ruling request. At Alpha's reasonable request, Conexant shall cooperate with Alpha and use its reasonable best efforts to seek to obtain, as promptly as practicable, any supplemental Tax Ruling or other guidance from the IRS.

SECTION 7.18 OPTION ACCELERATION.

(a) Except with respect to the acceleration of the vesting and the extension of the exercise period of the Alpha Stock Options set forth in Section 7.18 of the Alpha Disclosure Schedule, Alpha will take all action necessary to prevent the acceleration of the vesting of, or the lapsing of restrictions with respect to, any stock options, restricted stock or other stock-based compensation (including the Alpha Stock Options, and whether granted under the Alpha Stock Plans or otherwise) as a result of the approval or consummation of any transaction contemplated by this Agreement.

(b) Washington will take all action necessary to prevent the acceleration of the vesting of, or the lapsing of restrictions with respect to, any stock options, restricted stock or other stock-based compensation (including the Washington Options and any Converted Options into which they may be converted hereunder, and whether granted under the Conexant Stock Plans, the Washington Stock Plans or otherwise) as a result of the approval or consummation of any transaction contemplated by this Agreement.

SECTION 7.19 EMPLOYMENT AND SEVERANCE ARRANGEMENTS. Except with respect to the acceleration of the vesting and the extension of the exercise period of the Alpha Stock Options set forth in Section 7.18 of the Alpha Disclosure Schedule, Alpha will take all action necessary to ensure that no officer, director or other employee of Alpha or any of its Subsidiaries will become entitled to receive any change of control or other payment or benefit under any employment, severance or other agreement with Alpha or any of its Subsidiaries, including those agreements set forth on Exhibit E, that may otherwise arise as a result of the approval or consummation of any transaction contemplated by this Agreement.

SECTION 7.20 TRANSITION SERVICES AGREEMENT. Promptly following the date hereof, Alpha and Conexant will discuss the scope, nature, term and pricing of the transition services to be provided by Conexant to Alpha following the Effective Time pursuant to the Transition Services Agreement. Alpha and Conexant will negotiate in good faith with respect thereto and prior to the Effective Time will enter into the Transition Services Agreement in a form reasonably satisfactory to Alpha and Conexant. The Transition Services Agreement will provide that either party may terminate any services provided under the Transition Services Agreement upon such prior written notice as the parties shall mutually agree prior to the Effective Time.

ARTICLE VIII

CONDITIONS PRECEDENT

SECTION 8.1 CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE MERGER. The respective obligations of Washington and Alpha to effect the

Merger are subject to the satisfaction or waiver prior to the Effective Time of the following conditions:

(a) Stockholder Approval. Alpha shall have obtained the Required Alpha Vote.

(b) No Injunctions or Restraints, Illegality. No Applicable Laws shall have been adopted, promulgated or enforced by any Governmental Entity, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Entity of competent jurisdiction (an "Injunction") shall be in effect, having the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger.

(c) No Pending Governmental Actions. No proceeding initiated by any Governmental Entity seeking, and which is reasonably likely to result in the granting of, an Injunction shall be pending.

(d) HSR Act. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(e) EU Antitrust. If required, Alpha and Conexant shall have received in respect of the Merger and any matters arising therefrom confirmation by way of a determination from the European Commission under Regulation 4064/89 (with or without the initiation of proceedings under Article 6(1)(c) thereof) that the Merger and any matters arising therefrom are compatible with the common market.

(f) Governmental and Regulatory Approvals. Other than the filings provided for under Section 1.2 and filings pursuant to the HSR Act and, if required, the EC Merger Regulation (which are addressed in Section 8.1(d) and Section 8.1(e)), all consents, approvals, orders or authorizations of, actions of, filings and registrations with and notices to any Governmental Entity (i) required of Alpha, Conexant, Washington or any of their Subsidiaries to consummate the Merger and the other transactions contemplated hereby, the failure of which to be obtained or taken would reasonably be expected to have a Material Adverse Effect on the Combined Company and its Subsidiaries, taken together after giving effect to the Merger or (ii) set forth in Section 8.1(f) of the Alpha Disclosure Schedule or Section 8.1(f) of the Conexant Disclosure Schedule shall have been obtained and shall be in full force and effect.

(g) Nasdaq Listing. The shares of Alpha Common Stock to be issued in the Merger and to be reserved for issuance in connection with the Merger shall have been approved for listing on the Nasdaq National Market System.

(h) Effectiveness of the Form S-4. The Form S-4 shall have been declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the Form S-4 shall then be in effect and no proceedings for that purpose shall be pending before or threatened by the SEC.

(i) Pre-Merger Transactions. The Contribution and the Distribution shall have been consummated in accordance with the terms of this Agreement and the Distribution Agreement (which includes additional conditions to such consummation) and in all material respects in accordance with the Tax Ruling, provided that the failure of the Contribution and the Distribution to be consummated shall not be a condition to the obligations of a party whose breach (or breach by an Affiliate thereof) of the Distribution Agreement has been the cause of, or resulted in, such failure.

(j) Tax Ruling. Conexant shall have received the Tax Ruling and the Tax Ruling shall be in full force and effect and shall not have been modified or amended in any respect adversely affecting the Tax consequences set forth therein.

(k) Mexicali Conditions. Each condition to the closing of the Facility Sale Agreement set forth in Article VI thereof (other than in Section 6.4 thereof) shall have been satisfied.

SECTION 8.2 ADDITIONAL CONDITIONS TO OBLIGATIONS OF ALPHA. The obligation of Alpha to effect the Merger is subject to the satisfaction or waiver by Alpha prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. Each of the representations and warranties of Conexant set forth in this Agreement and in Section 2.01(d)(i) of the Distribution Agreement shall be true and correct (without giving effect to any qualification or limitation as to materiality or Material Adverse Effect set forth therein), in each case as of the date of this Agreement and (except to the extent that such representations and

warranties speak solely as of another date) as of the Closing Date as though made on and as of the Closing Date, except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Washington Business, and Alpha shall have received a certificate of Conexant executed by an executive officer of Conexant to such effect.

(b) Performance of Obligations of Conexant and Washington. Each of Conexant and Washington shall have performed or complied with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or Material Adverse Effect and shall have performed or complied in all material respects with all other agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are not so qualified, and Alpha shall have received a certificate of Conexant executed by an executive officer of Conexant to such effect.

(c) Tax Opinion. Alpha shall have received an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, dated the Closing Date, to the effect that, on the basis of facts, representations and assumptions, including the validity of the Tax Ruling, set forth in such opinion which are consistent with the state of facts existing at the Effective Time, the Merger will constitute a reorganization under Section 368 of the Code.

(d) Net Assets Statement. Conexant shall have delivered the Special Purpose Statement of Tangible Net Assets in accordance with Section 2.01(d)(ii) of the Distribution Agreement.

(e) Mexicali Conditions. Each condition to the closing of the Facility Sale Agreement set forth in Section 7.2 thereof shall have been satisfied.

(f) Ancillary Agreements. The Employee Matters Agreement and the Tax Allocation Agreement shall have been executed and delivered by Conexant and Washington and the Facility Services Agreement, the Newport Supply Agreement, the Newbury Supply Agreement and the Transition Services Agreement shall have been executed and delivered by Conexant.

SECTION 8.3 ADDITIONAL CONDITIONS TO OBLIGATIONS OF WASHINGTON. The obligation of Washington to effect the Merger is subject to the satisfaction or waiver by Conexant prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. Each of the representations and warranties of Alpha set forth in this Agreement shall be true and correct (without giving effect to any qualification or limitation as to materiality or Material Adverse Effect set forth therein), in each case as of the date of this Agreement and (except to the extent that such representations and warranties speak solely as of another date) as of the Closing Date as though made on and as of the Closing Date, except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alpha and its Subsidiaries, and Conexant shall have received a certificate of Alpha executed by an executive officer of Alpha to such effect.

(b) Performance of Obligations of Alpha. Alpha shall have performed or complied with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or Material Adverse Effect and shall have performed or complied in all material respects with all other agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are not so qualified, and Conexant shall have received a certificate of Alpha executed by an executive officer of Alpha to such effect.

(c) Tax Opinion. Conexant and Washington shall have received an opinion from Chadbourne & Parke LLP, dated the Closing Date, to the effect that, on the basis of facts, representations and assumptions, including the validity of the Tax Ruling, set forth in such opinion which are consistent with the state of facts existing at the Effective Time, the Merger will constitute a reorganization under Section 368 of the Code.

(d) Employment and Severance Arrangements. Conexant shall have received written evidence reasonably satisfactory to Conexant that Alpha has taken all action necessary to ensure that no officer, director or other employee of Alpha or any of its Subsidiaries has received or will become entitled to receive any change of control or other payment or benefit under any employment, severance or other agreement with Alpha or any of its Subsidiaries (except with respect to the acceleration of the vesting and the extension of the exercise period of the Alpha Stock Options set forth in Section 7.18 of the Alpha Disclosure Schedule), including those

agreements set forth on Exhibit E, that may otherwise arise as a result of the approval or consummation of any transaction contemplated by this Agreement.

(e) Mexicali Condition. Each condition to the closing of the Facility Sale Agreement set forth in Section 7.1 thereof shall have been satisfied.

(f) Ancillary Agreements. The Employee Matters Agreement, the Tax Allocation Agreement, the Facility Services Agreement, the Newport Supply Agreement, the Newbury Supply Agreement and the Transition Services Agreement shall have been executed and delivered by Alpha.

ARTICLE IX

TERMINATION AND AMENDMENT

SECTION 9.1 TERMINATION. This Agreement may be terminated at any time prior to the Effective Time, by action taken or authorized by the Board of Directors of the terminating party or parties, and except as provided below, whether before or after approval of the matters presented in connection with the Merger by the stockholders of Alpha:

(a) by mutual written consent of Conexant and Alpha;

(b) by either Conexant or Alpha if the Effective Time shall not have occurred on or before September 30, 2002 (the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to any party whose failure to fulfill in any material respect any obligation under this Agreement (including such party's obligations set forth in Section 7.4) has been the cause of, or resulted in, the failure of the Effective Time to occur on or before the Termination Date;

(c) by either Conexant or Alpha if any Governmental Entity (i) shall have issued an order, decree or ruling or taken any other action (which such party shall have used its reasonable best efforts to resist, resolve or lift, as applicable, in accordance with Section 7.4) permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable or (ii) shall have failed to issue an order, decree or ruling, or to take any other action, necessary to fulfill any conditions set forth in subsections 8.1(d) and (e), and the failure to issue such order, decree, ruling or take such action shall have become final and nonappealable; provided, however, that the right to terminate this Agreement under this Section 9.1(c) shall not be available to any party whose failure to comply with Section 7.4 has been the cause of, or resulted in, such action or inaction;

(d) by either Conexant or Alpha if the approval by the stockholders of Alpha required for the consummation of the Merger shall not have been obtained by reason of the failure to obtain the Required Alpha Vote upon the taking of such vote at a duly held meeting of stockholders of Alpha or at any adjournment thereof;

(e) by Conexant, if (i) Alpha's Board of Directors shall have (A) failed to make the Alpha Recommendation, (B) withdrawn the Alpha Recommendation, (C) modified or qualified the Alpha Recommendation in any manner adverse to Conexant or Washington or (D) failed to confirm the Alpha Recommendation within five Business Days of Conexant's request to do so (or resolved or proposed to take any such action referred to in clause (A), (B), (C) or (D)), in each case, whether or not permitted by the terms hereof, (ii) Alpha shall have breached its obligations under this Agreement by reason of a failure to call and hold the Alpha Stockholders Meeting in accordance with Section 7.1(b) or a failure to prepare and mail to its stockholders the Proxy Statement/Prospectus in accordance with Section 7.1(a) or (iii) a tender or exchange offer relating to securities of Alpha shall have been commenced by a Person unaffiliated with Conexant, and Alpha shall not have sent to its stockholders pursuant to Rule 14e-2 under the Exchange Act, within ten Business Days after such tender or exchange offer is first published, sent or given, a statement that Alpha recommends rejection of such tender or exchange offer;

(f) by Conexant, if Alpha shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, such that the conditions set forth in Section 8.3(a) or Section 8.3(b) are not capable of being

satisfied on or before the Termination Date; or

(g) by Alpha, if Conexant or Washington shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, such that the conditions set forth in Section 8.2(a) or Section 8.2(b) are not capable of being satisfied on or before the Termination Date.

SECTION 9.2 EFFECT OF TERMINATION.

(a) In the event of termination of this Agreement by either Conexant or Alpha as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of Alpha, Conexant or Washington or their respective officers or directors under this Agreement, except that (i) the provisions of Section 5.1(m), Section 5.2(k), the second sentence of Section 7.3, Section 7.7, this Section 9.2 and Article X shall survive such termination, and (ii) notwithstanding anything to the contrary contained in this Agreement (including Section 7.7), none of Alpha, Conexant or Washington shall be relieved or released from any liabilities or damages arising out of its willful breach of any provision of this Agreement.

(b) If:

(i) (A) (x) either Conexant or Alpha shall terminate this Agreement pursuant to Section 9.1(b) without the Alpha Stockholder Meeting having occurred or pursuant to Section 9.1(d) or (y) Conexant shall terminate this Agreement pursuant to Section 9.1(f) as a result of any intentional breach or failure to perform by Alpha (unless covered by clause (ii) below), and

(B) at any time after the date of this Agreement and before such termination an Alpha Acquisition Proposal shall have been publicly announced or, in the case of termination of this Agreement pursuant to Section 9.1(b) or Section 9.1(f), publicly announced or otherwise communicated to the senior management, Board of Directors or stockholders of Alpha, and

(C) within nine months of such termination Alpha or any of its Subsidiaries enters into a definitive agreement with respect to, or consummates, any Alpha Acquisition Proposal (for purposes of this clause (C), references to 20% in the definition of "Alpha Acquisition Proposal" shall be deemed to be references to 50%); or

(ii) Conexant shall terminate this Agreement pursuant to Section 9.1(e);

then Alpha shall promptly, but in no event later than the date of such termination (or in the case of clause (i), if later, the date Alpha or its Subsidiary enters into such agreement with respect to or consummates such Alpha Acquisition Proposal), pay Conexant an amount equal to Forty-Five Million dollars ($45,000,000), by wire transfer of immediately available funds.

(c) The parties acknowledge that the agreements contained in this Section 9.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the parties would not enter into this Agreement; accordingly, if Conexant or Alpha fails promptly to pay any amount due pursuant to this Section 9.2, and, in order to obtain such payment, the other party commences a suit which results in a judgment against such party for the fee set forth in this Section 9.2, such party shall pay to the other party its costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the fee from the date such payment is required to be made until the date such payment is actually made at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made. The parties agree that any remedy or amount payable pursuant to this Section 9.2 shall not preclude any other remedy or amount payable hereunder, and shall not be an exclusive remedy, for any willful breach of any provision of this Agreement.

SECTION 9.3 AMENDMENT. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with this Agreement and the Merger by the stockholders of Alpha, but, after any such approval, no amendment shall be made which by law or in accordance with the rules of any relevant stock exchange or automated quotation system requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 9.4 EXTENSION; WAIVER. At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their

respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of other parties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions of other parties contained herein or in any document delivered pursuant hereto. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.1 NON-SURVIVAL OF REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS. None of the representations, warranties, covenants and other agreements in this Agreement or in any certificate delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Effective Time, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Effective Time.

SECTION 10.2 NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) upon confirmation of receipt if delivered by telecopy or telefacsimile, (c) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service, or (d) on the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) if to Conexant or Washington to

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
Fax: (949) 483-6388
Attention: Dennis E. O'Reilly
Senior Vice President, General
Counsel and Secretary

with a copy to

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
Fax: (212) 541-5369
Attention: Peter R. Kolyer, Esq.

(b) if to Alpha to

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4426
Attention: Paul E. Vincent
Chief Financial Officer

with a copy to

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4564
Attention: James K. Jacobs, Esq.
General Counsel

SECTION 10.3 INTERPRETATION. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation".

SECTION 10.4 COUNTERPARTS. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that the parties need not sign the same counterpart.

SECTION 10.5 ENTIRE AGREEMENT; NO THIRD PARTY BENEFICIARIES.

(a) This Agreement, the Confidentiality Agreement, the Reorganization Agreements, the Facility Sale Agreement, the U.S. Asset Purchase Agreement, the Facility Services Agreement, the Newport Supply Agreement, the Newbury Supply Agreement and the exhibits and schedules hereto and thereto and the other agreements and instruments of the parties delivered in connection herewith and therewith constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and thereof.

(b) This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 7.8 (which is intended to be for the benefit of the Persons covered thereby).

SECTION 10.6 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to choice of law principles thereof).

SECTION 10.7 SEVERABILITY. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon any such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

SECTION 10.8 ASSIGNMENT. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other parties, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

SECTION 10.9 SUBMISSION TO JURISDICTION; WAIVERS. Each of Alpha, Conexant and Washington irrevocably agrees that any legal action or proceeding with respect to this Agreement, the transactions contemplated hereby, any provision hereof, the breach, performance, validity or invalidity hereof or for recognition and enforcement of any judgment in respect hereof brought by another party hereto or its successors or permitted assigns may be brought and determined in any federal or state court located in the State of Delaware, and each of Alpha, Conexant and Washington hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of Alpha, Conexant and Washington hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, the transactions contemplated hereby, any provision hereof or the breach, performance, enforcement, validity or invalidity hereof, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by Applicable Laws, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

SECTION 10.10 ENFORCEMENT. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is

accordingly agreed that the parties shall be entitled to specific performance of the terms hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 10.11 DEFINITIONS. As used in this Agreement:

(a) "affiliate" means (except as specifically otherwise defined), as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

(b) An "Alpha Plan" means any employee benefit plan, program, policy, practice or other arrangement providing benefits to any current or former employee, officer or director of Alpha or any of its Subsidiaries or any beneficiary or dependent thereof that is sponsored or maintained by Alpha or any of its Subsidiaries or to which Alpha or any of its Subsidiaries contributes or is obligated to contribute, whether or not written, including any employee benefit plan within the meaning of Section 3(3) of ERISA (whether or not such plan is subject to ERISA) and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, or similar program or agreement.

(c) "Alpha Stock Plans" means, collectively, the Alpha Industries, Inc. 1986 Long-Term Incentive Plan; the Alpha Industries, Inc. 1999 Employee Long-Term Incentive Plan; the Alpha Industries, Inc. Long-Term Compensation Plan; the Alpha Industries, Inc. 1994 Non-Qualified Stock Option Plan for Non-Employee Directors; the Alpha Industries, Inc. 1997 Non-Qualified Stock Option Plan for Non-Employee Directors; the Alpha Industries, Inc. 1996 Long-Term Incentive Plan; the Alpha Industries, Inc. Directors' 2001 Stock Option Plan; and the Alpha Industries, Inc. Employee Stock Purchase Plan.

(d) "Applicable Laws" means all applicable laws, statutes, orders, rules, regulations, policies or guidelines promulgated, or judgments, decisions or orders entered, by any Governmental Entity.

(e) "beneficial ownership" or "beneficially own" (except as specifically otherwise defined) shall have the meaning under Section 13(d) of the Exchange Act and the rules and regulations thereunder.

(f) "Board of Directors" means the Board of Directors of any specified Person and any committees thereof.

(g) "Business Day" means a day other than a Saturday, a Sunday or a day on which banks are required or authorized to close in the City of New York.

(h) "Conexant Stock Plans" means, collectively, the Conexant Systems, Inc. 2001 Employee Stock Purchase Plan; the Conexant Systems, Inc. 2001 Performance Share Plan; the Conexant Systems, Inc. 1999 Non-Qualified Stock Purchase Plan; the Conexant Systems, Inc. 1998 Stock Option Plan; the Conexant Systems, Inc. 1999 Long-Term Incentives Plan; the Conexant Systems, Inc. 2000 Non-Qualified Stock Plan; the Conexant Systems, Inc. Directors Stock Plan; the Istari Design, Inc. 1997 Stock Option Plan; the Microcosm Communications Limited Stock Option Plan; the Maker Communications, Inc. 1999 Stock Incentive Plan; the Maker Communications, Inc. 1999 Non-Employee Director Stock Option Plan; the Maker Communications, Inc. 1996 Stock Option Plan; the Applied Telecom, Inc. 2000 Non-Qualified Stock Option Plan; the Philsar Semiconductor Inc. Stock Option Plan; the Sierra Imaging, Inc. 1996 Stock Option Plan; the HotRail, Inc. 2000 Equity Plan; the HotRail, Inc. 1997 Equity Incentive Plan; the Novanet Semiconductor Ltd. Employee Shares Option Plan; the NetPlane Systems, Inc. Stock Option Plan; and the HyperXS Communications, Inc. 2000 Stock Option Plan.

(i) "Converted Option" means a Washington Option which has been converted into an option to purchase shares of Alpha Common Stock pursuant to the Merger.

(j) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(k) "Known" or "Knowledge" means, (i) with respect to Conexant, the knowledge of any of Dwight W. Decker, Balakrishnan S. Iyer, Dennis E. O'Reilly, Moiz M. Beguwala and Mohy Abdelgany after reasonable inquiry and (ii) with respect to Alpha, the knowledge of any of Thomas C. Leonard, David J. Aldrich, Paul E. Vincent, Ljubisa Ristic, Michael Dys, David

Fryklund and Jean-Pierre Gillard after reasonable inquiry.

(l) "Material Adverse Effect" means, with respect to any entity or business (or group of entities or businesses taken as a whole), any event, change, circumstance or development that is materially adverse to (i) the ability of such entity or business (or group of entities or businesses taken as a whole) (or, in the case of a Material Adverse Effect with respect to the Washington Business, Conexant and its Subsidiaries) to consummate the transactions contemplated by this Agreement or (ii) the business, financial condition or results of operations of such entity or business (or, if with respect thereto, of such group of entities or businesses taken as a whole), other than, with respect to this clause (ii), any (1) change in the stock price of such entity or business, in and of itself, or (2) event, change, circumstance or development (A) resulting from any action taken in connection with the transactions contemplated hereby pursuant to the terms of this Agreement, (B) relating to the economy or financial markets in general, (C) relating in general to the industries in which such entity or business operates and not specifically relating to such entity or business or (D) relating to any action or omission of Conexant, Alpha or Washington or any Subsidiary of any of them taken with the express prior written consent of the parties hereto.

(m) A "Multiemployer Plan" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

(n) "Nasdaq" means The Nasdaq Stock Market, Inc.

(o) "Person" means an individual, corporation, limited liability entity, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act), including any Governmental Entity.

(p) "Reorganization Agreements" means collectively, the Distribution Agreement, the Employee Matters Agreement, the Tax Allocation Agreement and the Transition Services Agreement.

(q) "Subsidiary" when used with respect to any Person means any corporation or other organization, whether incorporated or unincorporated, at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

(r) "Tax" (and, with correlative meaning, "Taxes" and "Taxable") shall mean (i) any federal, state, local or foreign net income, gross income, receipts, windfall profit, severance, property, production, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum, ad valorem, transfer, stamp, or environmental tax, or any other tax, customs, duty or other like assessment or charge of any kind whatsoever, together with any interest or penalty, addition to tax or additional amount imposed by any governmental authority; (ii) any liability for payments of a type described in clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group; and (iii) any liability for the payment of any amounts as a result of being party to a tax sharing arrangement or as a result of any express or implied obligation to indemnify any Person with respect to the payment of amounts of the type described in clause (i) or clause (ii).

(s) "Tax Ruling" means a private letter ruling issued by the IRS in form and substance reasonably satisfactory to Conexant and Alpha indicating that the Contribution and the Distribution will qualify as a reorganization under Sections 355 and 368 of the Code.

(t) "Washington Companies" means, collectively, Conexant and its Subsidiaries who are engaged in the Washington Business, in each case, solely to the extent related to the Washington Business, it being understood that the term "Washington Companies" shall not be deemed to refer to Conexant and its Subsidiaries to the extent not related to the Washington Business.

(u) "Washington Employee" means any employee or former employee of the Washington Business with respect to whom a member of the Washington Group will have liability pursuant to the Employee Matters Agreement.

(v) A "Washington Plan" means any employee benefit plan, program, policy, practice or other arrangement providing benefits to any Washington Participants or any beneficiary or dependent thereof that is sponsored or maintained by Conexant or any of its Subsidiaries or to which Conexant or any of its Subsidiaries contributes or is obligated to contribute, whether or not written, including any employee benefit plan within the meaning of Section 3(3) of ERISA (whether or not such plan is

subject to ERISA) and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, or similar program or agreement.

Each of the following terms is defined in the Section of this Agreement or the agreement set forth opposite such term:

Term	Section
Actions	5.1(j)
Affiliate Agreement	7.12
Agreement	Preamble
Alpha	Preamble
Alpha Acquisition Proposal	7.5(b)
Alpha Common Stock	1.4(a)
Alpha Disclosure Schedule	5.1
Alpha Filed SEC Reports	5.1(d)(ii)
Alpha Financial Advisor	5.1(m)
Alpha Necessary Consents	5.1(c)(iii)
Alpha Permits	5.1(h)(ii)
Alpha Recommendation	7.1(b)
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Change in the Alpha Recommendation	7.1(b)
Closing	1.2(a)
Closing Date	1.2(a)
Code	Recitals
Combined Company	Recitals
Combined Company Employees	7.6(a)
Conexant	Preamble
Conexant Common Stock	5.2(b)(i)
Conexant Convertible Notes	5.2(b)(i)
Conexant Disclosure Schedule	5.2
Conexant Filed SEC Reports	5.2(d)(iii)
Conexant Financial Advisor	5.2(k)
Conexant Necessary Consents	5.2(c)(iv)
Conexant Preferred Stock	5.2(b)(i)
Conexant Rights	5.2(b)(i)
Conexant Rights Agreement	5.2(b)(i)
Conexant SEC Reports	5.2(d)(i)
Conexant Stock Options	5.2(b)(i)
Confidentiality Agreement	7.3
Contract	5.1(c)(ii)
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Delaware Secretary	1.2(b)
DGCL	1.1
Distribution	Recitals
Distribution Agreement	Recitals
Distribution Date	Distribution Agreement
DOJ	7.4(b)
Effective Time	1.2(b)
Employee Matters Agreement	4.1
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Environmental Liabilities	5.1(j)
Excess Alpha Shares	3.2(d)(ii)
Exchange Act	5.1(c)(iii)
Exchange Agent	3.1
Exchange Fund	3.1
Exchange Ratio	1.4(a)
Expenses	7.7
Facility Sale Agreement	6.2(l)
Facility Services Agreement	6.2(l)
Form S-4	7.1(a)
FTC	7.4(b)
GAAP	5.1(d)(i)
Governmental Entity	5.1(c)(iii)
Hazardous Materials	5.1(j)
HSR Act	5.1(c)(iii)
Injunction	8.1(b)
Intellectual Property	5.1(k)
IRS	7.17
Liens	5.1(a)(ii)
Merger	Recitals
New Combined Company Plans	7.6(b)
Newbury Supply Agreement	4.1
Newport Supply Agreement	4.1
Proxy Statement/Prospectus	7.1(a)

Record Date	Distribution Agreement
Required Approvals	7.4(a)
Required Alpha Vote	5.1(g)
Restated Certificate	1.6
SEC	5.1(a)(ii)
Securities Act	3.3
Shareholders Agreement	7.16
Special Purpose Statement of Tangible Net Assets	Distribution Agreement
Superior Alpha Proposal	7.5(d)
Tax Allocation Agreement	4.1
Termination Date	9.1(b)
Time of Distribution	Distribution Agreement
Transition Services Agreement	4.1
Unaudited Special Purpose Statement of Tangible Net Assets	5.2(d)(ii)
U.S. Asset Purchase Agreement	6.2(l)
Violation	5.1(c)(ii)
Washington	Preamble
Washington Acquisition Proposal	7.5(f)
Washington Assets	Distribution Agreement
Washington Business	Distribution Agreement
Washington Certificate	1.4(b)
Washington Common Stock	Recitals
Washington Financial Statements	5.2(d)(ii)
Washington Group	Distribution Agreement
Washington Liabilities	Distribution Agreement
Washington Option	Employee Matters Agreement
Washington Participant	Employee Matters Agreement
Washington Permits	5.2(f)(ii)
Washington Significant Subsidiaries	5.2(a)(iii)
Washington Stock Plan	Employee Matters Agreement
Washington Subsidiaries	Distribution Agreement

SECTION 10.12 DISCLOSURE SCHEDULE. The mere inclusion of an item in the relevant Disclosure Schedule as an exception to a representation, warranty or covenant shall not be deemed an admission by a party that such item represents a material exception or material fact, event or circumstance or that such item has had or would have a Material Adverse Effect with respect to Conexant, Alpha, Washington, any Subsidiary of the foregoing or the Washington Business, as applicable.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

CONEXANT SYSTEMS, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and Chief Executive Officer

WASHINGTON SUB, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and Chief Executive Officer

ALPHA INDUSTRIES, INC.

By: /s/ David J. Aldrich

David J. Aldrich

President and Chief Executive Officer

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CONTRIBUTION AND DISTRIBUTION AGREEMENT

by and between

CONEXANT SYSTEMS, INC.

and

WASHINGTON SUB, INC.

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December 16, 2001

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SCHEDULES

CONTRIBUTION AND DISTRIBUTION AGREEMENT

CONTRIBUTION AND DISTRIBUTION AGREEMENT (this "Agreement"), dated as of December 16, 2001, by and between CONEXANT SYSTEMS, INC., a Delaware corporation ("Conexant"), and WASHINGTON SUB, INC., a Delaware corporation and a wholly-owned subsidiary of Conexant ("Washington").

WHEREAS, Conexant, Washington and Alpha Industries, Inc., a Delaware corporation ("Alpha"), have entered into an Agreement and Plan of Reorganization, dated as of the date hereof (the "Merger Agreement"),

providing for, among other things, the merger of Washington with and into Alpha, with Alpha being the surviving corporation (the "Merger");

WHEREAS, it is a condition to the Merger that, prior to the Effective Time (as defined in the Merger Agreement), the Contribution (as defined herein) and the Distribution (as defined herein) be completed;

WHEREAS, subject to the terms and conditions contained herein, immediately prior to the Effective Time, the Conexant Board (as defined herein) will cause Conexant to distribute to the holders of shares of Common Stock, par value $1 per share, of Conexant ("Conexant Common Stock") and Conexant Series B Preferred Stock (as defined herein), other than shares held in the treasury of Conexant, on a pro rata basis as provided for herein, all of the issued and outstanding shares of Common Stock, par value $.01 per share, of Washington ("Washington Common Stock") (the "Distribution");

WHEREAS, subject to the terms and conditions contained herein, immediately prior to the Distribution, Conexant and the Conexant Subsidiaries (as defined herein) will transfer the Washington Assets and the Washington Subsidiaries (each as defined herein) to Washington or one of the Washington Subsidiaries and Washington and the Washington Subsidiaries will assume the Washington Liabilities (as defined herein), all as more fully described in this Agreement (the "Contribution");

WHEREAS, Conexant and Washington have determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Contribution and the Distribution and certain other agreements that will govern certain matters relating to the Contribution and the Distribution and the relationship of Conexant, Washington and the respective members of the Conexant Group and the Washington Group (each as defined herein) following the Contribution and the Distribution; and

WHEREAS, the parties to this Agreement intend that the Contribution and the Distribution qualify under Sections 355 and 368 of the Code (as defined herein) as a reorganization and that the Merger qualifies under Section 368 of the Code as a reorganization.

NOW, THEREFORE, in consideration of the premises and of the respective agreements and covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 GENERAL. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"1999 Indenture" means the Indenture dated as of May 12, 1999 between Conexant and The First National Bank of Chicago, as Trustee.

"2000 Indenture" means the Indenture dated as of February 1, 2000 between Conexant and Bank One Trust Company, National Association, as Trustee.

"Accounts Receivable" means accounts, loans and notes receivable (whether current or not current), including receivables due from employees, and all proceeds thereof and rights to payment with respect thereto.

"Action" means, with respect to any Person, any actual or threatened or future action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity or any claims or other legal matters that have been or may be asserted by or against, or otherwise affect, such Person.

"Administrative Services" shall have the meaning set forth in Section 5.03(e)(i)(A).

"Administrative Services Software" shall have the meaning set forth in Section 5.03(e)(i)(B).

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person; provided, however, that for purposes of the Transaction Agreements, following the Time of Distribution, no member of either Group shall be deemed to be an Affiliate of any member of the other Group. For purposes of the immediately preceding sentence, the term

"control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning set forth in the preamble.

"Alpha" shall have the meaning set forth in the recitals.

"Ancillary Agreements" means, collectively, the Employee Matters Agreement, the Tax Allocation Agreement, the Transition Agreement and the Conveyance and Assumption Instruments.

"Asset/Liability Allocation Matter" shall have the meaning set forth in Section 2.01(b).

"Assets" means any and all assets, properties and rights, whether tangible or intangible, real, personal or mixed, fixed, contingent or otherwise, and wherever located (other than ownership interests in Subsidiaries), including the following:

(a) Real Property;

(b) Machinery and Equipment;

(c) Inventories;

(d) bank accounts;

(e) cash, cash on hand, cash equivalents, funds, certificates of deposit, similar instruments and travelers checks;

(f) Accounts Receivable;

(g) advances, performance and surety bonds, and interests as beneficiary under letters of credit and other similar instruments and all proceeds thereof;

(h) Securities;

(i) Hedging Arrangements;

(j) Data and Records;

(k) Patents and Trademarks;

(l) Trade Secrets;

(m) Contracts;

(n) credits, prepayments, prepaid expenses, deposits and retentions held by third parties;

(o) claims, causes of action, choses in action, rights under express or implied warranties, guarantees and indemnities and similar rights, rights of recovery, rights of set-off, rights of subrogation and all other rights of any kind (including the right to receive mail and other communications);

(p) Permits;

(q) goodwill and going concern value; and

(r) other intangible assets not otherwise included in clauses (a) through (q) of this definition.

"Assigning Party" shall have the meaning set forth in Section 2.08.

"Audited Balance Sheet" means the combined balance sheet of the Washington Business as of September 30, 2001, together with the notes thereto, audited by Deloitte & Touche LLP, prepared in accordance with U.S. generally accepted accounting principles.

"By-laws" means Washington's amended by-laws in the form attached hereto as Schedule 1.01(a).

"Cash" means all cash, cash on hand, cash equivalents, funds, certificates of deposit, similar instruments and travelers checks held by Conexant or any of its Subsidiaries and Affiliates (including members of the Washington Group) immediately prior to the Time of Distribution.

"Certificate of Incorporation" means Washington's restated

certificate of incorporation in the form attached hereto as Schedule 1.01(g).

"Claims Administration" means the processing of claims made under Policies, including the reporting of claims to the insurance carrier, management and defense of claims, and providing for appropriate releases upon settlement of claims.

"Claims Made Policies" shall have the meaning set forth in Section 5.01(b).

"Code" means the Internal Revenue Code of 1986, as amended, or any successor legislation.

"Combined Company" shall have the meaning set forth in the Merger Agreement.

"Conexant" shall have the meaning set forth in the preamble.

"Conexant Assets" means the following:

(a) all rights of any member of the Conexant Group under any Transaction Agreement to which it is or becomes a party;

(b) all Assets which are expressly allocated to any member of the Conexant Group pursuant to any Ancillary Agreement;

(c) the following specifically enumerated Assets which immediately prior to the Time of Distribution are owned by Conexant or any of its Subsidiaries (including members of the Washington Group), in each case whether or not such Assets are used in or relate to the Conexant Business or the Washington Business:

(i) (A) all Conexant Bank Accounts and (B) all Cash (including all Cash contained in the Conexant Bank Accounts);

(ii) all Machinery and Equipment other than that set forth on Schedule 1.01(b);

(iii) all Securities;

(iv) all Hedging Arrangements;

(v) all Patents and Trademarks other than those set forth on Schedule 1.01(c);

(vi) all Accounts Receivable;

(vii) all Policies and all rights, benefits and privileges thereunder and related thereto (including the right to receive any and all return premiums with respect thereto), other than rights with respect to Policies to the extent provided in Sections 5.01(b) and 5.01(c);

(viii) other than as provided for in Section 5.02, all rights in, and to the
use of, the Conexant Marks;

(ix) all rights in, and to the use of, the names, trademarks, trade names, domain names and service marks "Mindspeed", "Mindspeed Technologies" and "Mindspeed Technologies, Inc." and all corporate symbols and logos related thereto and all names, trademarks, trade names, domain names and service marks which include the words "Mindspeed", "Mindspeed Technologies" or "Mindspeed Technologies, Inc." or any derivative thereof;

(x) all Real Property (including the wafer fabrication and other manufacturing, assembly and test facilities and other facilities located at Newport Beach, California, San Diego, California, Mexicali, Mexico and El Paso, Texas and the real property and fixtures associated therewith) other than the Washington Real Property;

(xi) all Inventories other than Washington Inventories;

(xii) all Assets, including the stock and assets of Maquiladora (as defined in the Facility Sale Agreement), subject to the Facility Sale Agreement and the U.S. Asset Purchase Agreement;

(xiii) all Assets set forth on Schedule 1.01(f); and

(xiv) the Conexant Bluetooth Baseband Solution;

(d) all other Assets which immediately prior to the Time of Distribution are owned by Conexant or any of its Subsidiaries (including members of the Washington Group) that are not Washington Assets; and

(e) all rights, choses in action, causes of action and claims of Conexant or any of its Subsidiaries (including members of the Washington Group) to the extent relating to any asset described in clauses (a) through (d) above.

Anything contained herein to the contrary notwithstanding, assets described in paragraphs (b) and (c) of the definition of "Washington Assets" will not be included in Conexant Assets.

"Conexant Bank Accounts" means all bank accounts of Conexant or any of its Subsidiaries (including members of the Washington Group) immediately prior to the Time of Distribution.

"Conexant Bluetooth Baseband Solution" means the Bluetooth baseband solution known internally at Conexant as "Albert" and "Cobalt", the ownership of which is retained by Conexant at the Time of Distribution.

"Conexant Board" means the Board of Directors of Conexant or a duly authorized committee thereof.

"Conexant Business" means (a) the businesses and operations engaged in prior to the Time of Distribution by the members of the Pre-Distribution Group (but with respect to each such member who has ceased to be an Affiliate of Conexant or its predecessors, only businesses engaged in prior to the time that such member of the Pre-Distribution Group ceased to be an Affiliate of Conexant or its predecessors) of researching, developing, designing, engineering, manufacturing, having manufactured, assembling, having assembled, selling, distributing, installing, modifying, repairing, servicing and supporting semiconductor products and systems for communications electronics markets such as personal computers, personal imaging devices, wireless communications products, network access products, digital information and entertainment products, and activities related thereto, (b) Former Businesses related to any of the foregoing, including Former Businesses set forth on Schedule 1.01(d), and (c) activities related to the foregoing, in the case of each of the foregoing clauses (a), (b) and (c), other than any businesses, operations or activities included in the Washington Business. The parties acknowledge that businesses contained in the Conexant Business have in the past operated under the names Mindspeed Technologies, Network Access Division, Digital Infotainment Division, Personal Imaging Division and Personal Computing Division.

"Conexant Common Stock" shall have the meaning set forth in the recitals.

"Conexant Expenses" means the following out-of-pocket fees, costs and expenses of Conexant or any of its Subsidiaries (including members of the Washington Group), whether incurred and/or paid before, at or after the Time of Distribution:

(a) all out-of-pocket fees, costs and expenses incurred in connection with the preparation, execution and delivery of the Facility Sale Agreement, the U.S. Asset Purchase Agreement and the Facility Services Agreement; and

(b) all out-of-pocket fees, costs and expenses relating to the Contribution, the Distribution and/or the Merger to the extent the same relate to operations of the Conexant Business after the Time of Distribution.

"Conexant Financial Instruments" means those credit facilities, guaranties, foreign currency forward exchange contracts, comfort letters, letters of credit and similar instruments related to the Conexant Business under which any member of the Washington Group has any primary, secondary, contingent, joint, several or other Liability after the Time of Distribution (a) set forth on Schedule 1.01(e) or (b) entered into between the date hereof and the Time of Distribution in the ordinary course of business.

"Conexant Group" means Conexant and the Conexant Subsidiaries.

"Conexant Indemnitees" means each member of the Conexant Group and each of their respective Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing.

"Conexant Liabilities" means the following:

(a) all Liabilities of any member of the Conexant Group under any Transaction Agreement to which it is or becomes a party;

(b) all Liabilities for which any member of the Conexant Group is expressly made responsible pursuant to any Ancillary Agreement;

(c) the following specifically enumerated Liabilities of Conexant or any of its Subsidiaries (including members of the Washington Group), in each case whether or not such Liabilities relate to the Conexant Business, the Conexant Assets, the Washington Business or the Washington Assets:

(i) all Liabilities in respect of the Convertible Notes;

(ii) all accounts payable accrued in the accounts payable account on the books of Conexant and its Subsidiaries (including members of the Washington Group) immediately prior to the Time of Distribution (subject to Section 4.09); and

(iii) all Liabilities specified in writing by Conexant to Washington pursuant to Section 2.01(d)(ii), if and to the extent required by Section 2.01(d)(ii); and

(d) all other Liabilities of Conexant or any of its Subsidiaries (including members of the Washington Group) in respect of operations engaged in prior to the Time of Distribution that are not Washington Liabilities.

Anything contained herein to the contrary notwithstanding, Liabilities described in paragraphs (b) and (c) of the definition of "Washington Liabilities" will not be included in Conexant Liabilities.

"Conexant License Agreement" shall have the meaning set forth in Section 5.04.

"Conexant Marks" means the names, trademarks, trade names, domain names and service marks "Conexant", "Conexant Systems" and "Conexant Systems, Inc." and all corporate symbols and logos related thereto and all names, trademarks, trade names, domain names and service marks which include the words "Conexant", "Conexant Systems" or "Conexant Systems, Inc." or any derivative thereof.

"Conexant Series B Preferred Stock" means the Series B Voting Preferred Stock, without par value, of Conexant, one share of which is issued and outstanding as of the date hereof.

"Conexant Spin-Off" shall have the meaning set forth in Section 5.03(b)(iii).

"Conexant Subsidiary" means each Subsidiary of Conexant other than Washington and the Washington Subsidiaries.

"Consents" means consents, approvals, waivers, clearances, exemptions, allowances, novations, authorizations, filings, registrations and notifications.

"Contracts" means all agreements, real estate and other leases, contracts (including employee contracts), licenses, memoranda of understanding, letters of intent, sales orders, purchase orders, open bids and other commitments, including in each case, all amendments, modifications and supplements thereto and waivers and consents thereunder.

"Contribution" shall have the meaning set forth in the recitals.

"Convertible Notes" means Conexant's (a) 4-1/4% convertible subordinated notes due May 1, 2006 issued under the 1999 Indenture and (b) 4% convertible subordinated notes due February 1, 2007 issued under the 2000 Indenture.

"Conveyance and Assumption Instruments" means, collectively, the various agreements, deeds (including transfer deeds for Real Property), bills of sale, stock powers, certificates of title, instruments of conveyance and assignment, instruments of assumption and other instruments and documents which are, in the reasonable opinion of Conexant, Washington and Alpha, necessary or desirable to effect the transfer of Assets and Subsidiaries and the assumption of Liabilities contemplated by the transactions described in Section 2.01.

"Data and Records" means financial, accounting, corporate, operating, design, manufacturing, test and other data and records (in each case, in whatever form or medium, including electronic media), including books, records, notes, sales and sales promotional material and data, advertising materials, credit information, cost and pricing information,

customer, supplier and agent lists, other records pertaining to customers, business plans, reference catalogs, payroll and personnel records and procedures, blue-prints, research and development files, data and laboratory books, sales order files, litigation files, minute books, stock ledgers, stock transfer records and other similar data and records.

"Dispute" shall have the meaning set forth in Section 7.05.

"Distribution" shall have the meaning set forth in the recitals.

"Distribution Agent" means the distribution agent selected by Conexant to distribute Washington Common Stock in connection with the Distribution.

"Distribution Date" means the date determined by the Conexant Board in accordance with Section 3.01 as the date as of which the Distribution will be effected.

"Effective Time" shall have the meaning set forth in the Merger Agreement.

"Employee Matters Agreement" means the Employee Matters Agreement to be entered into among Conexant, Washington and Alpha prior to the Time of Distribution.

"Facility Sale Agreement" shall have the meaning set forth in the Merger Agreement.

"Facility Services Agreement" shall have the meaning set forth in the Merger Agreement.

"Former Business" means any corporation, partnership, entity, division, business unit, business, assets, plants, product line, operations or contract (including any assets and liabilities comprising the same) that has been sold, conveyed, assigned, transferred or otherwise disposed of or divested (in whole or in part) by any member of the Pre-Distribution Group or the operations, activities or production of which has been discontinued, abandoned, completed or otherwise terminated (in whole or in part) by any member of the Pre-Distribution Group.

"Governmental Entity" means any government or any court, arbitral tribunal, administrative agency or commission or other governmental or regulatory authority or agency, federal, state, local, domestic, foreign or international.

"Group" means the Conexant Group or the Washington Group, as applicable.

"Hedging Arrangements" means swaps, collars, caps and other hedging arrangements of any kind.

"Indemnifiable Losses" means any and all losses, Liabilities, claims, damages, deficiencies, obligations, fines, payments, Taxes, Liens, costs and expenses, matured or unmatured, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, whenever arising and whether or not resulting from Third Party Claims (including the costs and expenses of any and all Actions; all amounts paid in connection with any demands, assessments, judgments, settlements and compromises relating thereto; interest and penalties with respect thereto; out-of-pocket expenses and reasonable attorneys', accountants' and other experts' fees and expenses reasonably incurred in investigating, preparing for or defending against any such Actions or in asserting, preserving or enforcing an Indemnitee's rights hereunder; and any losses that may result from the granting of injunctive relief as a result of any such Actions).

"Indemnifying Party" shall have the meaning set forth in Section 4.04(a).

"Indemnitee" means any of the Conexant Indemnitees or the Washington Indemnitees who or which is entitled to seek indemnification under this Agreement.

"Indemnity Reduction Amounts" shall have the meaning set forth in Section 4.04(a).

"Information" means all records, books, contracts, instruments, computer data and other data and information (in each case, in whatever form or medium, including electronic media).

"Information Statement" means the information statement with respect to Washington sent to holders of Conexant Common Stock and Conexant Series B Preferred Stock in connection with the Distribution.

"Insurance Proceeds" means monies (a) received by an insured from an insurance carrier, (b) paid by an insurance carrier on behalf of an insured or (c) received from any third party in the nature of insurance, contribution or indemnification in respect of any Liability.

"Intellectual Property" shall have the meaning set forth in Section 5.03(a)(i).

"Inventories" means inventories, including raw materials, work-in-process, materials, components, finished goods, parts, accessories and supplies.

"IRS" means the Internal Revenue Service.

"Liabilities" means any and all claims, debts, liabilities, commitments and obligations of whatever nature, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising and whether or not the same would be required by generally accepted accounting principles to be reflected as a liability in financial statements or disclosed in the notes thereto, including all costs and expenses relating thereto and those claims, debts, liabilities, commitments and obligations:

(a) based upon, arising out of or relating to any law, statute, rule, regulation, judgment, order, decision or consent decree of any Governmental Entity or any noncompliance therewith or breach or violation of any thereof;

(b) in respect of accounts payable;

(c) in respect of outstanding checks;

(d) based upon, arising out of or relating to workers' compensation, automobile liability, general liability, product liability, intellectual property liability and other claims and matters (whether direct or for indemnification of any Person or otherwise, and whether insured or uninsured);

(e) based upon, arising out of or relating to Actions or any award of any arbitrator of any kind;

(f) in respect of salary, bonuses, incentive payments, severance payments and other compensation payments and all Taxes and withholdings related thereto;

(g) in respect of employee welfare and fringe benefits (including claims for medical and disability benefits);

(h) based upon, arising out of or relating to environmental matters (including the presence, release or threatened release of hazardous materials or any other environmental conditions or the violation of any environmental laws), including all removal, remediation and cleanup costs, investigatory costs, settlement costs, governmental response costs, natural resources damages, property damages, personal injury damages and all other costs and damages;

(i) based upon, arising out of or relating to Contracts;

(j) based upon, arising out of or relating to torts (whether based on negligence, strict liability or otherwise) or infringements; and

(k) in respect of products and services, including warranty liabilities, deferred revenues, product liability claims and liabilities in respect of the return, repair or replacement of products.

"Lien" means any lien, security interest, pledge, mortgage, charge, restriction, retention of title agreement or other encumbrance of whatever nature.

"Lucent License Agreement" means the license agreement effective October 1, 1999 between Conexant and Lucent Technologies GRL Corporation.

"Machinery and Equipment" means machinery, equipment, tooling, vehicles, furniture and fixtures, leasehold improvements, repair parts, tools, plant, laboratory and office equipment and supplies, computer hardware and software, computer networking equipment, engineering and design equipment, test equipment and other tangible personal property (other than tangible personal property included in other categories of assets in the definition of "Assets"), together with any rights or claims

arising out of maintenance or service contracts relating thereto or the breach of any express or implied warranty by the manufacturers or sellers of any of such assets or any component part thereof.

"Material Adverse Effect" shall have the meaning set forth in the Merger Agreement.

"Merger" shall have the meaning set forth in the recitals.

"Merger Agreement" shall have the meaning set forth in the recitals.

"Net Asset Deficiency" shall have the meaning set forth in Section 2.01(d)(ii).

"Occurrence Basis Policies" shall have the meaning set forth in Section 5.01(b).

"Patents and Trademarks" means (a) all patents (including utility and design patents, industrial designs and utility models), patent applications and patent and invention disclosures, together with all reissuances, continuations, continuations-in-part, divisions, revisions, supplementary protection certificates, extensions and re-examinations thereof, and any other U.S. or foreign patent rights entitled to the same priority claim (in whole or in part) as any of the foregoing, (b) trademarks, service marks, trade names, trade dress, logos, Internet domain names, business and product names and slogans and all registrations and applications for registration of any of the foregoing, (c) copyrights and all applications, registrations and renewals in connection therewith and (d) mask work and semiconductor chip right applications, registrations and renewals in connection therewith.

"Permits" means licenses, permits, authorizations, consents, certificates, registrations, variances, franchises and other approvals from any Governmental Entity, including those relating to environmental matters.

"Person" means any individual, partnership, joint venture, corporation, limited liability entity, trust, unincorporated organization or other entity (including a Governmental Entity).

"Policies" means all insurance policies, insurance contracts and claim administration contracts of any kind of Conexant and its Subsidiaries (including members of the Washington Group) and their predecessors which were or are in effect at any time at or prior to the Time of Distribution (other than insurance policies, insurance contracts and claim administration contracts established in contemplation of the Distribution and the Merger to cover only Washington and its Subsidiaries after the Time of Distribution), including primary, excess and umbrella, commercial general liability, fiduciary liability, product liability, automobile, aircraft, property and casualty, business interruption, directors and officers liability, employment practices liability, workers' compensation, crime, errors and omissions, special accident, cargo and employee dishonesty insurance policies and captive insurance company arrangements, together with all rights, benefits and privileges thereunder.

"Pre-Distribution Group" means (a) each of Conexant, the Subsidiaries of Conexant existing immediately prior to the Time of Distribution (including members of the Washington Group) and Persons that have ceased to be Subsidiaries of Conexant prior to the Time of Distribution, (b) each of the predecessors of each of the foregoing (including Rockwell) and (c) each of the Persons that have ceased to be Subsidiaries and other Affiliates of each of the foregoing and their predecessors prior to the Time of Distribution. Notwithstanding the foregoing, (i) Boeing North American, Inc. and Persons who are Affiliates of Boeing North American, Inc. after December 6, 1996 will not constitute members of the Pre-Distribution Group for periods after December 6, 1996 and (ii) Rockwell and Persons who are Affiliates of Rockwell after December 31, 1998 will not constitute members of the Pre-Distribution Group for periods after December 31, 1998.

"Privileged Information" means, with respect to a Group, Information regarding a member of such Group, or any of its operations, employees, Assets or Liabilities (whether in documents or stored in any other form or known to its employees or agents) that is or may be protected from disclosure pursuant to the attorney-client privilege, the work product doctrine or other applicable privileges, that a member of the other Group has or may come into possession of or has obtained or may obtain access to pursuant to this Agreement or otherwise.

"Real Property" means real property (including land, plants, buildings, fixtures and improvements) and real property interests (including real property leases).

"Recipient Party" shall have the meaning set forth in Section 2.08.

"Record Date" means 11:57 p.m. Eastern Time on the Distribution Date.

"Reorganization Agreements" shall have the meaning set forth in the Merger Agreement.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

"Rockwell" means Rockwell International Corporation, a Delaware corporation.

"Rockwell Distribution Agreement" means the Distribution Agreement dated as of December 31, 1998 between Conexant and Rockwell.

"Securities" means short-term and long-term investments, banker's acceptances, shares of stock, notes, bonds, debentures, evidences of indebtedness, certificates of interest or participation in profit-sharing agreements, collateral-trust certificates, preorganization certificates or subscriptions, transferable shares, puts, calls, straddles, options, investment contracts, voting trusts and certificates and other securities of any kind (other than ownership interests in Subsidiaries).

"Special Purpose Statement of Tangible Net Assets" means the special purpose statement as of September 30, 2001 of tangible assets and liabilities to be contributed by Conexant and its Subsidiaries to the Washington Group, which will be derived from the Audited Balance Sheet, will contain only those line items contained in the Unaudited Special Purpose Statement of Tangible Net Assets (which line items will be in the same amounts as the corresponding line items in the Audited Balance Sheet, unless otherwise provided in the methodology set forth in the notes to the Unaudited Special Purpose Statement of Tangible Net Assets) and will be prepared using the same methodology set forth in the notes to the Unaudited Special Purpose Statement of Tangible Net Assets.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, of which such Person or any Subsidiaries of such Person controls or owns, directly or indirectly, more than 50% of the stock or other equity interest, or more than 50% of the voting power entitled to vote on the election of members to the board of directors or similar governing body; provided, however, that (except as specifically noted herein) for purposes of this Agreement, none of Washington or the Washington Subsidiaries shall be deemed to be a Conexant Subsidiary.

"Tax" and "Taxes" shall have the meaning set forth in the Tax Allocation Agreement.

"Tax Allocation Agreement" means the Tax Allocation Agreement to be entered into among Conexant, Washington and Alpha prior to the Time of Distribution. "Third Party Claim" shall have the meaning set forth in Section 4.05(a).

"Time of Distribution" means 11:58 p.m. Eastern Time on the Distribution Date.

"Trade Secrets" means (a) trade secrets and confidential business and technical information (including ideas, research and development, know-how, formulas, technology, compositions, manufacturing and production processes and techniques, technical data, engineering, production and other designs, drawings, engineering notebooks, industrial models, mask works, semiconductor chip topographies, software and specifications and any other information meeting the definition of a trade secret under the Uniform Trade Secrets Act); (b) computer and electronic data processing programs and software, both source code and object code (including data and related documentation, flow charts, diagrams, descriptive texts and programs, computer print-outs, underlying tapes, computer databases and similar items), computer applications and operating programs; and (c) all copies and tangible embodiments of any or all of the foregoing (in whatever form or medium, including electronic media).

"Transaction Agreements" means, collectively, this Agreement and each Ancillary Agreement.

"Transition Agreement" means the Transition Services Agreement to be entered into among Conexant, Washington and Alpha prior to the Time of Distribution, among other things, providing for various service and other relationships between Conexant and Alpha following the Distribution Date.

"Unaudited Special Purpose Statement of Tangible Net Assets" shall have the meaning set forth in the Merger Agreement.

"U.S. Asset Purchase Agreement" shall have the meaning set forth in the Merger Agreement.

"Washington" shall have the meaning set forth in the preamble.

"Washington Assets" means the following:

(a) all rights of any member of the Washington Group under any Transaction Agreement to which it is or becomes a party;

(b) all Assets which are expressly allocated to any member of the Washington Group pursuant to any Ancillary Agreement;

(c) the following specifically enumerated Assets which immediately prior to the Time of Distribution are owned by Conexant or any of its Subsidiaries (including members of the Washington Group), in each case whether or not such Assets are used in or relate to the Conexant Business or the Washington Business:

(i) the Washington Real Property;

(ii) Machinery and Equipment set forth on Schedule 1.01(b);

(iii) the Washington Inventories;

(iv) the trademarks and trademark registrations and applications for registrations thereof and issued patents, patent applications and patent and invention disclosures (including any foreign counterparts) set forth on Schedule 1.01(c);

(v) rights to the extent relating to the Washington Business to receive indemnification from Rockwell pursuant to the Rockwell Distribution Agreement;

(vi) all Assets set forth in the Special Purpose Statement of Tangible Net Assets, other than those sold or otherwise disposed of in the ordinary course of business prior to the Time of Distribution consistent with the terms of the Merger Agreement;

(vii) except as otherwise specifically provided herein, all Assets of the kind that appear on the Special Purpose Statement of Tangible Net Assets as would appear on a balance sheet of Washington if prepared as of the Time of Distribution, including all reserves and accruals maintained by Conexant (but excluding Assets described in clauses (b) and (c) of the definition of "Conexant Assets");

(viii) all Assets specified in writing by Conexant to Washington pursuant to Section 2.01(d)(ii), if and to the extent required by Section 2.01(d)(ii); and

(ix) the Washington Bluetooth RF Solution.

(d) the following Assets (other than those described in paragraphs (b) and (c) of the definition of "Conexant Assets") which immediately prior to the Time of Distribution are owned by Conexant or any of its Subsidiaries (including members of the Washington Group) and which are used primarily in or relate primarily to the Washington Business, as the same shall exist as of such time:

(i) Contracts (other than real property leases);

(ii) advances, performance and surety bonds, and interests as beneficiary under letters of credit and other similar instruments and all proceeds thereof;

(iii) Data and Records;

(iv) Permits;

(v) Trade Secrets;

(vi) credits, prepayments, prepaid expenses, deposits and retentions held by third parties;

(vii) claims, causes of action, choses in action, rights under express or implied warranties, guarantees and indemnities and similar rights, rights of recovery, rights of set-off, rights of subrogation and all other rights of any kind (including the

right to receive mail and other communications) (other than, in each such case, those relating to the Conexant Assets described in clauses (b) or (c) of the definition thereof); and

(viii) goodwill, going concern value and other intangible assets not otherwise included in clauses (a) through (q) of the definition of "Assets"; and

(e) all rights, choses in action, causes of action and claims of Conexant or any of its Subsidiaries (including members of the Washington Group) to the extent relating to any asset described in clauses (a) through (d) above.

Anything contained herein to the contrary notwithstanding, assets described in paragraphs (b) and (c) of the definition of "Conexant Assets" will not be included in Washington Assets.

"Washington Bluetooth RF Solution" means the Bluetooth RF solutions known internally at Conexant as "Blue RF", "Blue Q" and "ULV Blue RF", the ownership of which will be transferred to Washington at the Time of Distribution.

"Washington Board" means the Board of Directors of Washington.

"Washington Business" means (a) the business and operations engaged in prior to the Time of Distribution by the members of the Pre-Distribution Group (but with respect to each such member who has ceased to be an Affiliate of Conexant or its predecessors, only businesses engaged in prior to the time that such member of the Pre-Distribution Group ceased to be an Affiliate of Conexant or its predecessors) of researching, developing, designing, engineering, manufacturing, having manufactured, assembling, having assembled, selling, distributing, installing, modifying, repairing, servicing and supporting semiconductor products and systems, including components, subsystems and systems, for wireless voice and data communications applications, including digital cellular handsets and base stations, as well as advanced mobile terminals that support next-generation multimedia and high-speed web browsing, for communications electronics markets as conducted by Conexant's Wireless Communications Division, other than the Washington Data Business Unit, and activities related thereto, (b) Former Businesses related to any of the foregoing, including the Former Businesses set forth on Schedule 1.01(h) and (c) activities related to the foregoing. Notwithstanding anything contained herein to the contrary, the term "Washington Business" shall not include any of Conexant's Mindspeed Technologies or Broadband access businesses, the Washington Data Business Unit and activities related thereto.

"Washington Common Stock" shall have the meaning set forth in the recitals.

"Washington Data Business Unit" means the business and operations engaged in by Conexant's Wireless Communications Division prior to the Time of Distribution of researching, developing, designing, engineering, manufacturing, having manufactured, assembling, having assembled, selling, distributing, installing, modifying, repairing, servicing and supporting the PHS, DSS, standalone GPS and Bluetooth baseband hardware and software product lines and the Bluetooth baseband hardware and software development efforts and the support and development of Bluetooth radio frequency products associated with such Bluetooth baseband hardware and software.

"Washington Expenses" means the following out-of-pocket fees, costs and expenses of Conexant or any of its Subsidiaries (including members of the Washington Group), in each case, whether incurred and/or paid before, at or after the Time of Distribution and whether or not they constitute accounts payable:

(a) all out-of-pocket fees, costs and expenses incurred in connection with the Contribution, the Distribution and/or the Merger, including any and all:

(i) transfer taxes;

(ii) out-of-pocket fees, costs and expenses incurred in connection with any notices to customers or suppliers of the Washington Business or other third parties that are party to Contracts that constitute Washington Assets or relate to Washington Liabilities regarding the Contribution, the Distribution and/or the Merger;

(iii) out-of-pocket fees, costs and expenses incurred in connection with the transfer of any Permits from Conexant or any Conexant Subsidiary to Washington or any Washington Subsidiary or the obtaining of any new (or the re-issuance of any existing)

Permits in the name of Washington or a Washington Subsidiary;

(iv) out-of-pocket fees, costs and expenses incurred in connection with the assignment or transfer of any Contracts, Patents and Trademarks or Trade Secrets from Conexant or any Conexant Subsidiary to Washington or any Washington Subsidiary, including legal fees, costs and expenses associated with such assignments or transfers;

(v) accounting, legal, investment banking and other outside consultants' fees, costs and expenses in an amount not to exceed Twenty-Seven Million Five Hundred Thousand dollars ($27,500,000); and

(vi) out-of-pocket fees, costs and expenses in connection with the preparation, execution and delivery of the Transaction Agreements and the Reorganization Agreements;

provided, however, that Washington Expenses will not include (A) any such out-of-pocket fees, costs and expenses described in the definition of "Conexant Expenses" and (B) any such out-of-pocket fees, costs and expenses incurred in connection with any modification of or dispute with respect to the Transaction Agreements or the transactions contemplated thereby after the Distribution Date or any claim under Article IV; and

(b) all out-of-pocket fees, costs and expenses relating to the Contribution, the Distribution and/or the Merger to the extent the same relate to operations of the Washington Business after the Time of Distribution.

"Washington Financial Instruments" means those credit facilities, guaranties, foreign currency forward exchange contracts, comfort letters, letters of credit and similar instruments related to the Washington Business under which any member of the Conexant Group has any primary, secondary, contingent, joint, several or other Liability, after the Time of Distribution (a) set forth on Schedule 1.01(i) or (b) entered into between the date hereof and the Time of Distribution in the ordinary course of business.

"Washington Group" means Washington and the Washington Subsidiaries.

"Washington Indemnitees" means each member of the Washington Group and each of their respective Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing.

"Washington Inventories" means the following Inventories of products of the Washington Business owned by Conexant and its Subsidiaries (including members of the Washington Group) immediately prior to the Time of Distribution:

(a) the following raw materials: (i) 100mm GaAs Combined Microwave Digital wafer substrates; (ii) 100mm GaAs epitaxial HBT wafer substrates; and (iii) assembly materials at Conexant's Mexicali assembly and test facility which are specific to the Washington Business;

(b) the following work-in-process:

(i) unprobed finished wafers at internal or external locations awaiting the probe process;

(ii) probed wafer finish inventories;

(iii) die bank inventories at internal or external locations awaiting assembly, packaging and test processes;

(iv) wafer fabrication and other work-in-process at Conexant's Newbury Park wafer fabrication facility; and

(v) work-in-process at Conexant's Mexicali assembly and test facility which are specific to the Washington Business; and

(c) finished goods.

"Washington Liabilities" means the following:

(a) all Liabilities of any member of the Washington Group under any Transaction Agreement to which it is or becomes a party;

(b) all Liabilities for which any member of the Washington Group is expressly made responsible pursuant to any Ancillary Agreement;

(c) the following specifically enumerated Liabilities of Conexant or any of its Subsidiaries (including members of the Washington Group), in each case whether or not such Liabilities relate to the Conexant Business, the Conexant Assets, the Washington Business or the Washington Assets:

(i) all Liabilities based upon, arising out of or relating to the Actions set forth on Schedule 1.01(j); and

(ii) all Liabilities to the extent set forth in the Special Purpose Statement of Tangible Net Assets, other than those satisfied in the ordinary course of business prior to the Time of Distribution; and

(d) all Liabilities (other than those described in paragraphs (b) and (c) of the definition of "Conexant Liabilities") of Conexant or any of its Subsidiaries (including members of the Washington Group) to the extent based upon, arising out of or relating to the Washington Assets or the Washington Business, including:

(i) all Liabilities (including Liabilities arising out of any breaches or violations) to the extent relating to the Washington Business based upon, arising out of or relating to Contracts (whether or not such Contracts constitute Washington Assets) (including any primary, secondary, contingent or other obligations, such as under guaranties or indemnities, in respect of such Contracts); and

(ii) all Liabilities to the extent relating to the Washington Assets or the Washington Business for which Conexant has agreed to indemnify Rockwell and certain other Persons pursuant to the Rockwell Distribution Agreement.

Anything contained herein to the contrary notwithstanding, Liabilities described in paragraphs (b) and (c) of the definition of "Conexant Liabilities" will not be included in Washington Liabilities.

"Washington Real Property" means the Real Property set forth on Schedule 1.01(k).

"Washington Spin-Off" shall have the meaning set forth in Section 5.03(a)(iii).

"Washington Subsidiary" means each Person listed on Schedule 1.01(l).

ARTICLE II

THE CONTRIBUTION

Section 2.01 INTERCORPERATE REORGANIZATION. (a) Prior to the Time of Distribution, Conexant and Washington will take all actions necessary to increase the outstanding shares of Washington Common Stock so that, immediately prior to the Distribution, Conexant will hold a number of shares of Washington Common Stock equal to the aggregate number of shares of Conexant Common Stock and Conexant Series B Preferred Stock issued and outstanding as of the Record Date (excluding treasury shares held by Conexant).

(b) Subject to Section 2.08, prior to the Time of Distribution:

(i) Conexant and each Conexant Subsidiary shall convey, assign and transfer, or cause to be conveyed, assigned and transferred, to Washington or a Washington Subsidiary, as appropriate, any and all right, title and interest of Conexant and each of the Conexant Subsidiaries in the Washington Subsidiaries;

(ii) Washington and each Washington Subsidiary shall convey, assign and transfer, or cause to be conveyed, assigned and transferred, to Conexant or a Conexant Subsidiary, as appropriate, any and all right, title and interest of Washington and each of the Washington Subsidiaries in the Conexant Subsidiaries;

(iii) Conexant and each Conexant Subsidiary shall convey, assign and transfer, or cause to be conveyed, assigned and transferred, to Washington or a Washington Subsidiary, as appropriate, any and all right, title and interest of Conexant and each of the Conexant Subsidiaries in the Washington Assets;

(iv) Washington and each Washington Subsidiary shall convey, assign and transfer, or cause to be conveyed, assigned and transferred, to Conexant or a Conexant Subsidiary, as appropriate, any and all right, title and interest of Washington and each of the Washington Subsidiaries in the Conexant Assets;

(v) Conexant or a Conexant Subsidiary, as appropriate, shall unconditionally assume and undertake to pay, perform and discharge, in a timely manner and in accordance with the terms thereof, all Conexant Liabilities; and

(vi) Washington or a Washington Subsidiary, as appropriate, shall unconditionally assume and undertake to pay, perform and discharge, in a timely manner and in accordance with the terms thereof, all Washington Liabilities.

In the event that at any time or from time to time (whether prior to, at or after the Time of Distribution) any member of the Conexant Group shall receive or otherwise possess any Washington Asset or interest in a Washington Subsidiary, such member will promptly convey, assign and transfer, or cause to be conveyed, assigned and transferred, such Washington Asset or interest in a Washington Subsidiary to Washington. In the event that at any time or from time to time (whether prior to, at or after the Time of Distribution) any member of the Washington Group shall receive or otherwise possess any Conexant Asset or interest in a Conexant Subsidiary, such member will promptly convey, assign and transfer, or cause to be conveyed, assigned and transferred, such Conexant Asset or interest in a Conexant Subsidiary to Conexant. Prior to any such transfer, the Person receiving or possessing such Asset or interest in a Subsidiary will hold such Asset or interest in a Subsidiary in trust for the benefit of the Person entitled thereto (at the expense of the Person entitled thereto).

Without limiting the foregoing, in the event that after the Time of Distribution (x) Conexant or any Conexant Subsidiary possesses product intellectual property, human resources or other data bases that are comprised in whole or in part of Information that constitutes Washington Assets, Conexant will, and will cause each Conexant Subsidiary to, afford Washington and its Representatives (at Washington's expense) reasonable access, during normal business hours and upon reasonable advance notice, to the portion of such data bases containing Information that constitutes Washington Assets in order to retrieve such Information and effect the transfer of such Information to Washington and (y) Washington or any Washington Subsidiary possesses product intellectual property, human resources or other data bases that are comprised in whole or in part of Information that constitutes Conexant Assets, Washington will, and will cause each Washington Subsidiary to, afford Conexant and its Representatives (at Conexant's expense) reasonable access, during normal business hours and upon reasonable advance notice, to the portion of such data bases containing Information that constitutes Conexant Assets in order to retrieve such Information and effect the transfer of such Information to Conexant.

In the event that at any time or from time to time (whether prior to, at or after the Time of Distribution) either Conexant or Washington determines that the other party (or any member of such other party's respective Group) shall not have unconditionally assumed any Liabilities that are allocated to such other party (or a member of such other party's respective Group) pursuant to this Agreement or any Ancillary Agreement, such other party will promptly execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such actions as the requesting party may reasonably request to unconditionally assume, or cause to be unconditionally assumed, such Liabilities.

Solely for purposes of implementing the terms of this Agreement, during the period beginning on the date of this Agreement and ending six months after the Distribution Date, Conexant and Alpha agree to discuss the allocation of any Asset or Liability of Conexant and its Subsidiaries (including members of the Washington Group) that either of them reasonably believes should be or should have been allocated differently than pursuant to the terms of this Agreement (an "Asset/Liability Allocation Matter"). The Conexant Chief Executive Officer will designate an employee of the Conexant Business and the Alpha Chief Executive Officer will designate an employee of Alpha who will discuss an appropriate resolution of any Asset/Liability Allocation Matter. If within thirty days of the receipt of the notification of an Asset/Liability Allocation Matter by either Conexant or Alpha pursuant to this paragraph, or such other time as Conexant and Alpha may agree, the designees have not reached a mutually acceptable resolution of the Asset/Liability Allocation Matter, the matter will be referred for discussion to the Conexant Chief Executive Officer and the Alpha Chief Executive Officer. Should a mutually acceptable resolution of the Asset/Liability Allocation Matter not be

reached within thirty days following the referral to them, the terms and conditions of this Agreement shall remain in full force and effect, unamended, unmodified and unsupplemented. Notwithstanding the foregoing, in no event shall the terms and conditions of this Agreement be amended, modified or supplemented other than in accordance with the provisions of Section 7.06. Nothing in this paragraph shall affect the right of any party to resort to the dispute resolution provisions of Section 7.05 in respect of any dispute, claim or controversy arising out of an alleged breach of any provision of this Agreement.

(c) In connection with the transfers of Subsidiaries and Assets and the assumptions of Liabilities contemplated by Section 2.01(b), Conexant and Washington will execute or cause to be executed by the appropriate entities the Conveyance and Assumption Instruments in a form reasonably acceptable to Conexant, Washington and Alpha. The transfer of capital stock contemplated by Section 2.01(b) will be effected, prior to the Time of Distribution, by means of delivery of stock certificates duly endorsed or accompanied by duly executed stock powers and notation on the stock record books of the corporation or other legal entities involved and, to the extent required by applicable law, by notation on appropriate registries.

(d) (i) Conexant hereby represents and warrants to Washington that after giving effect to the Contribution and the Distribution (but not considering any assets or rights held by Alpha or its Subsidiaries prior to the Effective Time and after taking into account any services to be provided to Alpha pursuant to the Transition Agreement, except for the matters set forth on Schedule 2.01(d), immediately after the Time of Distribution, the assets and rights held by the Washington Group will constitute all of the material assets and rights of Conexant and its Subsidiaries (including members of the Washington Group) immediately prior to the Time of Distribution that are necessary to conduct the Washington Business substantially as conducted on the date hereof. The representation and warranty of Conexant set forth in this Section 2.01(d)(i) will survive the execution and delivery of this Agreement and the Distribution Date and will continue in full force and effect solely for purposes of Section 4.02(d) until six months after the Distribution Date and shall then terminate and expire.

(ii) Within 60 days after the date of this Agreement, Conexant will cause to be delivered to Alpha the Audited Balance Sheet with the report of Deloitte & Touche LLP thereon. Conexant will provide Alpha with reasonable access to the relevant work papers used to prepare the Audited Balance Sheet and will consider in good faith any comments of Alpha thereon delivered to Conexant within 10 days after receipt of the Audited Balance Sheet. Within 20 days after Deloitte & Touche LLP has delivered its report on the Audited Balance Sheet, Conexant will prepare and deliver to Alpha the Special Purpose Statement of Tangible Net Assets. Conexant will provide Alpha with reasonable access to the relevant work papers used to prepare the Special Purpose Statement of Tangible Net Assets and will consider in good faith any comments of Alpha thereon delivered to Conexant within 10 days after receipt of the Special Purpose Statement of Tangible Net Assets. If and to the extent the total value of the tangible net assets set forth on the Unaudited Special Purpose Statement of Tangible Net Assets exceeds the total value of the tangible net assets set forth on the Special Purpose Statement of Tangible Net Assets (a "Net Asset Deficiency"), notwithstanding anything to the contrary set forth in this Agreement, Conexant will cause either (A) the Washington Assets to include such additional Assets (which shall be Cash, like kind Assets other than Cash that are usable in the Washington Business and reasonably acceptable to Alpha, or any combination thereof) as are specified by Conexant to Washington in writing or (B) the Washington Liabilities to exclude such Liabilities as are specified by Conexant to Washington in writing and reasonably acceptable to Alpha (which will be retained by Conexant and constitute Conexant Liabilities), or any combination of (A) and (B) as Conexant shall elect in its sole discretion, such that the sum of (x) the value of such Assets, if any, plus (y) the value of such Liabilities (expressed as a positive number), if any, shall equal the excess, if any, of the Net Asset Deficiency over One Million dollars ($1,000,000).

(iii) Each of Conexant (on behalf of itself and each other member of the Conexant Group) and Washington (on behalf of itself and each other member of the Washington Group) understands and agrees that, except as expressly set forth in any Transaction Agreement, no party to any Transaction Agreement or any other agreement or document contemplated by any Transaction Agreement either has or is, in such agreement or otherwise, representing or warranting in any way as to the Assets, Subsidiaries, businesses or Liabilities retained, conveyed, assigned, transferred or assumed as contemplated thereby, as to any consents or approvals required in connection with the transactions contemplated by the Transaction Agreements, as to the value or freedom from any Lien of, or any other matter concerning, any Assets, Liabilities or Subsidiaries of such party, or as to the absence of any defenses or rights of setoff or freedom from

counterclaim with respect to any claim or other Assets or Subsidiaries of any party, or as to the legal sufficiency of any assignment, document or instrument delivered thereunder to convey title to any Asset or Subsidiary or thing of value upon the execution, delivery or filing thereof. Except as may expressly be set forth in any Transaction Agreement, all Assets and Subsidiaries being transferred or retained as contemplated by any Transaction Agreement or any other agreement or document contemplated by any Transaction Agreement are being transferred, or are being retained, on an "as is", "where is" basis (and, in the case of the transfer of any real property, by means of a quitclaim or similar form deed or conveyance) and the respective transferees shall bear the economic and legal risks that any conveyance shall prove to be insufficient or that the title to any Asset or Subsidiary shall be other than good and marketable and free and clear of any Lien.

(e) It is the intention of the parties that payments made by the parties to each other after the Time of Distribution pursuant to this Agreement, the Employee Matters Agreement or the Tax Allocation Agreement are to be treated as relating back to the transactions occurring prior to the Time of Distribution pursuant to this Section 2.01 as an adjustment to the transfers of Assets, Subsidiaries and Liabilities contemplated by this Section 2.01, and Conexant and Washington will, and will cause the Conexant Subsidiaries and the Washington Subsidiaries, respectively, to, take positions consistent with such intention with any Tax authority, unless with respect to any payment any party receives an opinion of counsel reasonably acceptable to the other party to the effect that there is no substantial authority for such a position.

Section 2.02 FINANCIAL INSTRUMENTS. (a) (i) Washington will, at its expense, take or cause to be taken all actions, and enter into (or cause the Washington Subsidiaries to enter into) such agreements and arrangements, as shall be necessary to effect the release of and substitution for each member of the Conexant Group, as of the Time of Distribution, from all primary, secondary, contingent, joint, several and other Liabilities in respect of Washington Financial Instruments (it being understood that all Liabilities in respect of Washington Financial Instruments are Washington Liabilities).

(ii) Washington's obligations under this Section 2.02(a) will continue to be applicable to all Washington Financial Instruments after the Time of Distribution.

(b) (i) Conexant will, at its expense, take or cause to be taken all actions, and enter into (or cause the Conexant Subsidiaries to enter into) such agreements and arrangements, as shall be necessary to effect the release of and substitution for each member of the Washington Group, as of the Time of Distribution, from all primary, secondary, contingent, joint, several and other Liabilities in respect of Conexant Financial Instruments (it being understood that all Liabilities in respect of Conexant Financial Instruments are Conexant Liabilities).

(ii) Conexant's obligations under this Section 2.02(b) will continue to be applicable to all Conexant Financial Instruments after the Time of Distribution.

Section 2.03 INTERCOMPANY ACCOUNTS AND ARRANGEMENTS.

(a) Elimination of Intercompany Accounts.

(i) Except as set forth in Section 2.03(a)(ii) or on Schedule 2.03(a), Conexant, on behalf of itself and each other member of the Conexant Group, on the one hand, and Washington, on behalf of itself and each other member of the Washington Group, on the other hand, hereby settle and eliminate, by cancellation or transfer to a member of the other Group (whether to cancel or transfer and the manner thereof will be determined by Conexant), effective as of the Time of Distribution, all intercompany receivables, payables and other balances existing immediately prior to the Time of Distribution between Conexant and/or any Conexant Subsidiary, on the one hand, and Washington and/or any Washington Subsidiary, on the other hand.

(ii) The provisions of Section 2.03(a)(i) will not apply to any intercompany receivables, payables and other balances arising under any Transaction Agreement, including those incurred in connection with the payment by any party of any expenses which are required to be paid or reimbursed by the other party pursuant to Section 4.09.

Section 2.04 CASH MANAGEMENT.

(a) Cash Management Operations.

(i) Effective as of the Time of Distribution, the cash management operations of the Washington Group will be segregated from the cash management operations of the Conexant Group.

(ii) Washington will, and will cause the Washington Subsidiaries to, forward to Conexant (for the account of Conexant or the applicable Conexant Subsidiary) any customer payments in respect of Accounts Receivable to the extent they constitute Conexant Assets received by Washington or any of the Washington Subsidiaries after the Time of Distribution, whether received in lock boxes, via wire transfer or otherwise, by the first business day of the week after the week during which such payment is received. Such amounts will be forwarded by wire transfer (to Conexant's bank account at Bank One, N.A., Account No. 51-52283, A.B.A. Routing Number 071000013) in the case of customer payments received within sixty days after the Distribution Date and by check sent by reputable overnight courier service to Conexant in the case of customer payments received thereafter.

(b) Certain Payments after the Distribution Date. Washington will pay to Conexant (by wire transfer to Conexant's bank account at Bank One, N.A., Account No. 51-52283, A.B.A. Routing Number 071000013), within three business days after the Distribution Date, (x) the amount of all balances contained immediately prior to the Time of Distribution in petty cash accounts at locations of the Washington Business, (y) the dollar value of travelers checks immediately prior to the Time of Distribution at locations of the Washington Business and (z) the dollar value of all other cash immediately prior to the Time of Distribution at locations of the Washington Business.

Section 2.05 THE WASHINGTON BOARD. Prior to the Time of Distribution, Washington and Conexant will take all actions which may be required to elect or otherwise appoint as directors of Washington the persons named on Schedule 2.05 to constitute the board of directors of Washington at the Time of Distribution.

Section 2.06 RESIGNATIONS; TRANSFER OF STOCK HELD AS NOMINEE. (a) Conexant will cause all of its employees and directors and all of the employees and directors of each other member of the Conexant Group to resign, effective not later than the Time of Distribution, from all boards of directors or similar governing bodies of Washington or any other member of the Washington Group on which they serve, and from all positions as officers of Washington or any other member of the Washington Group in which they serve, except as otherwise specified on Schedule 2.06. Washington will cause all of its employees and directors and all of the employees and directors of each other member of the Washington Group to resign, effective not later than the Time of Distribution, from all boards of directors or similar governing bodies of Conexant or any other member of the Conexant Group on which they serve, and from all positions as officers of Conexant or any other member of the Conexant Group in which they serve, except as otherwise specified on Schedule 2.06.

(b) Conexant will cause each of its employees, and each of the employees of the other members of the Conexant Group, who holds stock or similar evidence of ownership of any Washington Group entity as nominee for such entity pursuant to the laws of the country in which such entity is located to transfer such stock or similar evidence of ownership to the Person so designated by Washington to be such nominee as of and after the Time of Distribution. Washington will cause each of its employees, and each of the employees of the other members of the Washington Group, who holds stock or similar evidence of ownership of any Conexant Group entity as nominee for such entity pursuant to the laws of the country in which such entity is located to transfer such stock or similar evidence of ownership to the Person so designated by Conexant to be such nominee as of and after the Time of Distribution.

(c) Conexant will cause each of its employees and each of the employees of the other members of the Conexant Group to revoke or withdraw their express written authority, if any, to act on behalf of any Washington Group entity as an agent or representative therefor after the Time of Distribution. Washington will cause each of its employees and each of the employees of the other members of the Washington Group to revoke or withdraw their express written authority, if any, to act on behalf of any Conexant Group entity as an agent or representative therefor after the Time of Distribution.

Section 2.07 WASHINGTON CERTIFICATE OF INCORPORATION AND BY-LAWS. Prior to the Time of Distribution, (a) the Washington Board will (i) approve the Certificate of Incorporation and will cause the same to be filed with the Secretary of State of the State of Delaware and (ii) adopt the By-laws, and (b) Conexant, as sole stockholder of Washington, will approve the Certificate of Incorporation.

Section 2.08 CONSENTS. Prior to and after the Time of Distribution, Conexant and Washington will, and will cause the Conexant Subsidiaries and the Washington Subsidiaries, respectively, to, use their commercially reasonable efforts (as requested by the other party) to obtain, or to cause to be obtained, all Consents necessary for the transfer of all Assets, Subsidiaries and Liabilities contemplated to be transferred pursuant to this Article II; provided, however, that none of Conexant (or any of the Conexant Subsidiaries) or Washington (or any of the Washington Subsidiaries) shall be obligated to pay any consideration or offer or grant any financial accommodation in connection therewith. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contract or Permit if an assignment or attempted assignment of the same without the Consent of any other party or parties thereto or other required Consent would constitute a breach thereof or of any applicable law or in any way impair the rights of any member of the Conexant Group or the Washington Group thereunder. If any such Consent is not obtained or if an attempted assignment would be ineffective or would impair any rights of either Group under any such Contract or Permit so that the contemplated assignee hereunder (the "Recipient Party") would not receive all such rights, then (x) the party contemplated hereunder to assign such Contract or Permit (the "Assigning Party") will use commercially reasonable efforts (it being understood that such efforts shall not include any requirement of the Assigning Party to pay any consideration or offer or grant any financial accommodation) to provide or cause to be provided to the Recipient Party the benefits of any such Contract or Permit and the Assigning Party will promptly pay or cause to be paid to the Recipient Party when received all moneys and properties received by the Assigning Party with respect to any such Contract or Permit and (y) to the extent that the Recipient Party receives the benefits of such Contract or Permit, the Recipient Party will pay, perform and discharge on behalf of the Assigning Party all of the Assigning Party's Liabilities thereunder in a timely manner and in accordance with the terms thereof. If and when such Consents are obtained, the transfer of the applicable Contract or Permit shall be effected as promptly following the Time of Distribution as shall be practicable in accordance with the terms of this Agreement. To the extent that any transfers and assumptions contemplated by this Article II shall not have been consummated on or prior to the Time of Distribution, the parties shall cooperate to effect such transfers as promptly following the Time of Distribution as shall be practicable.

ARTICLE III

THE DISTRIBUTION

Section 3.01 THE DISTRIBUTION. (a) Subject to Section 3.03, the Conexant Board will establish the Record Date and the Distribution Date and authorize Conexant to pay the Distribution immediately prior to the Effective Time by delivery to the Distribution Agent, for the benefit of holders of record of Conexant Common Stock and Conexant Series B Preferred Stock as of the Record Date, of a number of shares of Washington Common Stock equal to the aggregate number of shares of Conexant Common Stock and Conexant Series B Preferred Stock issued and outstanding as of the Record Date (excluding treasury shares held by Conexant), and Conexant will instruct the Distribution Agent to make book-entry credits on the Distribution Date or as soon thereafter as practicable for each holder of record of Conexant Common Stock and Conexant Series B Preferred Stock as of the Record Date for a number of shares of Washington Common Stock equal to the number of shares of Conexant Common Stock or Conexant Series B Preferred Stock so held by such holder of record as of the Record Date (excluding treasury shares held by Conexant). Prior to the Effective Time, the shares of Washington Common Stock shall not be transferable and the transfer agent for the Washington Common Stock shall not transfer any shares of Washington Common Stock, except that the Distribution Agent, on behalf of the holders of Washington Common Stock, may exchange such shares for shares of Alpha Common Stock as provided by Section 3.2 of the Merger Agreement in connection with the Merger. The Distribution will be deemed to be effective as of the Time of Distribution upon written authorization from Conexant to the Distribution Agent to proceed as set forth in this Section 3.01(a).

(b) Conexant and Washington each will provide to the Distribution Agent all information (including information necessary to make appropriate book-entry credits) and share certificates, in each case, as may be required in order to complete the Distribution on the basis of one share of Washington Common Stock for each share of Conexant Common Stock and Conexant Series B Preferred Stock issued and outstanding as of the Record Date (excluding treasury shares held by Conexant).

Section 3.02 COOPERATION PRIOR TO THE DISTRIBUTION. Prior to the Distribution:

(a) Conexant and Washington will prepare the Information Statement which will include appropriate disclosure concerning Washington, its business, operations and management, the Contribution, the Distribution and such other matters as Conexant and Washington may determine and as may be required by law. Conexant will mail to the holders of Conexant Common Stock and the Conexant Series B Preferred Stock the Information Statement prior to the Distribution.

(b) Conexant and Washington will take all such action as may be necessary or appropriate under the securities or "blue sky" laws of the states or other political subdivisions of the United States and the securities laws of any applicable foreign countries or other political subdivisions thereof in connection with the transactions contemplated by this Agreement.

Section 3.03 CONDITIONS TO THE DISTRIBUTION. In no event will the Distribution occur prior to such time as each of the following conditions shall have been satisfied or shall have been waived by the Conexant Board:

(a) the Conexant Board shall be reasonably satisfied that, after giving effect to the Contribution, (i) Conexant will not be insolvent and will not have unreasonably small capital with which to engage in its businesses and (ii) Conexant's surplus would be sufficient to permit, without violation of Section 170 of the Delaware General Corporation Law, the Distribution;

(b) no order, ruling, injunction or decree issued by any court of competent jurisdiction or other Governmental Entity or other legal restraint or prohibition preventing consummation of the Contribution or the Distribution shall be in effect;

(c) no suit, action or proceeding by or before any court of competent jurisdiction or other Governmental Entity shall have been commenced and be pending to restrain or challenge the Contribution or the Distribution; and

(d) each condition to the closing of the Merger Agreement set forth in Article VIII thereof, other than the condition set forth in Section 8.1(i) thereof as to the consummation of the Contribution and the Distribution, shall have been fulfilled or waived by the party for whose benefit such condition exists.

Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to cause the conditions set forth in this Section 3.03 to be satisfied as promptly as reasonably practicable; provided that no party will be required to waive any condition.

Section 3.04 WAIVER OF CONDITIONS. Any or all of the conditions set forth in Section 3.03 may be waived, in whole or in part, in the sole discretion of the Conexant Board. The conditions set forth in Section 3.03 are for the sole benefit of Conexant and shall not give rise to or create any duty on the part of Conexant or the Conexant Board to waive or not waive any such conditions.

Section 3.05 DISCLOSURE. If at any time after the date hereof either of the parties shall become aware of any circumstances that will or could reasonably be expected to prevent any or all of the conditions contained in Section 3.03 from being satisfied, it will promptly give to the other party written notice of those circumstances.

ARTICLE IV

MUTUAL RELEASE; INDEMNIFICATION; EXPENSES

Section 4.01 MUTUAL RELEASE. Effective as of the Time of Distribution and except as otherwise specifically set forth in the Transaction Agreements, each of Conexant, on behalf of itself and each of the Conexant Subsidiaries, on the one hand, and Washington, on behalf of itself and each of the Washington Subsidiaries, on the other hand, hereby releases and forever discharges the other party and its Subsidiaries, and its and their respective officers, directors, agents, record and beneficial security holders (including trustees and beneficiaries of trusts holding such securities), advisors and Representatives (in each case, in their respective capacities as such) and their respective heirs, executors, administrators, successors and assigns, of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages, claims and Liabilities whatsoever of every name and nature, both in law and in equity, which the releasing party has or ever

had or ever will have, which arise out of or relate to events, circumstances or actions taken by such other party occurring or failing to occur or any conditions existing at or prior to the Time of Distribution; provided, however, that the foregoing general release shall not apply to (i) any Liabilities or other obligations (including Liabilities with respect to payment, reimbursement, indemnification or contribution) under the Transaction Agreements or assumed, transferred, assigned, allocated or arising under any of the Transaction Agreements (including any Liability that the parties may have with respect to payment, performance, reimbursement, indemnification or contribution pursuant to any Transaction Agreement for claims brought against the parties by third Persons or any Indemnitee), and the foregoing release will not affect any party's right to enforce the Transaction Agreements in accordance with their terms or (ii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.01 (provided, that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any member of the other Group with respect to any Liability to the extent such member of the other Group would be released with respect to such Liability by this Section 4.01 but for this clause (ii)).

Each of Conexant and Washington acknowledges that it has been advised by its legal counsel and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Being aware of said Code section, each of Conexant, on behalf of itself and the Conexant Subsidiaries, and Washington, on behalf of itself and the Washington Subsidiaries, hereby expressly waives any rights it may have under California Civil Code Section 1542, as well as any other statutes or common law principles of similar effect.

Section 4.02 INDEMNIFICATION BY CONEXANT. Subject to the provisions of this Article IV, Conexant shall indemnify, defend and hold harmless the Washington Indemnitees from and against, and pay or reimburse, as the case may be, the Washington Indemnitees for, all Indemnifiable Losses, as incurred, suffered by any Washington Indemnitee to the extent based upon, arising out of or relating to the following:

(a) the Conexant Liabilities (including the failure by Conexant or any other member of the Conexant Group to pay, perform or otherwise discharge the Conexant Liabilities in accordance with their terms), whether such Indemnifiable Losses are based upon, arise out of or relate to events, occurrences, actions, omissions, facts, circumstances or conditions occurring, existing or asserted before, at or after the Time of Distribution;

(b) the breach by any member of the Conexant Group of any agreement or covenant contained in a Transaction Agreement which does not by its express terms expire at the Time of Distribution;

(c) the use by members of the Conexant Group or their respective sublicensees of any intellectual property licensed by Washington and the Washington Subsidiaries pursuant to Section 5.03 other than in accordance with the terms of such provision;

(d) the breach of the representation and warranty of Conexant contained in Section 2.01(d)(i); or

(e) the enforcement by the Washington Indemnitees of their rights to be indemnified, defended and held harmless under this Section 4.02.

Notwithstanding anything to the contrary contained herein, in the event it is determined that Conexant shall have breached its representation and warranty contained in Section 2.01(d)(i), Conexant shall have the right, in its sole discretion, to transfer any Asset to Washington necessary to cure such breach, in which event Conexant's indemnification obligation in respect of such breach shall be satisfied in full, except with respect to any Indemnifiable Losses arising from such breach during the period from the Time of Distribution to the time of such transfer.

Section 4.03 INDEMNIFICATION BY WASHINGTON. Subject to the provisions of this Article IV, Washington shall indemnify, defend and hold harmless the Conexant Indemnitees from and against, and pay or reimburse, as the case may be, the Conexant Indemnitees for, all Indemnifiable Losses, as incurred, suffered by any Conexant Indemnitee to the extent based upon, arising out of or relating to the following:

(a) the Washington Liabilities (including the failure by Washington or any other member of the Washington Group to pay, perform or otherwise discharge the Washington Liabilities in accordance with their terms), whether such Indemnifiable Losses are based upon, arise out of or relate to events, occurrences, actions, omissions, facts, circumstances or conditions occurring, existing or asserted before, at or after the Time of Distribution;

(b) the breach by any member of the Washington Group of any agreement or covenant contained in a Transaction Agreement which does not by its express terms expire at the Time of Distribution;

(c) the use by members of the Washington Group (or, in the case of intellectual property licensed by Conexant and the Conexant Subsidiaries pursuant to Section 5.03, members of the Washington Group or their respective sublicensees) of any names, trademarks, trade names, domain names, service marks or corporate symbols or logos pursuant to Section 5.02 or intellectual property licensed by Conexant and the Conexant Subsidiaries pursuant to Section 5.03 other than in accordance with the terms of such provisions; or

(d) the enforcement by the Conexant Indemnitees of their rights to be indemnified, defended and held harmless under this Section 4.03.

Section 4.04 LIMITATIONS ON INDEMNIFICATION OBLIGATIONS. (a) The amount which any party (an "Indemnifying Party") is or may be required to pay to an Indemnitee in respect of Indemnifiable Losses or other Liability for which indemnification is provided under this Agreement shall be reduced by any amounts actually received (including Insurance Proceeds actually received) by or on behalf of such Indemnitee (net of increased insurance premiums and charges to the extent related to Indemnifiable Losses and costs and expenses (including reasonable legal fees and expenses) incurred by such Indemnitee in connection with seeking to collect and collecting such amounts) in respect of such Indemnifiable Losses or other Liability (such net amounts are referred to herein as "Indemnity Reduction Amounts"). If any Indemnitee receives any Indemnity Reduction Amounts in respect of an Indemnifiable Loss for which indemnification is provided under this Agreement after the full amount of such Indemnifiable Loss has been paid by an Indemnifying Party or after an Indemnifying Party has made a partial payment of such Indemnifiable Loss and such Indemnity Reduction Amounts exceed the remaining unpaid balance of such Indemnifiable Loss, then the Indemnitee shall promptly remit to the Indemnifying Party an amount equal to the excess (if any) of (A) the amount theretofore paid by the Indemnifying Party in respect of such Indemnifiable Loss, less (B) the amount of the indemnity payment that would have been due if such Indemnity Reduction Amounts in respect thereof had been received before the indemnity payment was made.

(b) In determining the amount of any Indemnifiable Losses, such amount shall be (i) reduced to take into account any net Tax benefit realized by the Indemnitee arising from the incurrence or payment by the Indemnitee of such Indemnifiable Losses and (ii) increased to take into account any net Tax cost incurred by the Indemnitee as a result of the receipt or accrual of payments hereunder (grossed-up for such increase), in each case determined by treating the Indemnitee as recognizing all other items of income, gain, loss, deduction or credit before recognizing any item arising from such Indemnifiable Losses. In determining the amount of any such Tax benefit or Tax cost, the Washington Indemnitees or the California Indemnitees, as applicable, shall be deemed to be subject to Tax as follows: (A) U.S. federal income Taxes and foreign income Taxes at the maximum statutory rate then in effect and (B) U.S. state and local income Taxes at an assumed rate of five percent net of U.S. federal income Tax benefits. It is the intention of the parties to this Agreement that indemnity payments made pursuant to this Agreement are to be treated as relating back to the Distribution as an adjustment to capital (i.e., capital contribution or distribution), and the parties shall not take any position inconsistent with such intention before any Tax Authority (as defined in the Tax Allocation Agreement), except to the extent that a final determination (as defined in Section 1313 of the Code) with respect to the recipient party causes any such payment not to be so treated.

(c) No monetary amount will be payable by Conexant to any Washington Indemnitee with respect to the indemnification of any claims pursuant to Section 4.02(d) until the aggregate amount of Indemnifiable Losses actually incurred by the Washington Indemnitees with respect to such claims shall exceed on a cumulative basis an amount equal to One Million Five Hundred Thousand dollars ($1,500,000), in which event Conexant shall be responsible only for the amount of such Indemnifiable Losses in excess of One Million Five Hundred Thousand dollars ($1,500,000).

(d) No monetary amount will be payable by Conexant to any Washington Indemnitee with respect to the indemnification of any claims

pursuant to Section 4.02(d) after the aggregate amount of Indemnifiable Losses actually paid by Conexant with respect to such claims shall equal on a cumulative basis an amount equal to Fifteen Million dollars ($15,000,000).

Section 4.05 PROCEDURES RELATING TO INDEMNIFICATION. (a) If a claim or demand is made against an Indemnitee, or an Indemnitee shall otherwise learn of an assertion, by any Person who is not a party to this Agreement (or an Affiliate thereof) as to which an Indemnifying Party may be obligated to provide indemnification pursuant to this Agreement (a "Third Party Claim"), such Indemnitee will notify the Indemnifying Party in writing, and in reasonable detail, of the Third Party Claim reasonably promptly after becoming aware of such Third Party Claim; provided, however, that failure to give such notification will not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure. Thereafter, the Indemnitee will deliver to the Indemnifying Party, promptly after the Indemnitee's receipt thereof, copies of all material notices and documents (including court papers) received or transmitted by the Indemnitee relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnitee, the Indemnifying Party will be entitled to participate in or to assume the defense thereof (in either case, at the expense of the Indemnifying Party) with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnitee. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense thereof; provided, that if in the Indemnitee's reasonable judgment a conflict of interest exists in respect of such claim or if the Indemnifying Party shall have assumed responsibility for such claim with any reservations or exceptions, such Indemnitee will have the right to employ separate counsel reasonably satisfactory to the Indemnifying Party to represent such Indemnitee and in that event the reasonable fees and expenses of such separate counsel (but not more than one separate counsel for all Indemnitees similarly situated) shall be paid by such Indemnifying Party. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnitee will have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party will control such defense. The Indemnifying Party will be liable for the fees and expenses of counsel employed by the Indemnitee for any period during which the Indemnifying Party has failed to assume the defense thereof. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnifying Party will promptly supply to the Indemnitee copies of all material correspondence and documents relating to or in connection with such Third Party Claim and keep the Indemnitee fully informed of all material developments relating to or in connection with such Third Party Claim (including providing to the Indemnitee on request updates and summaries as to the status thereof). If the Indemnifying Party chooses to defend a Third Party Claim, the parties hereto will cooperate in the defense thereof (such cooperation to be at the expense, including reasonable legal fees and expenses, of the Indemnifying Party), which cooperation shall include the retention in accordance with this Agreement and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) No Indemnifying Party will consent to any settlement, compromise or discharge (including the consent to entry of any judgment) of any Third Party Claim without the Indemnitee's prior written consent (which consent will not be unreasonably withheld); provided, that if the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnitee will agree to any settlement, compromise or discharge of such Third Party Claim which the Indemnifying Party may recommend and which by its terms obligates the Indemnifying Party to pay the full amount of Indemnifiable Losses in connection with such Third Party Claim and unconditionally and irrevocably releases the Indemnitee and its Affiliates completely from all Liability in connection with such Third Party Claim; provided, however, that the Indemnitee may refuse to agree to any such settlement, compromise or discharge (x) that provides for injunctive or other nonmonetary relief affecting the Indemnitee or any of its Affiliates or (y) that, in the reasonable opinion of the Indemnitee, would otherwise materially adversely affect the Indemnitee or any of its Affiliates. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, the Indemnitee will not (unless required by law) admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld).

(d) Any claim on account of Indemnifiable Losses which does not

involve a Third Party Claim will be asserted by reasonably prompt written notice given by the Indemnitee to the Indemnifying Party from whom such indemnification is sought. The failure by any Indemnitee so to notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to such Indemnitee under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(e) In the event of payment in full by an Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party will be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnitee will cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right or claim.

Section 4.06 REMEDIES CUMULATIVE. Subject to the provisions of Section 7.05, the remedies provided in this Article IV shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party, except that the indemnity contained in Section 4.02(d) shall be the sole and exclusive remedy of the parties hereto, their Affiliates, successors and assigns with respect to any and all claims arising out of or relating to the breach of the representation and warranty of Conexant contained in Section 2.01(d)(i).

Section 4.07 SURVIVAL OF INDEMNITIES. Except as set forth in the following sentence, the obligations of each of Conexant and Washington under this Article IV will not terminate at any time and will survive the sale or other transfer by any party of any assets or businesses or the assignment by any party of any Liabilities. Notwithstanding anything to the contrary contained herein, the obligation of Conexant to indemnify, defend and hold harmless the Washington Indemnitees pursuant to Section 4.02(d) will terminate upon the expiration of the representation and warranty set forth in Section 2.01(d)(i); provided, however, that such obligation to indemnify, defend and hold harmless will not terminate with respect to any individual claim as to which an Indemnitee shall have, before such expiration of such representation and warranty, previously delivered a notice (stating in reasonable detail the basis of such claim) to Conexant.

Section 4.08 EXCLUSIVITY OF TAX ALLOCATION AGREEMENT. Notwithstanding anything in this Agreement to the contrary, the Tax Allocation Agreement will be the exclusive agreement among the parties with respect to all Tax matters, including indemnification in respect of Tax matters.

Section 4.09 EXPENSES. (a) Except as otherwise set forth in any Transaction Agreement, (i) all Conexant Expenses will be charged to and paid by Conexant and (ii) all Washington Expenses will be charged to and paid by Washington.

(b) Within twenty business days after the Distribution Date, Washington will reimburse Conexant (by wire transfer to Conexant's bank account at Bank One, N.A., Account No. 51-52283, A.B.A. Routing Number 071000013) for all amounts in respect of Washington Expenses paid by Conexant or any of its Subsidiaries (including members of the Washington Group) before or at the Time of Distribution (including Washington Expenses that would otherwise constitute accounts payable); provided that, within ten business days after the Distribution Date, Conexant has notified Washington in writing of such Washington Expenses and provided Washington with appropriate supporting documentation for such Washington Expenses. Promptly after Conexant's request therefor and upon production to Washington of appropriate supporting documentation, Washington will reimburse Conexant (by wire transfer to the same bank account referred to in the preceding sentence) for all Washington Expenses paid by Conexant or any of its Subsidiaries before, at or after the Time of Distribution (including Washington Expenses that would otherwise constitute accounts payable), other than as previously reimbursed by Washington pursuant to the preceding sentence.

Section 4.10 EFFECT OF INVESTIGATION. The right to indemnification pursuant to Section 4.02(d) shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Distribution Date, with respect to the representation and warranty contained in Section 2.01(d)(i).

ARTICLE V

CERTAIN OTHER MATTERS

Section 5.01 INSURANCE.

(a) Coverage. Subject to the provisions of this Section 5.01, coverage of Washington and the Washington Subsidiaries under all Policies shall cease as of the Time of Distribution. From and after the Time of Distribution, Washington and the Washington Subsidiaries will be responsible for obtaining and maintaining all insurance coverages in their own right. All Policies will constitute Conexant Assets and will be retained by Conexant and the Conexant Subsidiaries, together with all rights, benefits and privileges thereunder (including the right to receive any and all return premiums with respect thereto), except that Washington will have the rights in respect of Policies to the extent described in Section 5.01(b).

(b) Rights Under Policies. From and after the Time of Distribution, Washington and the Washington Subsidiaries will have no rights with respect to any Policies, except that (i) Washington will have the right to assert claims (and Conexant will use commercially reasonable efforts to assist Washington in asserting claims) for any loss, liability or damage with respect to the Washington Assets or Washington Liabilities under Policies with third-party insurers which are "occurrence basis" insurance policies ("Occurrence Basis Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Time of Distribution to the extent that the terms and conditions of any such Occurrence Basis Policies and agreements relating thereto so allow and (ii) Washington will have the right to continue to prosecute claims with respect to Washington Assets or Washington Liabilities properly asserted with an insurer prior to the Time of Distribution (and Conexant will use commercially reasonable efforts to assist Washington in connection therewith) under Policies with third-party insurers which are insurance policies written on a "claims made" basis ("Claims Made Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Time of Distribution to the extent that the terms and conditions of any such Claims Made Policies and agreements relating thereto so allow, provided, that in the case of both clauses (i) and (ii) above, (A) all of Conexant's and each Conexant Subsidiary's reasonable out-of-pocket costs and expenses incurred in connection with the foregoing are promptly paid by Washington, (B) Conexant and the Conexant Subsidiaries may, at any time, without liability or obligation to Washington or any Washington Subsidiary (other than as set forth in Section 5.01(c)), amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Occurrence Basis Policies or Claims Made Policies (and such claims shall be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications), (C) such claims will be subject to (and recovery thereon will be reduced by the amount of) any applicable deductibles, retentions or self-insurance provisions, (D) such claims will be subject to (and recovery thereon will be reduced by the amount of) any payment or reimbursement obligations of Conexant, any Conexant Subsidiary or any Affiliate of Conexant or any Conexant Subsidiary in respect thereof and (E) such claims will be subject to exhaustion of existing aggregate limits. Conexant's obligation to use commercially reasonable efforts to assist Washington in asserting claims under applicable Policies will include using commercially reasonable efforts in assisting Washington to establish its right to coverage under such Policies (so long as all of Conexant's reasonable out-of-pocket costs and expenses in connection therewith are promptly paid by Washington). None of Conexant or the Conexant Subsidiaries will bear any Liability for the failure of an insurer to pay any claim under any Policy. It is understood that any Claims Made Policies will not provide any coverage to Washington and the Washington Subsidiaries for incidents occurring prior to the Time of Distribution but which are asserted with the insurance carrier after the Time of Distribution.

(c) Conexant Actions. In the event that after the Time of Distribution Conexant or any Conexant Subsidiary proposes to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Policies under which Washington has rights to assert claims pursuant to Section 5.01(b) in a manner that would adversely affect any such rights of Washington, (i) Conexant will give Washington prior notice thereof and consult with Washington with respect to such action (it being understood that the decision to take any such action will be in the sole discretion of Conexant) and (ii) Conexant will pay to Washington its equitable share (which shall be determined by Conexant in good faith based on the amount of premiums paid by or allocated to the Washington Business in respect of the applicable Policy) of any net proceeds actually received by Conexant from the insurer under the applicable Policy as a result of such action by Conexant (after deducting Conexant's reasonable costs and expenses incurred in connection with such action).

(d) Administration. From and after the Time of Distribution:

(i) Conexant or a Conexant Subsidiary, as appropriate, will be responsible for the Claims Administration with respect to claims of Conexant and the Conexant Subsidiaries under Policies; and

(ii) Washington or a Washington Subsidiary, as appropriate, will be responsible for the Claims Administration with respect to claims of Washington and the Washington Subsidiaries under Policies.

(e) Insurance Premiums. From and after the Time of Distribution, Conexant will pay all premiums (retrospectively-rated or otherwise) as required under the terms and conditions of the respective Policies in respect of periods prior to the Time of Distribution, whereupon Washington will upon the request of Conexant, forthwith reimburse Conexant for that portion of such premiums paid by Conexant as are reasonably determined by Conexant to be attributable to the Washington Business.

(f) Agreement for Waiver of Conflict and Shared Defense. In the event that a Policy provides coverage for both Conexant and/or a Conexant Subsidiary, on the one hand, and Washington and/or a Washington Subsidiary, on the other hand, relating to the same occurrence, Conexant and Washington agree to defend jointly and to waive any conflict of interest necessary to the conduct of that joint defense. Nothing in this Section 5.01(f) will be construed to limit or otherwise alter in any way the indemnity obligations of the parties to this Agreement, including those created by this Agreement, by operation of law or otherwise.

Section 5.02 USE OF NAMES, TRADEMARKS, ETC. (a) From and after the Time of Distribution, subject to Section 5.02(b), Conexant will own all rights of Conexant or any of its Subsidiaries (including members of the Washington Group) in, and to the use of, the Conexant Marks. Prior to or promptly after the Time of Distribution (but in no event later than 90 days after the Time of Distribution in the case of United States Persons and 180 days after the Time of Distribution in the case of non-United States Persons), Washington will change the name of any Washington Subsidiary or other Person under its control to eliminate therefrom the names "Conexant", "Conexant Systems" and "Conexant Systems, Inc." and all derivatives thereof.

(b) From and after the Time of Distribution, except as permitted in this Section 5.02(b), the Washington Group will not use or have any rights to the Conexant Marks or any name, mark or symbol confusingly similar thereto, or any special script, type font, form, style, logo, design, device, trade dress or symbol which contains, represents or evokes the Conexant Marks or any name or mark confusingly similar thereto. From and after the Time of Distribution, the Washington Group will not hold itself out as having any affiliation with the Conexant Group. However, Conexant hereby grants to Washington a non-exclusive, non-transferable (other than by way of sublicenses to members of the Washington Group) license to utilize without obligation to pay royalties to Conexant the names, trademarks, trade names and service marks "Conexant", "Conexant Systems" and "Conexant Systems, Inc." and any corporate symbol or logo related thereto in connection with stationery, supplies, labels, catalogs, vehicles, signs, packaging and products of the Washington Business, but only as described in paragraphs (i) through (vi) of this Section 5.02(b), subject to the terms and conditions of this Section 5.02(b) and Section 5.02(c), in each case in the same manner and to the same extent as such names, trademarks, trade names, service marks, corporate symbols or logos were used by the Washington Business at any time within the two year period preceding the Time of Distribution:

(i) All documents constituting Washington Assets as of the Time of Distribution within the following categories may be used for the duration of the periods following the Time of Distribution indicated below or until the supply is exhausted, whichever is the first to occur:

Category of Documents	Maximum Period of Permitted Use Following the Time of Distribution
A. Stationery	3 months
B. Invoices, purchase orders, debit and credit memos and other similar documents of a transactional nature	3 months
C. Business cards	3 months
D. Other outside forms such as packing lists, labels, packing materials and cartons, etc.	6 months
E. Forms for internal use only	6 months

F. Product literature 6 months;

provided, however, that Washington will cause each document within any of the above categories A, B or F used for any purpose within the stated period to clearly and prominently display a statement, the form of which is approved by Conexant, to the effect that the Washington Group was formerly affiliated with Conexant.

(ii) All vehicles constituting Washington Assets as of the Time of Distribution may continue to be used without re-marking (except as to legally required permit numbers, license numbers, etc.) for a period not to exceed three months following the Time of Distribution or the date of disposition of the vehicle, whichever is the first to occur. Washington will cause all markings on such vehicles to be removed or permanently obscured prior to the disposition of such vehicles.

(iii) Within three months following the Time of Distribution, Washington will remove or cause to be removed from display all signs and displays which contain the Conexant Marks.

(iv) Products of the Washington Business may have applied thereto the names, trademarks, trade names or service marks "Conexant", "Conexant Systems" or "Conexant Systems, Inc." or any Conexant corporate symbol or logo related thereto for a period of three months after the Time of Distribution.

(v) Products of the Washington Business in finished goods inventory and work in process (to the extent the same bear the name, trademark, trade name or service mark "Conexant", "Conexant Systems" or "Conexant Systems, Inc." or any Conexant corporate symbol or logo related thereto as of the Time of Distribution or have any such name, trademark, trade name, service mark, corporate symbol or logo applied to them in accordance with paragraph (iv) above) may be disposed of without re-marking.

(vi) All documents of the Washington Business of the type described in paragraph (i) above and displays and signs of the Washington Business may, for a period not to exceed one year after the Distribution Date (or such longer period as shall be approved by Conexant), contain the statement "A Heritage of Conexant Technology" (or other similar phrase, the form of which is approved by Conexant) in conjunction with the name of Washington or any Subsidiary thereof so long as such statement is of a type no more prominent than such name of Washington or such Subsidiary thereof.

(c) (i) Apart from the rights granted under Section 5.02(b), no member of the Washington Group shall have any right, title or interest in or to the use of the Conexant Marks, either alone or in combination with any other word, name, symbol, device, trademarks, or any combination thereof. Anything contained herein to the contrary notwithstanding, except as expressly permitted by Section 5.02(b), in no event will any member of the Washington Group utilize the Conexant Marks as a component of a company or trade name. Washington will not, and will cause each other member of the Washington Group not to, challenge or contest the validity of the Conexant Marks, the registration thereof or the ownership thereof by the Conexant Group. Washington will not, and will cause each other member of the Washington Group not to, apply anywhere at any time for any registration as owner or exclusive licensee of the Conexant Marks. If, notwithstanding the foregoing, any member of the Washington Group develops, adopts or acquires, directly or indirectly, any right, title or interest in, or to the use of, any Conexant Marks in any jurisdiction, or any goodwill incident thereto, Washington will, upon the request of Conexant, and for a nominal consideration of one dollar, assign or cause to be assigned to Conexant or any designee of Conexant, all right, title and interest in, and to the use of, such Conexant Marks in any and all jurisdictions, together with any goodwill incident thereto.

(ii) If the laws of any country require that any mark subject to Section 5.02(b) or the right of any member of the Washington Group to use any mark as permitted by Section 5.02(b) be registered in order to fully protect the Conexant Group, Conexant and Washington will cooperate in constituting such member of the Washington Group as a registered user (or its equivalent) in each of the countries in which such registration is necessary. If any such laws of any country require that any such mark or the use by any member of the Washington Group of any such mark be registered prior to use in order to protect fully the Conexant Group, the license granted pursuant to Section 5.02(b) will not extend to such country until such registration has been effected to the reasonable satisfaction of Conexant. Any expenses for registering such mark or constituting such

member of the Washington Group as a registered user in any country shall be borne by Washington. Any registration of such member of the Washington Group as a registered user of any mark hereunder shall be expunged on termination of the period of permitted use under this Agreement or upon a breach or threatened breach by any member of the Washington Group of the terms of this Section 5.02 and Washington will, upon request of Conexant, take all necessary steps to cause such registration to be so expunged upon such termination or breach or threatened breach. In addition, Washington hereby constitutes and appoints Conexant the true and lawful attorney of Washington, with full power of substitution, in the name and on behalf of Washington (and at the cost of Washington) to take all necessary steps to cause such registration to be so expunged upon such termination or breach or threatened breach.

(iii) Washington will cause each member of the Washington Group to comply with the provisions of this Section 5.02. Nothing in this Section 5.02 will prevent any member of the Conexant Group from enforcing the provisions of this Section 5.02 against any member of the Washington Group.

(iv) Conexant will have the right to terminate the license granted in Section 5.02(b) upon 30 days written notice to Washington for any material failure by any member of the Washington Group to observe the terms of Section 5.02(b) or this Section 5.02(c), provided that such failure is not remedied (where commercially feasible) prior to the effectiveness of the termination.

Section 5.03 LICENSE OF INTELLECTUAL PROPERTY.

(a) License of Conexant Intellectual Property to Washington.

(i) Subject to Sections 5.03(a)(iv) and 5.03(d), effective as of the Time of Distribution, Conexant, on behalf of itself and the Conexant Subsidiaries, hereby grants to the Washington Group a non-exclusive, world-wide, irrevocable, royalty-free license, without the right to assign or grant sublicenses, except as provided in Sections 5.03(a)(ii) and (iii), under all Patents and Trademarks, Trade Secrets and other intellectual property rights existing as of the Time of Distribution (collectively, "Intellectual Property") that constitute Conexant Assets (excluding trademarks, trade names, domain names, service marks, trade dress and any other form of trade identity) that the Conexant Group has a right to license without the payment of royalties to a third party, (A) with respect to any copyrighted work included in such Intellectual Property, to reproduce, display, distribute and prepare derivative works of such copyrighted work; and (B) to make, have made (including by third-party contract manufacturers), use, sell, offer for sale, import, or otherwise dispose of products in the conduct of the Washington Business as it is being conducted immediately prior to the Time of Distribution and any related extensions or expansions thereof, and to practice any process involved in the use or manufacture thereof; provided, that in connection with the Merger, this license will also extend to products in the conduct of Alpha's business as it is being conducted immediately prior to the Effective Time and any related extensions or expansions thereof.

(ii) The license granted under Section 5.03(a)(i) is non-assignable and non-transferable (in insolvency proceedings, by reason of corporate merger, by acquisition or other change of control or otherwise) by the Washington Group, except that a one-time assignment may be made to Alpha and its Subsidiaries in connection with the Merger.

(iii) The license granted under Section 5.03(a)(i) does not include the right to grant sublicenses, except that the Washington Group (or, following the Effective Time, Alpha and its Subsidiaries) may grant a sublicense (within the scope of such license) to any entity or business that is a spin-off or other similar divestiture of all or any part of the Washington Group's businesses (or, following the Effective Time, the Combined Company's businesses) (a "Washington Spin-Off") and to any subsequent entity or business that is a spin-off or other similar divestiture of all or any part of a Washington Spin-Off; provided, however, that any such sublicense shall be subject to the same restrictions on assignment and transfer as the original license granted in this Section 5.03(a).

(iv) In the event that following the Effective Time, the Combined Company or a Washington Spin-Off becomes insolvent or is acquired by or merges with a third party, such license or sublicense shall immediately and automatically terminate with respect to such Person and its Affiliates effective as of the date of such insolvency, acquisition or merger, unless Conexant and the Combined Company otherwise agree; provided, that such termination of such license or sublicense shall not necessarily affect any other license or sublicense.

(v) Without limiting the foregoing, Conexant and Alpha shall confer in good faith to determine whether and on what terms Conexant's

rights under the Lucent License Agreement may be sublicensed to Washington and/or the Combined Company, and, if mutually agreed by Conexant and Alpha, Conexant shall grant a sublicense as Conexant and Alpha may mutually determine may be granted, subject to the terms and conditions of the Lucent License Agreement; provided, however, that nothing in this Section 5.03(a)(v) shall require that Conexant pay any additional fees or royalties under the Lucent License Agreement or grant any sublicense to Washington and/or the Combined Company if Conexant in good faith determines such sublicense would jeopardize any rights of Conexant under the Lucent License Agreement.

(b) License of Alpha Intellectual Property to Conexant

(i) Subject to Section 5.03(b)(iv), effective immediately prior to the Effective Time, Alpha, on behalf of itself and its Subsidiaries, hereby grants to the Conexant Group a non-exclusive, world-wide, irrevocable royalty-free license, without the right to assign or grant sublicenses, except as provided in Sections 5.03(b)(ii) and (iii), under all Intellectual Property owned by Alpha and its Subsidiaries (excluding trademarks, trade names, domain names, service marks, trade dress and any other form of trade identity) that Alpha and its Subsidiaries have a right to license without the payment of royalties to a third party, (A) with respect to any copyrighted work included in such Intellectual Property, to reproduce, display, distribute and prepare derivative works of such copyrighted work; and (B) to make, have made (including by third-party contract manufacturers), use, sell, offer for sale, import, or otherwise dispose of products in the conduct of the Conexant Business as it is being conducted immediately prior to the Time of Distribution and any related extensions or expansions thereof, and to practice any process involved in the use or manufacture thereof.

(ii) The license granted under Section 5.03(b)(i) is non-assignable and non-transferable (in insolvency proceedings, by reason of corporate merger, by acquisition or other change in control or otherwise) by the Conexant Group.

(iii) The license granted under Section 5.03(b)(i) does not include the right to grant sublicenses, except that the Conexant Group may grant a sublicense (within the scope of such license) to any entity or business that is a spin-off or other similar divestiture of all or any part of the Conexant Group's businesses (a "Conexant Spin-Off") and to any subsequent entity or business that is a spin-off or other similar divestiture of all or any part of a Conexant Spin-Off; provided, however, that any such sublicense shall be subject to the same restrictions on assignment and transfer as the original license granted in this Section 5.03(b).

(iv) In the event that following the Effective Time, Conexant or a Conexant Spin-Off becomes insolvent or is acquired by or merges with a third party, such license or sublicense shall immediately and automatically terminate with respect to such Person and its Affiliates effective as of the date of such insolvency, acquisition or merger, unless Conexant and the Combined Company otherwise agree; provided, that such termination of such license or sublicense shall not necessarily affect any other license or sublicense.

(c) License of Washington Intellectual Property to Conexant

(i) Subject to in Sections 5.03(c)(iv) and 5.03(d), effective as of the Time of Distribution, Washington, on behalf of itself and the Washington Subsidiaries, hereby grants to the Conexant Group a non-exclusive, world-wide, irrevocable, royalty-free license, without the right to assign or grant sublicenses, except as provided in Sections 5.03(c)(ii) and (iii), under all Intellectual Property that constitute Washington Assets (excluding trademarks, trade names, domain names, service marks, trade dress and any other form of trade identity) that the Washington Group has a right to license without the payment of royalties to a third party, (A) with respect to any copyrighted work included in such Intellectual Property, to reproduce, display, distribute and prepare derivative works of such copyrighted work; and (B) to make, have made (including by third-party contract manufacturers), use, sell, offer for sale, import, or otherwise dispose of products in the conduct of the Conexant Business as it is being conducted immediately prior to the Time of Distribution and any related extensions or expansions thereof, and to practice any process involved in the use or manufacture thereof.

(ii) The license granted under Section 5.03(c)(i) is not assignable and non-transferable (in insolvency proceedings, by reason of corporate mergers, by acquisition or other change of control or otherwise) by the Conexant Group.

(iii) The license granted under Section 5.03(c)(i) does not include the right to grant sublicenses, except that the Conexant Group may

grant a sublicense (within the scope of such license) to any Conexant Spin-Off and to any subsequent entity or business that is a spin-off or other similar divestiture of all or any part of a Conexant Spin-Off; provided, however, that any such sublicense shall be subject to the same restrictions on assignment and transfer as the original license granted in this Section 5.03(c).

(iv) In the event that following the Effective Time, Conexant or a Conexant Spin-Off becomes insolvent or is acquired by or merges with a third party, such license or sublicense shall immediately and automatically terminate with respect to such Person and its Affiliates effective as of the date of such insolvency, acquisition or merger, unless Conexant and the Combined Company otherwise agree; provided, that such termination of such license or sublicense shall not necessarily affect any other license or sublicense.

(d) Field of Use Restrictions on Bluetooth Technology

(i) Notwithstanding anything to the contrary contained in this Agreement, effective immediately after the Time of Distribution and continuing for a term of eighteen months, Conexant agrees that no member of the Conexant Group shall sell or offer for sale the Washington Bluetooth RF Solution on a stand-alone basis into any market , and that no member of the Conexant Group shall sell or offer for sale the combination of the Washington Bluetooth RF Solution with the Conexant Bluetooth Baseband Solution into the cellular handset market; provided, however, that nothing in this Section 5.03(d)(i) shall prohibit any member of the Conexant Group from selling the Conexant Bluetooth Baseband Solution, a third-party Bluetooth RF solution or any other Bluetooth RF solution that is not substantially based on the Washington Bluetooth RF Solution into any market.

(ii) Notwithstanding anything to the contrary contained in this Agreement, effective immediately after the Time of Distribution and continuing for a term of eighteen months, Washington agrees that no member of the Washington Group (and, following the Effective Time, Alpha agrees that neither it nor any of its Subsidiaries) shall sell or offer for sale the Conexant Bluetooth Baseband Solution into any market outside the cellular handset market, whether on a stand-alone basis or in combination with the Washington Bluetooth RF Solution, unless the Conexant Bluetooth Baseband Solution is sold in combination with the Washington Group's cellular chipset solution; provided, however, that nothing in this Section 5.03(d)(ii) shall prohibit any member of the Washington Group (or, following the Effective Time, Alpha and its Subsidiaries) from selling the Washington Bluetooth RF Solution, a third-party Bluetooth baseband solution or any other Bluetooth baseband solution that is not substantially based on the Conexant Bluetooth Baseband Solution into any market.

(e) Administrative Services Software.

(i) For purposes of this Section 5.03(e), the following terms will have the following definitions:

(A) "Administrative Services" means services pertaining to personnel, payroll, property management, benefits, human resource management, financial planning, case docketing and management, contract and subcontract management, facilities management, proposal activities, supply chain planning for production, product distribution, material requirements planning, inventory management, engineering documentation control, workflow and e-mail management, networks and computer systems management and other similar services.

(B) "Administrative Services Software" means software originated internally and owned by Conexant or any of its Subsidiaries (including members of the Washington Group) prior to the Time of Distribution and relating to the provision of Administrative Services to the Conexant Business or the Washington Business immediately prior to the Time of Distribution, regardless of where ownership of such software vests after the Time of Distribution. Administrative Services Software also shall include materials and documentation supplied by one party to the other pursuant to clause (iv) of this Section 5.03(e).

(ii) Anything contained herein to the contrary notwithstanding, the following licenses shall govern the licensing of Administrative Services Software:

(A) Effective as of the Time of Distribution, Conexant, on behalf of itself and the Conexant Subsidiaries, hereby grants to Washington a royalty-free, world-wide, irrevocable, non-exclusive license to use Administrative Services Software which constitutes Conexant Assets and which immediately after the

Time of Distribution is either owned by the Conexant Group or under which the Conexant Group has a right to license without the payment of royalties to a third party, but only for the internal business purposes of the Washington Group, including the right to sublicense only to (x) members of the Washington Group and (y) service providers and similar third parties to use the Administrative Services Software only for or on behalf of the Washington Group.

(B) Effective as of the Time of Distribution, Washington, on behalf of itself and the Washington Subsidiaries, hereby grants to Conexant a royalty-free, world-wide, irrevocable, non-exclusive license to use Administrative Services Software which constitutes Washington Assets and which immediately after the Time of Distribution is either owned by the Washington Group or under which the Washington Group has a right to license without the payment of royalties to a third party, but only for the internal business purposes of the Conexant Group, including the right to sublicense only to (x) members of the Conexant Group and (y) service providers and similar third parties to use the Administrative Services Software only for or on behalf of the Conexant Group.

(C) Except as set forth in this paragraph (e)(ii), the licenses granted pursuant to this Section 5.03(e) do not include the right to sublicense.

(iii) Each party shall have the right to use, disclose, perform, display, copy, distribute and make derivative works of Administrative Services Software within the scope of the licenses granted herein. Title to Administrative Services Software and all rights therein, including all rights in patents, copyrights and trade secrets and any other intellectual property rights applicable thereto, shall remain vested in the party to which ownership is allocated pursuant to this Agreement. Notwithstanding anything to the contrary contained herein, each licensed party agrees that it will not use, copy, disclose, sell, assign or sublicense, or otherwise transfer Administrative Services Software licensed to it under this Section 5.03(e) or any derivative works thereof, except as expressly provided in this Section 5.03(e) and Section 7.07.

(iv) To the extent that a licensed party does not have copies of any Administrative Services Software or materials and documentation (such as source code listings, flow charts, user guides and programmer's guides) relating to the operation and maintenance of such Administrative Services Software to which the other party has ownership, such owning party shall, as soon as practicable after request of the licensed party, supply to the licensed party copies of such Administrative Services Software and any related operating and maintenance materials or documentation existing as of the Time of Distribution.

(v) In the event that Administrative Services Software is used by the owner in the ordinary course of its business either associated or bundled with software owned or controlled by a third party (e.g., as a suite of software), without which the Administrative Services Software would be wholly or partly inoperable or otherwise unfit for its intended purposes, the grant of the licenses under the provisions of this Section 5.03(e) shall not be construed as an implied license to use the software of such a third party or as an undertaking on the part of the owner of the Administrative Services Software to obtain a license to permit the use of such third party software.

(f) (i) Conexant makes no representations or warranties of any kind with respect to the validity, scope or enforceability of any intellectual property rights licensed by Conexant or the Conexant Subsidiaries pursuant to this Section 5.03 and none of Conexant or the Conexant Subsidiaries has any obligation to file or prosecute any patent applications or maintain any patents in force in connection therewith. Notwithstanding anything contained herein to the contrary, this Section 5.03 will not be applicable to any rights in, or to the use of, the Conexant Marks (which are the subject of Section 5.02).

(ii) Washington makes no representations or warranties of any kind with respect to the validity, scope or enforceability of any intellectual property rights licensed by Washington or the Washington Subsidiaries pursuant to this Section 5.03 and none of Washington or the Washington Subsidiaries has any obligation to file or prosecute any patent applications or maintain any patents in force in connection therewith.

Section 5.04 SOFTWARE AND OTHER LICENSE AGREEMENTS. If after the Time of Distribution, Washington (or any member of the Washington

Group) no longer has licensee rights under any software or other license agreement of Conexant (or any member of the Conexant Group) (a "Conexant License Agreement") that, prior to the Time of Distribution, was used in the conduct of the Washington Business (i) because such license agreement does not constitute a Washington Asset; (ii) because the transfer of, or sublicense under, such Conexant License Agreement required the consent of a third party and such consent was not obtained or (iii) for any other reason, then Washington shall be responsible for all costs and expenses incurred in connection with the procurement of new license agreements to replace any such Conexant License Agreements. Conexant will use commercially reasonable efforts to assist Washington in the procurement of such new license agreements; provided that all of Conexant's costs and expenses incurred in connection therewith shall be paid by Washington.

Section 5.05 NON-SOLICITATION OF EMPLOYEES. Without the express written agreement of either (a) both the Chief Executive Officer of Conexant and the Chief Executive Officer of Alpha or (b) both the Senior Vice President, Human Resources of Conexant and the Vice President, Treasurer, Chief Financial Officer and Secretary of Alpha:

(a) Conexant agrees not to (and to cause the other members of the Conexant Group not to) solicit, recruit or hire any employee of, or individuals providing contracting services to, Washington or any other member of the Washington Group for a period of six months following the Distribution Date or until six months after such employee's employment with, or such individual's provision of contracting services to, Washington or any other member of the Washington Group terminates, whichever occurs first;

(b) Washington agrees not to (and to cause the other members of the Washington Group, Alpha and all Subsidiaries and Affiliates of Alpha not to) solicit, recruit or hire any employee of, or individuals providing contracting services to, Conexant or any other member of the Conexant Group for a period of six months following the Distribution Date or until six months after such employee's employment with, or such individual's provision of contracting services to, Conexant or any other member of the Conexant Group terminates, whichever occurs first; and

(c) Notwithstanding the foregoing (but subject to the restriction on hiring), such prohibitions on solicitation do not restrict general recruitment efforts carried out through a public or general solicitation.

ARTICLE VI

ACCESS TO INFORMATION

Section 6.01 PROVISION OF CORPORATE RECORDS. Prior to or as promptly as practicable after the Time of Distribution, Conexant shall deliver to Washington all minute books and other records of meetings of the Board of Directors, committees of the Board of Directors and stockholders of the Washington Group, all corporate books and records of the Washington Group in its possession and the relevant portions (or copies thereof) of all corporate books and records of the Conexant Group relating directly and primarily to the Washington Assets, the Washington Business or the Washington Liabilities, including, in each case, all active agreements and active litigation files. From and after the Time of Distribution, all such books, records and copies shall be the property of Washington. Prior to or as promptly as practicable after the Time of Distribution, Washington shall deliver to Conexant all corporate books and records of the Conexant Group in Washington's possession (other than the books, records and copies described in the first sentence of this Section 6.01) and the relevant portions (or copies thereof) of all corporate books and records of the Washington Group relating directly and primarily to the Conexant Assets, the Conexant Business or the Conexant Liabilities, including, in each case, all active agreements and active litigation files. From and after the Time of Distribution, all such books, records and copies shall be the property of Conexant.

Section 6.02 ACCESS TO INFORMATION. (a) From and after the Time of Distribution, Conexant will, and will cause each Conexant Subsidiary to, afford to Washington and its Representatives (at Washington's expense) reasonable access and duplicating rights during normal business hours and upon reasonable advance notice to all pre-Distribution Information within the Conexant Group's possession or control relating to Washington, any Washington Subsidiary, any Washington Asset, any Washington Liability or the Washington Business, insofar as such access is reasonably required by Washington or any Washington Subsidiary, subject to the provisions below regarding Privileged Information.

(b) From and after the Time of Distribution, Washington will, and will cause each Washington Subsidiary to, afford to Conexant and its Representatives (at Conexant's expense) reasonable access and duplicating rights during normal business hours and upon reasonable advance notice to all pre-Distribution Information within the Washington Group's possession or control relating to Conexant, any Conexant Subsidiary, any Conexant Asset, any Conexant Liability or the Conexant Business, insofar as such access is reasonably required by Conexant or any Conexant Subsidiary, subject to the provisions below regarding Privileged Information.

(c) Without limiting the foregoing, Information may be requested under this Article VI for audit (including in respect of any audit of the Washington Business after the Time of Distribution), accounting, claims, litigation, insurance, environmental and safety and tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations and for performing this Agreement and the transactions contemplated hereby.

In furtherance of the foregoing:

(i) Each party acknowledges that (A) each of Conexant and Washington (and the members of the Conexant Group and the Washington Group, respectively) has or may obtain Privileged Information; (B) there are or may be a number of Actions affecting one or more of the members of the Conexant Group and the Washington Group; (C) the parties may have a common legal interest in Actions, in the Privileged Information, and in the preservation of the confidential status of the Privileged Information; and (D) each of Conexant and Washington intends that the transactions contemplated by the Transaction Agreements and any transfer of Privileged Information in connection therewith shall not operate as a waiver of any potentially applicable privilege.

(ii) Each of Conexant and Washington agrees, on behalf of itself and each member of the Group of which it is a member, not to disclose or otherwise waive any privilege attaching to any Privileged Information relating to the pre-Distribution business of the other Group or relating to or arising in connection with the relationship between the Groups on or prior to the Time of Distribution, without providing prompt written notice to and obtaining the prior written consent of the other, which consent will not be unreasonably withheld. In the event of a disagreement between any member of the Conexant Group and/or any member of the Washington Group concerning the reasonableness of withholding such consent, no disclosure will be made prior to a final, nonappealable resolution of such disagreement by a court of competent jurisdiction.

(iii) Upon any member of the Conexant Group or any member of the Washington Group receiving any subpoena or other compulsory disclosure notice from a court, other Governmental Entity or otherwise which requests disclosure of Privileged Information, in each case relating to the pre-Distribution business of the other Group or relating to or arising in connection with the relationship between the Groups on or prior to the Time of Distribution, the recipient of the notice will promptly provide to the other party (following the notice provisions set forth herein) a copy of such notice, the intended response, and a description of all materials or information relating to the other Group that might be disclosed. In the event of a disagreement as to the intended response or disclosure, unless and until the disagreement is resolved as provided in Section 6.02(c)(ii), the parties will cooperate to assert all defenses to disclosure claimed by either Group, at the cost and expense of the Group claiming such defense to disclosure, and shall not disclose any disputed documents or information until all legal defenses and claims of privilege have been finally determined.

Section 6.03 PRODUCTION OF WITNESSES. Subject to Section 6.02, after the Time of Distribution, each of Conexant and Washington will, and will cause each member of the Conexant Group and the Washington Group, respectively, to, make available to the other party and members of such other party's Group, upon written request and at the cost and expense of the party so requesting, its directors, officers, employees and agents as witnesses to the extent that any such Person may reasonably be required (giving consideration to business demands of such directors, officers, employees and agents) in connection with any Actions, administrative or other proceedings in which the requesting party may from time to time be involved and relating to the pre-Distribution business of either Group or relating to or arising in connection with the relationship between the Groups on or prior to the Time of Distribution, provided that the same shall not unreasonably interfere with the conduct of business by the Group of which the request is made.

Section 6.04 RETENTION OF RECORDS. Except as otherwise required

by law or agreed to by the parties in writing, if any Information relating to the pre-Distribution business, Assets or Liabilities of a member of a Group is retained by a member of the other Group, each of Conexant and Washington will, and will cause the members of the Group of which it is a member to, retain for the period required by the applicable Conexant records retention policy in effect immediately prior to the Time of Distribution all such Information in such Group's possession or under its control. In addition, after the expiration of such required retention period, if any member of either Group wishes to destroy or dispose of any such Information, prior to destroying or disposing of any of such Information, (i) Conexant or Washington, on behalf of the member of its Group that is proposing to destroy or dispose of any such Information, will provide no less than 30 days' prior written notice to the other party, specifying in reasonable detail the Information proposed to be destroyed or disposed of, and (ii) if, prior to the scheduled date for such destruction or disposal, the recipient of such notice requests in writing that any of the Information proposed to be destroyed or disposed of be delivered to such requesting party, the party whose Group is proposing to destroy or dispose of such Information promptly will arrange for the delivery of the requested Information to a location specified by, and at the expense of, the requesting party.

Section 6.05 CONFIDENTIALITY. Subject to the provisions of Section 6.02, which shall govern Privileged Information, from and after the Time of Distribution, each of Conexant and Washington shall hold, and shall use reasonable efforts to cause members of its Group and its and their Affiliates and Representatives to hold, in strict confidence all Information concerning the other party's Group in its possession or control prior to the Time of Distribution or furnished to it by such other party's Group pursuant to the Transaction Agreements or the transactions contemplated thereby and will not release or disclose such Information to any other Person, except members of its Group and its and their Representatives, who will be bound by the provisions of this Section 6.05; provided, however, that any member of the Conexant Group or the Washington Group may disclose such Information to the extent that (a) disclosure is compelled by judicial or administrative process or, in the opinion of such Person's counsel, by other requirements of law (in which case the party required to make such disclosure will notify the other party as soon as practicable of such obligation or requirement and cooperate with the other party to limit the Information required to be disclosed and to obtain a protective order or other appropriate remedy with respect to the Information ultimately disclosed) or (b) such Person can show that such Information was (i) available to such Person on a nonconfidential basis (other than from a member of the other party's Group) prior to its disclosure by such Person, (ii) in the public domain through no fault of such Person or (iii) lawfully acquired by such Person from another source after the time that it was furnished to such Person by the other party's Group, and not acquired from such source subject to any confidentiality obligation on the part of such source known to the acquiror, or on the part of the acquiror. Each party acknowledges that it will be liable for any breach of this Section 6.05 by its Affiliates, Representatives and Subsidiaries. Notwithstanding the foregoing, each of Conexant and Washington will be deemed to have satisfied its obligations under this Section 6.05 with respect to any Information (other than Privileged Information) if it exercises the same care with regard to such Information as it takes to preserve confidentiality for its own similar Information.

ARTICLE VII

MISCELLANEOUS

Section 7.01 ENTIRE AGREEMENT; CONSTRUCTION. This Agreement and the Ancillary Agreements, including any annexes, schedules and exhibits hereto or thereto, and other agreements and documents referred to herein and therein, will together constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and will supersede all prior negotiations, agreements and understandings of the parties of any nature, whether oral or written, with respect to such subject matter. Notwithstanding any other provisions in the Transaction Agreements to the contrary, (i) in the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of the Employee Matters Agreement or the Tax Allocation Agreement, the provisions of the Employee Matters Agreement or the Tax Allocation Agreement, as appropriate, will control and (ii) in the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of any Conveyance and Assumption Instruments, the provisions of this Agreement will control.

Section 7.02 SURVIVAL OF AGREEMENTS. Except as otherwise contemplated by the Transaction Agreements, all covenants and agreements of the parties contained in the Transaction Agreements will remain in full

force and effect and survive the Time of Distribution.

Section 7.03 GOVERNING LAW. This Agreement will be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

Section 7.04 NOTICES. All notices, requests, claims, demands and other communications required or permitted to be given hereunder will be in writing and will be delivered by hand or telecopied, e-mailed or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and will be deemed given when so delivered by hand or telecopied, when e-mail confirmation is received if delivered by e-mail, or three business days after being so mailed (one business day in the case of express mail or overnight courier service). All such notices, requests, claims, demands and other communications will be addressed as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

(a) If to Conexant:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095

Attention: Dwight W. Decker
Chairman of the Board and Chief Executive Officer
Telecopy: (949) 483-4318
E-mail: dwight.decker@conexant.com

with a copy to:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095

Attention: Dennis E. O'Reilly, Esq.
Senior Vice President, General Counsel
and Secretary
Telecopy: (949) 483-6388
E-mail: dennis.o'reilly@conexant.com

(b) If to Washington after the Effective Time:

Washington Sub, Inc.
c/o Alpha Industries, Inc.
20 Sylvan Road
Woburn, Massachusetts 01801

Attention: Paul E. Vincent
Chief Financial Officer
Telecopy: (617) 824-4426
E-mail: pvincent@alphaind.com

with a copy to:

Alpha Industries, Inc.
20 Sylvan Road
Woburn, Massachusetts 01801

Attention: James K. Jacobs, Esq.
General Counsel
Telecopy: (617) 824-4564
E-mail: jjacobs@alphaind.com

Section 7.05 DISPUTE RESOLUTION. In the event that from and after the Time of Distribution any dispute, claim or controversy (collectively, a "Dispute") arises out of or relates to any provision of any Transaction Agreement or the breach, performance, enforcement or validity or invalidity thereof, the designees of the Conexant Chief Executive Officer and the Alpha Chief Executive Officer will attempt a good faith resolution of the Dispute within thirty days after either party notifies the other party in writing of the Dispute. If the Dispute is not resolved within thirty days of the receipt of the notification, or within such other time as they may agree, the Dispute will be referred for resolution to the Conexant Chief Executive Officer and the Alpha Chief Executive Officer. Should they be unable to resolve the Dispute within thirty days following the referral to them, or within such other time as

they may agree, Conexant and Washington will then attempt in good faith to resolve such Dispute by mediation in accordance with the then-existing CPR Mediation Procedures promulgated by the CPR Institute for Dispute Resolution, New York City. If such mediation is unsuccessful within thirty days (or such other period as the parties may mutually agree) after the commencement thereof, such Dispute shall be submitted by the parties to binding arbitration, initiated and conducted in accordance with the then-existing American Arbitration Association Commercial Arbitration Rules, before a single arbitrator selected jointly by Conexant and Alpha, who shall not be the same person as the mediator appointed pursuant to the preceding sentence. If Conexant and Alpha cannot agree upon the identity of an arbitrator within ten days after the arbitration process is initiated, then the arbitration will be conducted before three arbitrators, one selected by Conexant, one selected by Alpha and the third selected by the first two. The arbitration shall be conducted in San Francisco, California and shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award may be entered by any court having jurisdiction thereof. The arbitrators shall have case management authority and shall resolve the Dispute in a final award within one hundred eighty days from the commencement of the arbitration action, subject to any extension of time thereof allowed by the arbitrators upon good cause shown.

Section 7.06 AMENDMENTS. This Agreement cannot be amended, modified or supplemented except by a written agreement executed by Conexant and Washington that is consented to in writing by Alpha.

Section 7.07 ASSIGNMENT. Except as otherwise provided herein, neither party to this Agreement will convey, assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party and Alpha in its sole and absolute discretion. Notwithstanding the foregoing, either party may (without obtaining any consent) assign, delegate or sublicense all or any portion of its rights and obligations hereunder to (i) the surviving entity resulting from a merger or consolidation involving such party, (ii) the acquiring entity in a sale or other disposition of all or substantially all of the assets of such party as a whole or of any line of business or division of such party, or (iii) any other Person that is created as a result of a spin-off from, or similar reorganization transaction of, such party or any line of business or division of such party. In the event of an assignment pursuant to (ii) or (iii) above, the nonassigning party shall, at the assigning party's request, use good faith commercially reasonable efforts to enter into separate agreements with each of the resulting entities and take such further actions as may be reasonably required to assure that the rights and obligations under this Agreement are preserved, in the aggregate, and divided equitably between such resulting entities. Any conveyance, assignment or transfer requiring the prior written consent of another party pursuant to this Section 7.07 which is made without such consent will be void ab initio. No assignment of this Agreement will relieve the assigning party of its obligations hereunder.

Section 7.08 CAPTIONS; CURRENCY. The article, section and paragraph captions herein and the table of contents hereto are for convenience of reference only, do not constitute part of this Agreement and will not be deemed to limit or otherwise affect any of the provisions hereof. Unless otherwise specified, all references herein to numbered articles or sections are to articles and sections of this Agreement and all references herein to schedules are to schedules to this Agreement. Unless otherwise specified, all references contained in this Agreement, in any schedule referred to herein or in any instrument or document delivered pursuant hereto to dollars or "$" shall mean United States Dollars.

Section 7.09 SEVERABILITY. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. If the economic or legal substance of the transactions contemplated hereby is affected in any manner adverse to any party as a result thereof, the parties will negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

Section 7.10 PARTIES IN INTEREST. This Agreement is binding upon and is for the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is not made for the benefit of any Person not a party hereto, and no Person other than the parties hereto or their respective successors and permitted assigns will acquire or have any benefit, right, remedy or claim under or by reason of this Agreement, except that (i) the provisions of Sections 4.02 and 4.03 shall inure to the benefit of and shall be enforceable by the Persons referred to therein and (ii) the provisions of Sections 2.01, 3.01, 5.03, 7.06, 7.07 and 7.10 and the last sentence of Section 7.12 shall inure to

the benefit of and shall be enforceable by Alpha.

Section 7.11 SCHEDULES. All schedules attached hereto are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Capitalized terms used in the schedules hereto but not otherwise defined therein will have the respective meanings assigned to such terms in this Agreement.

Section 7.12 WAIVERS; REMEDIES. No failure or delay on the part of either Conexant or Washington in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of either Conexant or Washington of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor will any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Subject to Section 7.05, except as otherwise provided herein, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which the parties may otherwise have at law or in equity. Notwithstanding the foregoing, Washington will not waive any right, power or privilege hereunder in any material respect without the prior written consent of Alpha.

Section 7.13 FURTHER ASSURANCES. From time to time after the Time of Distribution, as and when requested by either party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such actions as the requesting party may reasonably request to consummate the transactions contemplated by the Transaction Agreements.

Section 7.14 COUNTERPARTS. This Agreement may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. This Agreement may be executed and delivered by telecopier with the same force and effect as if it were a manually executed and delivered counterpart.

Section 7.15 PERFORMANCE. Conexant will cause to be performed and hereby guarantees the performance of all actions, agreements and obligations set forth herein to be performed by any Conexant Subsidiary. Washington will cause to be performed and hereby guarantees the performance of all actions, agreements and obligations set forth herein to be performed by any Washington Subsidiary.

Section 7.16 CURRENCY CALCULATIONS. Following the Distribution Date, for purposes of calculating the United States Dollar equivalent of any amount payable under any Transaction Agreement which is denominated in a currency other than United States Dollars, the New York foreign exchange selling rate applicable to such currency will be used, as published in the Wall Street Journal, New York Edition, for the second business day preceding the earlier of the date such payment is due or the date such payment is made (it being understood that this Section 7.16 shall not apply to the conversion of foreign currency balances made as of the Distribution Date in accordance with standard Conexant accounting practices and procedures).

Section 7.17 INTERPRETATION. Any reference herein to any federal, state, local, or foreign law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. For the purposes of this Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) the terms "hereof", "herein", and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement and (c) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation".

[REMAINDER of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties as of the date first hereinabove written.

CONEXANT SYSTEMS, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and
Chief Executive Officer

WASHINGTON SUB, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and
Chief Executive Officer

Alpha acknowledges that from and after the Effective Time (as defined in the Merger Agreement), Alpha will succeed to all rights, obligations and Liabilities of Washington under this Agreement. In addition, Alpha hereby agrees to be bound by, and to cause its Subsidiaries to be bound by, the provisions of Section 5.03 and 7.05 that are applicable to Alpha and its Subsidiaries.

ALPHA INDUSTRIES, INC.

By: /s/ David J. Aldrich

David J. Aldrich
President and Chief Executive Officer

Exhibit 2.3

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MEXICAN STOCK AND ASSET PURCHASE AGREEMENT

DATED AS OF DECEMBER 16, 2001

BY AND BETWEEN

CONEXANT SYSTEMS, INC.

AND

ALPHA INDUSTRIES, INC.

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MEXICAN STOCK AND ASSET PURCHASE AGREEMENT

MEXICAN STOCK AND ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of December 16, 2001, by and between Conexant Systems, Inc., a Delaware corporation ("Seller"), and Alpha Industries, Inc., a Delaware corporation ("Purchaser"). Seller and Purchaser are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party."

RECITALS

A. Seller owns 108,096,704 shares (the "Shares") of the issued and outstanding fixed and variable capital stock of Maquiladora (as defined herein), which represent approximately 99.9999% of the issued and outstanding shares of fixed and variable capital stock of Maquiladora; and Minority Shareholder (as defined herein) owns the remaining 25 issued and outstanding shares ("Minority Shares" and, together with the Shares, the "Purchased Shares") of variable capital stock of Maquiladora.

B. Maquiladora conducts its business from the Facility (as defined herein) located in Mexicali, Baja California, Mexico.

C. Seller owns certain tangible personal property located at the Facility, including machinery and equipment, that is used by Maquiladora in the conduct of its business and Seller is a party to certain contracts relating to Maquiladora.

D. Seller desires to sell all of Seller's right, title and interest in and to the Shares and the Assets (as defined herein), and Purchaser desires to purchase the Shares and the Assets, all in accordance with the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings given those terms in this ARTICLE I or in the Section of this Agreement referenced in the definition provided for such term:

"Actually Realized" shall mean, for purposes of determining the timing of any Taxes (or related Tax cost or benefit) relating to any payment, transaction, occurrence or event, the time at which the amount of Taxes (including estimated Taxes) payable by any Person is increased above or reduced below, as the case may be, the amount of Taxes that such person would be required to pay but for the payment, transaction, occurrence or event.

"Advanced Pricing Agreement" means the proposed transfer pricing agreement among, Seller, Maquiladora, the United States Internal

Revenue Service and certain Mexican Tax authorities for transactions between Seller and Maquiladora for the annual tax periods of Maquiladora commencing January 1, 2000 through January 1, 2004, which has been submitted to the United States Internal Revenue Service and the appropriate Mexican Tax authorities.

"Affiliate" of a Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" is defined in the first paragraph hereof.

"Assembly Agreement" is defined in Section 3.16(i).

"Assets" means all of Seller's right, title and interest in and to (i) all tangible personal property (other than computer data, documents, information, files, books and records), including Equipment, owned by Seller and located at the Facility on the date hereof and used by Maquiladora in the conduct of its business, together with prepaid expenses paid by Seller with respect to such tangible personal property and all third party insurance proceeds (if any) in respect of losses, liabilities or damage with respect to such property arising out of insured incidents occurring after the date hereof and prior to the Closing (to the extent Seller and its Affiliates have no obligation to reimburse the insurer for such insurance proceeds), (ii) all tangible personal property (other than computer data, documents, information, files, books and records) owned by Seller and located at the Facility on the Closing Date and used by Maquiladora in the conduct of its business which is acquired by Seller after the date hereof and prior to the Closing and all third party insurance proceeds (if any) in respect of losses, liabilities or damage with respect to such property arising out of insured incidents occurring after the date hereof and prior to the Closing (to the extent Seller and its Affiliates have no obligation to reimburse the insurer for such insurance proceeds), (iii) the Assumed Contracts, (iv) the Books and Records and (v) all third party insurance proceeds (if any) in respect of losses, liabilities or damage with respect to the assets or properties of Maquiladora arising out of insured incidents occurring after the date hereof and prior to the Closing (to the extent Seller and its Affiliates have no obligation to reimburse the insurer for such insurance proceeds), but, in each case, excluding (A) the Excluded Assets and (B) all tangible personal property owned by Seller located at the Facility and used by Maquiladora in the conduct of its business which is sold or otherwise disposed of by Seller in the ordinary course of business consistent with past practice and the terms of this Agreement from and after the date hereof and prior to the Closing (and all insurance proceeds related to such property).

"Assumed Contracts" means all contracts listed on Schedule 3.15 and all contracts (including purchase orders) of Seller relating to the Assets or entered into on behalf of Maquiladora (to the extent related to the Assets) which are entered into after the date hereof and prior to the Closing in the ordinary course of business consistent with past practice and the terms of this Agreement.

"Assumed Liabilities" is defined in Section 2.4(a).

"Bailment Agreements" is defined in Section 3.16(ii).

"Benefit Plans" is defined in Section 3.11(b).

"Books and Records" means all documents, information, computer data, files, books and records (in each case, in whatever form or media, including electronic media) owned by Seller that relate exclusively to (i) Maquiladora and its operations or (ii) the Assets, but excluding any documents, information, files, books and records pertaining to any Excluded Assets or Excluded Liabilities.

"Business Day" means a day other than a Saturday, a Sunday or a day on which banks are required or authorized to close in the City of New York.

"Charter Document" means any of the certificate of incorporation, bylaws, agreement of limited partnership, operating agreement or other organizational or constitutive document of a Person (including, in the case of a Mexican Person, the acta constitutiva or estatutos of such Person).

"Claim(s)" means any action, suit, litigation, proceeding,

arbitration or other method of settling disputes or disagreements and any grievance, complaint, claim, charge, demand, investigation or other similar matter.

"Claims Made Policies" is defined in Section 5.9(b).

"Closing" means the consummation of the transactions contemplated by this Agreement on the Closing Date.

"Closing Material Adverse Effect" means any event, change, circumstance or development that is materially adverse to (i) the ability of Seller to consummate the transactions contemplated by this Agreement and the Merger Agreement or (ii) the business, financial condition or results of operations of Maquiladora, the business, financial condition or results of operations of the Washington Business and the Assets taken as a whole, other than, with respect to clause (ii), any event, change, circumstance or development (A) resulting from any action taken in connection with the transactions contemplated hereby pursuant to the terms of this Agreement or the Merger Agreement, (B) relating to the economy or financial markets in general, (C) relating in general to the industries in which Seller, Maquiladora and the Washington Business operate and not specifically relating to Seller, Maquiladora and the Washington Business or (D) relating to any action or omission of Seller, Maquiladora or Washington or any Subsidiary of any of them taken with the express prior written consent of Purchaser.

"Closing Date" is defined in the first paragraph of ARTICLE VIII.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Consent(s)" means any and all consents, waivers, approvals, authorizations, declarations, filings, recordings, registrations or exemptions.

"Damages" means any and all losses, Liabilities, claims, damages, deficiencies, obligations, fines, payments, Taxes, Encumbrances, and costs and expenses, whether matured or unmatured, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, whenever arising and whether or not resulting from Third Party Claims (including the costs and expenses of any and all Claims; all amounts paid in connection with any demands, assessments, judgments, settlements and compromises relating thereto; interest and penalties with respect thereto; out-of-pocket expenses and reasonable attorneys', accountants' and other experts' fees and expenses reasonably incurred in investigating, preparing for or defending against any such Claims or in asserting, preserving or enforcing an Indemnified Party's rights hereunder; and any losses that may result from the granting of injunctive relief as a result of any such Claims).

"Dispute" is defined in Section 12.3(b).

"dollars" or "U.S.$" means United States dollars.

"Effective Time" is defined in the Merger Agreement.

"Employee(s)" means any person employed by Maquiladora, including persons employed on a full-time or part-time basis.

"Encumbrance" means any lien, pledge, easement, security interest, mortgage, deed of trust, right-of-way, retention of title agreement or other encumbrance of whatever nature.

"Environmental Claim" is defined in Section 3.14.

"Environmental Law" means any law, rule or regulation applicable to the Facility enacted as of the Closing Date issued by any Governmental Authority that asserts authority over Maquiladora or the Assets regulating or pertaining to protection of human health or the environment (including soil, surface waters, ground waters, natural resources, land, stream, sediments, surface or subsurface strata and indoor and ambient air, or relating to the presence, spillage, discharge, release or emission of, or contamination and damage from, Hazardous Materials, including those (i) requiring any Permits, or the renewal thereof, (ii) regulating the amount, form, manner or storage, transport and/or disposal of Hazardous Materials or (iii) requiring any record keeping, reporting, inspection report or notification regarding Hazardous Material to a Governmental Authority.

"Equipment" means machinery, equipment, furniture, furnishings, fixtures and other tangible personal property (except Inventory and Books and Records), including, data processing equipment, motor vehicles, dies, tools, jigs and office equipment, together with all components and

auxiliary parts and supplies used in connection therewith, and all manuals, drawings, instructions, warranties and rights with respect thereto.

"Excluded Assets" means the assets specifically set forth on Schedule 2.2(a), including all Inventory and any and all Intellectual Property of Seller.

"Excluded Liabilities" is defined in Section 2.4(a).

"Facility" means the Land and Improvements, including all easements, licenses, options, insurance proceeds and condemnation awards and all other rights of Maquiladora in or appurtenant thereto.

"Financial Statements" means the balance sheet of Maquiladora as of November 23, 2001 and the related statement of income of Maquiladora for the twelve-month period ended November 23, 2001, together with the notes thereto.

"Governmental Authority" means any federal, state or local governmental authority or regulatory body of any nation (including the United States of America and the United Mexican States ("Mexico")), any subdivision, agency, commission, board or authority or instrumentality thereof, or any quasi-governmental or private body asserting, exercising or empowered to assert or exercise any regulatory authority thereunder and any Person, directly or indirectly, owned by and subject to the control of any of the foregoing.

"Hazardous Material" means any hazardous waste, hazardous material, hazardous substance, petroleum product, oil, toxic substance, pollutant, contaminant, or other substance that is regulated under any Environmental Law.

"HSR Act" means the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended.

"Improvements" means all buildings, structures, fixtures and real property improvements located on the Land.

"including" means including without limiting the generality of what precedes that term.

"Indemnified Party" is defined in Section 9.3(a).

"Indemnifying Party" is defined in Section 9.3(a).

"Indemnity Issue" is defined in Section 10.7.

"Indemnity Reduction Amounts" is defined in Section 9.3(a).

"Injunction" is defined in Section 6.3

"Information" means all records, books, contracts, instruments, computer data and other data and information (in each case, in whatever form or medium, including electronic media).

"Insurance Proceeds" means monies (a) received by an insured from an insurance carrier, (b) paid by an insurance carrier on behalf of an insured or (c) received from any third party in the nature of insurance, contribution or indemnification in respect of any Liability.

"Intellectual Property" means trademarks, service marks, brand names, certification marks, trade dress and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; inventions, discoveries and ideas, whether patentable or not, in any jurisdiction; patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions or reissues thereof, in any jurisdiction; nonpublic information, trade secrets and confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any Person; writings and other works, whether copyrightable or not, in any jurisdiction; and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; and any similar intellectual property or proprietary rights.

"Inventory" means all raw materials, components, Semiconductor Wafers, other inputs, work in process and finished goods.

"Land" means that certain parcel of land owned by Maquiladora commonly known as Ave. Iqnacio Lopez Rayon No. 1699, Colonial Rivera, Mexicali, Baja California, Mexico.

"Law" means all laws, principals of common law, statutes, constitutions, treaties, rules, regulations, ordinances, codes, ruling, orders and determinations of any Governmental Authority.

"Liabilities" means any and all claims, debts, liabilities, commitments and obligations of whatever nature, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising and whether or not the same would be required by generally accepted accounting principles to be reflected as a liability in financial statements or disclosed in the notes thereto.

"Maquila Decree" is defined in Section 3.6.

"Maquiladora" means Conexant Systems, S.A. de C.V., a sociedad anonima de capital variable organized under the laws of Mexico.

"Maquiladora Contracts" means all agreements listed in Section 3.16.

"Material Adverse Change" or "Material Adverse Effect" means any event, change, circumstance or development that is materially adverse to (i) the ability of Seller to consummate the transactions contemplated by this Agreement or (ii) the business, financial condition or results of operations of Maquiladora and the Assets taken as a whole, other than, with respect to clause (ii), any event, change, circumstance or development (A) resulting from any action taken in connection with the transactions contemplated hereby pursuant to the terms of this Agreement, (B) relating to the economy or financial markets in general, (C) relating in general to the industries in which Seller and Maquiladora operate and not specifically relating to Seller and Maquiladora or (D) relating to any action or omission of Seller or Maquiladora or any Subsidiary of either of them taken with the express prior written consent of Purchaser.

"Merger" is defined in the recitals of the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Reorganization, dated as of December 16, 2001, by and among Seller, Washington and Purchaser.

"Mexican Compensation Requirements" is defined in Section 3.11(a).

"Mexican Competition Commission" means the Mexican Comision Federal de Competencia established under Chapter IV of the Mexican Economic Competition Law.

"Mexican Economic Competition Law" means the Mexican Ley Federal de Competencia Economica published in the Mexican Official Gazette (Diario Oficial de la Federacion) on December 24, 1992.

"Minority Purchaser" means the Person designated by Purchaser, in a writing delivered to Seller at least two (2) Business Days prior to the Closing Date, to purchase the Minority Shares.

"Minority Shareholder" means Mr. Balakrishnan S. Iyer.

"Minority Shareholder's Contrato de Compra-Venta de Acciones" is defined in Section 10.12(a).

"Minority Shares" is defined in Recital A.

"Occurrence Basis Policies" is defined in Section 5.9(b).

"Party" and "Parties" are defined in the first paragraph of this Agreement.

"Permits" means licenses, permits, authorizations, consents, certificates, registrations, variances, franchises and other approvals from any Governmental Authority, including those relating to environmental matters.

"Permitted Encumbrance" means (i) in respect of real property, Encumbrances consisting of zoning or planning restrictions, easements, Permits or other restrictions or limitations on the use of real property or irregularities in title thereto which do not materially detract from the value of, or impair the use of, such real property as currently operated, (ii) Encumbrances for Taxes, assessments or governmental charges or levies on property not yet due and payable or which are being contested in good faith and for which appropriate reserves are maintained, (iii) Encumbrances of landlords, carriers, warehousemen, mechanics and other Encumbrances imposed by law and incurred in the ordinary course of business, (iv) for

personal property, Encumbrances for purchase money obligations incurred in the ordinary course of business consistent with past practice, (v) Encumbrances set forth on Schedule 2.2(b) and (vi) other Encumbrances (other than mortgages, deeds of trust, title retention agreements or similar security interests on the Facility) which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

"Person" means an individual, corporation, limited liability entity, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act), including any Governmental Authority.

"Policies" means all insurance policies, insurance contracts and claim administration contracts of any kind of Seller relating to Maquiladora or the Assets which were or are in effect at any time at or prior to the Closing, including primary, excess and umbrella, commercial general liability, fiduciary liability, product liability, automobile, aircraft, property and casualty, business interruption, directors and officers liability, employment practices liability, workers' compensation, crime, errors and omissions, special accident, cargo and employee dishonesty insurance policies and captive insurance company arrangements, together with all rights, benefits and privileges thereunder.

"Privileged Information" means, with respect to a Party, Information regarding the Party or Maquiladora, or any of its operations, employees, assets or Liabilities (whether in documents or stored in any other form or known to its employees or agents) that is or may be protected from disclosure pursuant to the attorney-client privilege, the work product doctrine or other applicable privileges, that a Party has or may come into possession of or has obtained or may obtain access to pursuant to this Agreement or otherwise.

"Promissory Note" means a promissory note issued by Purchaser in favor of Seller in a principal amount equal to the Purchase Price, substantially on the terms attached hereto as Exhibit "A" and in customary form for transactions of this nature.

"Purchase Price" is defined in Section 2.3.

"Purchased Shares" is defined in Recital A.

"Purchaser" is defined in the first paragraph of this Agreement.

"Purchaser Indemnified Parties" is defined in Section 9.1.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

"Schedules" means the disclosure schedules contained in this Agreement which schedules are attached hereto and incorporated by reference as if specifically set forth herein.

"SECOFI" is defined in Section 3.5.

"Seller" is defined in the first paragraph of this Agreement.

"Seller Indemnified Parties" is defined in Section 9.2.

"Seller's Contrato de Compra-Venta de Acciones" is defined in Section 10.12(a).

"Semiconductor Wafers" means silicon and gallium arsenide wafers, including cut wafers and dies, for the manufacture of semiconductors supplied to Maquiladora by Seller prior to the Closing Date.

"Shares" is defined in Recital A.

"Straddle Period" is defined in Section 10.1.

"Subsidiary" when used with respect to any Person means any corporation or other organization, whether incorporated or unincorporated, at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is, directly or indirectly, owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"Supply Agreement" means the Supply Agreement, to be dated as of the Closing Date, between Seller and Purchaser relating to the provision

by Purchaser to Seller of specified services and the provision by Seller to Purchaser of other specified services, substantially on the terms attached hereto as Exhibit "B".

"Tax" and "Taxes" shall mean all forms of taxation, whenever created or imposed, and whether of the United States or elsewhere, and whether imposed by a federal, state, municipal, governmental, territorial, local, foreign or other body, and without limiting the generality of the foregoing, shall include net income, gross income, gross receipts, sales, use, value added, ad valorem, transfer, recording, franchise, profits, license, lease, service, service use, payroll, wage, withholding, employment, unemployment insurance, workers compensation, social security, excise, severance, stamp, business license, business organization, occupation, premium, property, environmental, windfall profits, customs, duties, alternative minimum, estimated or other taxes, fees, premiums, assessments or charges of any kind whatever imposed or collected by any governmental entity or political subdivision thereof, together with any related interest and any penalties, additions to such tax or additional amounts imposed with respect thereto by any Tax authority.

"Tax Proceeding" means any audit, examination, Claim or other administrative or judicial proceeding relating to Taxes or Tax Returns.

"Tax Return" shall mean any return, filing, questionnaire, information return, election or other document required or permitted to be filed, including requests for extensions of time, filings made with respect to estimated tax payments, claims for refund and amended returns that may be filed, for any period with any Tax authority (whether domestic or foreign) in connection with any Tax (whether or not a payment is required to be made with respect to such filing).

"Third Party Claim" is defined in Section 9.4(a).

"To the knowledge of Seller" or words of similar import with respect to a fact or matter means the actual knowledge of the executive officers of Seller listed on Schedule 1 after reasonable inquiry.

"Transition Services Agreement" means the Transition Services Agreement to be entered into between Seller and Purchaser on or prior to the Closing Date, relating to the provision by Purchaser to Seller of specified services.

"U.S. Asset Purchase Agreement" means the U.S. Asset Purchase Agreement, dated December 16, 2001, by and between Seller and Purchaser.

"U.S. GAAP" means generally accepted accounting principles as applied in the United States as of the date of this Agreement.

"Washington" means Washington Sub, Inc., a Delaware corporation.

"Washington Business" is defined in the Merger Agreement.

ARTICLE II

SALE AND PURCHASE OF STOCK AND ASSETS

Section 2.1. Purchase and Sale of Shares and Minority Shares.

(a) Purchase and Sale of Shares. At the Closing, Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase, acquire and accept, the Shares, free and clear of any Encumbrances.

(b) Purchase and Sale of Minority Shares. At the Closing, Seller shall cause Minority Shareholder to sell, transfer, convey, assign and deliver to Minority Purchaser, and Purchaser shall cause Minority Purchaser to purchase, acquire and accept, the Minority Shares, free and clear of any Encumbrances.

Section 2.2. Purchase and Sale of Assets. At the Closing, Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase, acquire and accept, the Assets, as the same shall exist on the Closing Date, free and clear of any Encumbrances other than Permitted Encumbrances.

Section 2.3. Purchase Price. The purchase price (the "Purchase Price") to be paid by Purchaser to Seller in consideration for the Shares, the Minority Shares and the Assets shall be one hundred fifty million dollars (U.S.$150,000,000), less the purchase paid by Purchaser in

consideration for the purchase of assets under the U.S. Asset Purchase Agreement, payable, at the election of Purchaser, either (A) by wire transfer of immediately available funds at the Closing or (B) by delivery of the Promissory Note at the Closing; provided, however, that if Purchaser shall elect to pay the Purchase Price pursuant to clause (B), Purchaser shall provide written notice of such election to Seller no later than thirty (30) days prior to the Closing Date.

Section 2.4. Liabilities.

(a) Assumption of Liabilities. At the Closing, Purchaser shall unconditionally assume and agree to pay, perform and discharge in a timely manner and in accordance with their respective terms those Liabilities of Seller set forth on Schedule 2.4(a) (the "Assumed Liabilities"). Purchaser shall not assume hereunder any Liabilities of Seller related to the Assets that are not Assumed Liabilities (the "Excluded Liabilities").

(b) Liabilities of Maquiladora. Purchaser acknowledges that subsequent to the Closing, except as specifically provided in Article X, Maquiladora will retain and be responsible for all Liabilities and obligations of Maquiladora, including any and all Liabilities or obligations that relate back to events prior to the Closing Date.

Section 2.5. Allocation of Purchase Price. Purchaser and Seller mutually agree that the aggregate purchase price to be paid by Purchaser to Seller under this Agreement and the U.S. Asset Purchase Agreement is one hundred fifty million dollars (U.S.$150,000,000). As soon as practicable after the date hereof and prior to the Closing, Purchaser and Seller shall agree upon a reasonable allocation from such amount to be the purchase price to be paid by Purchaser to Seller under the U.S. Asset Purchase Agreement. Purchaser and Seller mutually agree that the Purchase Price and the Assumed Liabilities hereunder shall be allocated among the Assets, the Shares and the Minority Shares in the manner required by Section 1060 of the Code and Treasury Regulations promulgated thereunder. Purchaser and Seller shall agree upon such allocation prior to the Closing and shall file Form 8594 with the United States Internal Revenue Service reflecting such allocation. Neither Seller nor Purchaser shall take a position inconsistent with such allocation in any Tax Proceeding, in any refund claim, in any litigation or investigation or otherwise. If a competent Government Authority adjusts such allocation for any reason, the allocation shall be deemed to be amended to conform to any such adjustments.

ARTICLE III

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Purchaser as of the date hereof and as of the Closing Date the following:

Section 3.1. Corporate Status, Good Standing and Authorization. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, with all requisite corporate power and authority to own the Shares and the Assets, except where the failure to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Maquiladora is a sociedad anonima de capital variable duly incorporated and validly existing under the law of its jurisdiction of incorporation, with all requisite corporate power and authority to own and lease its properties and to conduct its business as presently conducted, except where the failure to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller and Maquiladora are each duly licensed or qualified to do business as a foreign corporation in all states or jurisdictions in which the nature of its business requires such license or qualification, except where the failure to be so licensed or qualified, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller has heretofore delivered to Purchaser complete and correct copies of Maquiladora's Charter Documents.

Section 3.2. Authority; Enforceability. Seller has all requisite corporate power and authority to enter into this Agreement and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly authorized, executed and delivered by Seller and is a legally valid and binding obligation of Seller (assuming that this Agreement constitutes the valid and binding obligation of Purchaser) and is enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance,

moratorium and similar Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.3. Consents; No Conflicts or Violations. Except for the Consents set forth on Schedule 3.3 and Consents which if not obtained and maintained by Seller, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, there are no Consents of any Governmental Authority required in connection with (i) Seller's execution and delivery of this Agreement and the other agreements, documents and instruments to be executed and delivered by Seller in connection herewith or (ii) the performance by Seller of its obligations herein or therein or the consummation by Seller of the transactions contemplated hereby or thereby. Assuming receipt of all of the Consents set forth on Schedule 3.3 (including any required HSR Act approval, any approval required by the Mexican Competition Commission under the Mexican Economic Competition Law and any approval by SECOFI (as defined below) of any change of any Permits held by Maquiladora), neither the execution or delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated hereby will, with or without the giving of notice or the lapse of time or both, conflict with or result in a breach or violation of or give rise to a default or right of termination, amendment, cancellation or acceleration under (i) any provision of Seller's or Maquiladora's Charter Documents, (ii) any contract, agreement, note, bond, mortgage, indenture, lease, license, franchise, permit, concession, instrument or obligation to which Seller or Maquiladora is a party or by which any of their respective properties or assets are bound or (iii) any Law or license or other requirement to which Seller or Maquiladora or their respective properties or assets is subject, except, in the case of items (ii) and (iii) above only, for those which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.4. Stock of Maquiladora. Maquiladora's Charter Documents authorize the issuance of 8,750 shares of fixed capital stock and an unlimited number of shares of variable capital stock, P$1.00 Mexican Pesos par value, of which 8,750 shares of fixed capital stock and 108,087,979 shares of variable capital stock are issued and outstanding. Seller owns directly 8,750 shares of fixed capital stock and 108,087,954 shares of variable capital stock and Minority Shareholder owns directly 25 shares of variable capital stock of Maquiladora. All of the capital stock of Maquiladora has been duly authorized and is validly issued, fully paid and nonassessable and is owned by Seller and Minority Shareholder free and clear of all Encumbrances. There are no outstanding subscriptions, options, warrants, preemptive or contractual rights, voting trusts, privileges or any agreements to acquire any shares of capital stock of Maquiladora, or any securities or obligations of any kind convertible or exchangeable into any class of capital stock of Maquiladora. Maquiladora has no Subsidiaries and does not own any shares of capital stock or any other securities of any corporation and does not have any equity interest in any other Person.

Section 3.5. Permits. Seller and Maquiladora have or will have as of the Closing all Permits which are required in order to allow Seller to own the Shares and to own and use the Assets in the manner in which it currently owns and uses such Assets or which are required in order to allow Maquiladora to own its assets and properties and to conduct its business as conducted as of the date hereof, including all Permits required from the Mexican Ministry of Commerce and Industrial Promotion ("SECOFI") or its successor, the Mexican Ministry of the Economy, except, in any such case, for such Permits, which if not obtained or maintained, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Each of Seller and Maquiladora is and will be in compliance with each such Permit, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No suspension or cancellation of any such Permits is or will be pending or, to the knowledge of Seller, threatened, except for suspensions or cancellations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller will have delivered to Purchaser at or prior to Closing a list of all such Permits held or obtained as of the Closing Date, except for such Permits, which if not held or obtained, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.6. Compliance with Laws. Except as disclosed on Schedule 3.6, (i) Maquiladora is in compliance in all material respects with all applicable Laws, including the Decree for the Development and Operation of Maquiladora Export Industry, as amended (the "Maquila Decree"), (ii) Seller is in compliance in all material respects with all Laws applicable with respect to the Assets and the Shares, except in the case of (i) or (ii) above, where the failure to so comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, and (iii) to the knowledge of Seller, Maquiladora has not received within the past twelve (12) months any written notice or

correspondence from any Governmental Authority to the effect that it is not in compliance with any such applicable Laws, except for such violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.7. Financial Statements. Annexed hereto as Schedule 3.7 are true and correct copies of the Financial Statements. The Financial Statements fairly present the tangible assets and liabilities of Maquiladora in all material respects as of November 23, 2001 and the results of operations for the period indicated. Except as set forth on Schedule 3.7, since November 23, 2001, Maquiladora has not incurred any liabilities that are of a nature that would be required to be disclosed on a statement of assets and liabilities of Maquiladora or in the footnotes thereto prepared in conformity with U.S. GAAP, other than 1iabilities incurred in the ordinary course of business or that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.8. Absence of Certain Changes or Events. Except as set forth on Schedule 3.8, since November 23, 2001, there has not been any Material Adverse Change or any event, change, circumstance or development which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Change. Without limiting the generality of the foregoing, except as set forth on Schedule 3.8, Maquiladora has been operated since November 23, 2001 in the ordinary course of business consistent with past practice (except as may be expressly contemplated by this Agreement).

Section 3.9. Facility.

(a) Facility. Maquiladora owns good and marketable title to the Facility, free and clear of any Encumbrances, except for Permitted Encumbrances. To Seller's knowledge, there are no condemnation actions pending against the Facility. There are no material leases, licenses, concessions or occupancy agreements affecting the Facility. No interest of Seller or Maquiladora in the Facility is subject to any right of first refusal or right or option to purchase, lease or license the Facility or any portion therein.

(b) Zoning. Neither Seller nor, to the knowledge of Seller, Maquiladora has received notification or correspondence within the past twelve (12) months that it is in violation of any applicable building, zoning, health or other law, ordinance or regulation in respect to its stores, plants or structures or their operations of the Facility, except for such violations that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.10. Litigation. Except as set forth on Schedule 3.10, there is no action, suit or proceeding or regulatory investigation pending or, to the knowledge of Seller, threatened against Seller, Minority Shareholder or Maquiladora or its business or operations affecting (i) Maquiladora or its business or operations, (ii) any of the Assets (iii) the Purchased Shares or (iv) this Agreement before any court or arbitrator or any governmental body, agency or official, except for those which, if adversely determined, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. None of Seller, Minority Shareholder or Maquiladora is a party to or subject to any judgment, order, rule, writ, injunction, or decree of any Governmental Authority or arbitrator which relates to or affects Maquiladora, the Assets or the Purchased Shares, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.11. Maquiladora Employee Matters.

(a) Maquiladora Employees; Mexican Compensation Requirements. Schedule 3.11(a) contains a list of all current Employees of Maquiladora as of the date hereof. To the knowledge of Seller, Maquiladora is in compliance with all Mexican laws, rules and regulations with respect to severance, profit-sharing, Christmas bonus, vacation pay, vacation bonus, retirement, pension and other employee benefit matters (collectively "Mexican Compensation Requirements") applicable to its current and former Employees, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) Benefit Plans. Schedule 3.11(b) lists all material employee pension benefit plans, employee welfare benefit plans, bonus, stock option, stock purchase, other equity compensation, deferred compensation, incentive compensation, severance, employee assistance plans and other employee fringe benefit plans (collectively, the "Benefit Plans") maintained, or contributed to, by Maquiladora or Seller for the benefit of any present or former Employees except for those Benefit Plans (i) required by any Mexican Governmental Authority and (ii) providing de minimis benefits.

(c) Compliance. To the knowledge of Seller, all employer and employee contributions to each Benefit Plan required by the terms of such Benefit Plan have been made, or, if applicable, accrued, in accordance with Seller's normal accounting practices.

Section 3.12. Maquiladora Labor Relations. Except as stated on Schedule 3.12, Maquiladora is not a signatory to any collective bargaining agreement with any trade union or labor organization. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (i) to the knowledge of Seller, Maquiladora is not engaged in any unfair labor practice, (ii) there is no pending labor board proceeding of any kind with respect to Maquiladora and (iii) no walk out, strike or work stoppage by the Employees is in progress nor, to the knowledge of Seller, has notice of any such walk out, strike or work stoppage been filed or received by Maquiladora within the past twelve (12) months.

Section 3.13. Tax Matters.

(a) Tax Returns. All material Tax Returns required to be filed by Maquiladora or with respect to the Assets have been timely filed. All such Tax Returns are true, correct and complete, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. All Taxes shown as due and payable by or with respect to such Tax Returns have been timely paid in full.

(b) No Tax Proceedings. Except as set forth on Schedule 3.13(b), there are no Tax Proceedings presently pending with regard to any Tax Returns or Taxes of Maquiladora or Taxes related to the Assets, and no notice has been received from any Governmental Authority of the expected commencement of such a Tax Proceeding.

(c) No Tax Liens. There are no Encumbrances for any Tax on the Assets or the assets of Maquiladora, except for Permitted Encumbrances.

(d) No Consolidated Filings. Seller has not made an election under Code Section 1504(d) to treat Maquiladora as a member of Seller's affiliated group of corporations filing a consolidated income tax return for United States income Tax purposes. No liability has been asserted against Maquiladora with respect to Taxes of any affiliated group within the meaning of Section 1504(a) of the Code of which Maquiladora has been a member.

(e) No Tax Liability. No liability has been asserted against Maquiladora with respect to Taxes of any other Person pursuant to any Tax allocation or sharing agreement with any such Person, or any agreement to indemnify any such Person with respect to Taxes.

(f) Tax Audits. Schedule 3.13(f) sets forth all income Tax Returns of Maquiladora that are under audit by the relevant taxing authority.

(g) None of the Assets is a lease made pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954.

(h) None of the Assets constitute "tax exempt use property" within the meaning of Section 168(h) of the Code or is "tax exempt bond financed property" within the meaning of Section 168(g) of the Code.

(i) No Trade or Business. Maquiladora is not engaged in the conduct of a "trade or business within the United States" within the meaning of Code Section 864(b).

(j) IRC Code ss.ss. 956, 956A. Maquiladora does not have any of its earnings invested in United States property within the meaning of Code Section 956 and does not have "excess passive assets" within the meaning of Code Section 956A.

Section 3.14. Environmental Matters. Except as disclosed on Schedule 3.14 and except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (i) Maquiladora and the Facility comply with all Environmental Laws, (ii) Maquiladora and the Facility are not subject to any action, cause of action, or other proceeding alleging the violation of any Environmental Law or relating to the presence, or release into the environment, of any Hazardous Material (collectively, "Environmental Claim"), (iii) Maquiladora has not received any notice or claim (A) that it is or has been in violation (or potential violation) of any Environmental Law or (B) alleging that Maquiladora is or may be responsible for any response, cleanup, or corrective action, including any remedial investigation/feasibility studies, under any Environmental Law, which notice is not resolved or otherwise remains pending, (iv) to Seller's knowledge, Maquiladora and the Facility are not

the subject of any investigation by a Governmental Authority pursuant to an Environmental Law evaluating whether any remedial action or other response is needed to respond to spillage, disposal or release or threatened release into the environment of any Hazardous Material, (v) Maquiladora has not filed any notice under or relating to any such Environmental Law indicating or reporting any past or present spillage, disposal or release into the environment of, or treatment, storage or disposal of, any Hazardous Material which spill, release, treatment, storage or disposal has not been performed and/or addressed in accordance with Environmental Laws and (vi) to the knowledge of Seller as of the date hereof, there has been no release of Hazardous Materials at the Facility that would be reasonably likely to form the basis of any Environmental Claim against Maquiladora. The representations and warranties in this Section 3.14 constitute the sole representations and warranties of Seller concerning environmental matters in this Agreement.

Section 3.15. Assumed Contracts. True and correct copies of all Assumed Contracts in effect as of the date hereof have been made available to Purchaser. Prior to Closing, Seller shall have made available to Purchaser all Assumed Contracts that came into effect after the date hereof. None of Seller or, to the knowledge of Seller, any other party to any Assumed Contract, is in default under any Assumed Contract, except for such defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of Seller, no event has occurred with respect to any Assumed Contract which, with the lapse of time or the giving of notice or both, would constitute a default under any Assumed Contract, except for such defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.16. Material Contracts of Maquiladora. Schedule 3.16 sets forth all of the following written agreements, commitments or contracts of Maquiladora as of the date of this Agreement (collectively, the "Maquiladora Contracts"):

(i) the assembly agreement with Seller whereby Seller transfers raw materials, components, parts and other inputs to Maquiladora and Maquiladora assembles, tests and ships finished products to Seller (the "Assembly Agreement");

(ii) all gratuitous bailment agreements with Seller whereby Seller gratuitously transfers equipment, machinery, tools and other similar capital equipment to be used by Maquiladora to assemble and test products (the "Bailment Agreements");

(iii) all agreements evidencing indebtedness for borrowed money in an amount in excess of two hundred fifty thousand dollars (U.S.$250,000) and all instruments constituting guarantees, sureties or indemnities of obligations of third parties in an amount in excess of two hundred fifty thousand dollars (U.S.$250,000);

(iv) all agreements restricting Maquiladora from conducting any business in any geographic location;

(v) all agreements for construction of improvements on the Facility in excess of two hundred fifty thousand dollars (U.S.$250,000), individually, or five hundred thousand dollars (U.S.$500,000), in the aggregate;

(vi) all agreements for the purchase, sale or lease of capital assets in excess of one hundred thousand dollars (U.S.$100,000), individually, or five hundred thousand dollars (U.S.$500,000), in the aggregate;

(vii) all agreements under which termination, severance or change in control payments may result due to a change of control of Maquiladora in an amount in excess of fifty thousand dollars (U.S.$50,000);

(viii) all agreements for the purchase or sale of any business or any division, material assets or operating unit thereof;

(ix) all agreements with individual Employees providing for payment in excess of fifty thousand dollars (U.S.$50,000) in any given year;

(x) all powers of attorney granted by Maquiladora;

(xi) all agreements evidencing loans made by Maquiladora to any Person, other than Employee advances in the ordinary course of business consistent with past practice or loans made to Affiliates;

(xii) all agreements committing Maquiladora to use the

services of any vendor, supplier, licensor or licensee providing for payments in excess of five hundred thousand dollars (U.S.$500,000) in any given year; and

(xiii) all agreements (other than as set forth in (i)-(xii) above) that are not cancelable by Seller on notice of ninety (90) calendar days or less, without any material liability, penalty or premium or acceleration of any material benefits, and which require payment by Seller after the date hereof of more than five hundred thousand dollars (U.S.$500,000) in any given year.

True and correct copies of all Maquiladora Contracts have been made available to Purchaser. None of Maquiladora or, to the knowledge of Seller, any other party to any Maquiladora Contract, is in default under any Maquiladora Contract, except for such defaults that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of Seller, no event has occurred with respect to any Maquiladora Contract which, with the lapse of time or the giving of notice or both, would constitute a default or give rise to any right of termination, amendment, cancellation or acceleration under any Maquiladora Contract, except for such as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.17. No Brokers. Neither this Agreement nor the sale of the Assets, the Shares or the Minority Shares was induced or procured through any Person acting on behalf of or representing Seller and no commissions or any other payment is due to any intermediary in connection therewith.

Section 3.18. Title to Properties. Seller has good and valid title to the Assets and Maquiladora has good and valid title to all of its tangible properties and assets, except, in each case, where the failure to have such good and valid title, or valid leasehold interest, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.19. Sufficiency of Assets. After giving effect to the transfers, conveyances and assignments contemplated by this Agreement, the U.S. Asset Purchase Agreement and the agreements, documents and instruments executed and delivered pursuant hereto or thereto and after taking into account any services to be provided to Purchaser and Maquiladora pursuant to the Transition Services Agreement and the Supply Agreement, except for the Excluded Assets (other than the Intellectual Property being assigned pursuant to the U.S. Asset Purchase Agreement) and corporate services provided by Seller to Maquiladora immediately after the Closing, the assets of Maquiladora and the Assets will constitute all of the material assets and rights of Seller and Maquiladora that are necessary to conduct the operations of Maquiladora substantially as conducted on the date hereof.

Section 3.20. Insurance. Seller maintains insurance coverage in respect of Maquiladora and the Assets with reputable insurers in such amounts and covering such risks as is deemed reasonably appropriate for its business (taking into account the cost and availability of such insurance).

Section 3.21. Separate Tax Parcel. To the knowledge of Seller, the Facility is designated as one or more separate tax parcels.

Section 3.22. Utilities, etc. The Facility has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Facility for its current uses.

ARTICLE IV

PURCHASER'S REPRESENTATIONS AND WARRANTIES

Purchaser hereby represents and warrants to Seller as of the date hereof and as of the Closing Date the following:

Section 4.1. Organization of Purchaser and Minority Purchaser. Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 4.2. Authority; Enforceability. Purchaser has all requisite corporate power and authority to enter into this Agreement and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Purchaser. This Agreement has been duly authorized, executed and delivered by Purchaser and is a legally valid and binding obligation of Purchaser (assuming that this

Agreement constitutes the valid and binding obligation of Seller) and is enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.3. Consents; No Conflicts or Violations. Except for the Consents set forth on Schedule 4.3 and the Consents which if not obtained and maintained by Purchaser, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement, there are no Consents of any Governmental Authorities required in connection with (i) Purchaser's execution and delivery of this Agreement and the other agreements, documents and instruments to be executed and delivered by Purchaser in connection herewith or (ii) the performance by Purchaser of its obligations herein or therein or the consummation by Seller of the transactions contemplated hereby or thereby. Assuming receipt of all of the Consents set forth on Schedule 4.3 (including, any required HSR Act approval and any approval required by the Mexican Competition Commission under the Mexican Economic Competition Law), neither the execution or delivery by Purchaser of this Agreement nor the consummation by Purchaser of the transactions contemplated hereby will, with or without the giving of notice or the lapse of time or both, conflict with or result in a breach or violation of or give rise to a default or right of termination, amendment, cancellation or acceleration under (i) any provision of Purchaser's Charter Documents, (ii) any material contract, agreement, note, bond, mortgage, indenture, lease, license, franchise, permit, concession, instrument or obligation to which Purchaser is a party or by which any of its properties or assets are bound or (iii) any Law or license or other requirement to which Purchaser or its properties or assets is subject, except, in the case of items (ii) and (iii) above only, for those which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement.

Section 4.4. Litigation. Except as set forth on Schedule 4.4, there is no action, suit or proceeding or regulatory investigation pending or, to the knowledge of Purchaser, threatened against Purchaser or Minority Purchaser affecting this Agreement before any court or arbitrator or any governmental body, agency or official, except for those which, if adversely determined, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement. Neither Purchaser nor Minority Purchaser is a party to or subject to any judgment, order, writ, injunction, or decree of any Governmental Authority or arbitrator, except as, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement.

Section 4.5. No Brokers. Neither this Agreement nor the purchase of the Assets, the Shares or the Minority Shares was induced or procured through any Person acting on behalf of or representing Purchaser and no commissions or any other payment is due to any intermediary in connection therewith.

ARTICLE V

COVENANTS

The Parties hereby covenant as follows:

Section 5.1. Access.

(a) Access to Information by Purchaser Prior to Closing. Prior to Closing, subject to compliance with applicable laws, Seller and Maquiladora shall, upon reasonable request, afford to Purchaser and its Representatives reasonable access during normal business hours to all Books and Records and all books and records of Maquiladora. Purchaser shall coordinate its requests and activities under this Section 5.1 with Seller's need for security and will assist Seller in minimizing disruption to Maquiladora's normal business operations.

(b) Access to Information by Purchaser After Closing. From and after the Closing, Seller will afford to Purchaser and its Representatives (at Purchaser's expense) reasonable access and duplicating rights during normal business hours and upon reasonable advance notice to all Books and Records and all books and records within Seller's possession or control relating to the Assets or Maquiladora, insofar as such access is reasonably required by Purchaser.

(c) Access to Books and Records by Seller. Purchaser shall, following the Closing, give Seller and its Representatives such access, during normal business hours and upon reasonable prior notice, to the Books and Records, the books and records of Maquiladora relating to periods prior to the Closing and such other documents as shall be reasonably necessary for Seller in connection with its performance of its obligations hereunder and for any other reasonable purposes, and Purchaser will allow Seller and its Representatives to make extracts and copies thereof as may be necessary for such purposes at Seller's expense. Purchaser shall preserve and protect the Books and Records and the books and records of Maquiladora relating to periods prior to the Closing in its possession and control for the period required by the applicable records retention policy of Seller in effect immediately prior to the Closing. Purchaser shall offer to deliver the Books and Records and the books and records of Maquiladora relating to periods prior to the Closing to Seller prior to their destruction or other disposition.

(d) Production of Witnesses. Subject to Section 5.1(e), after the Closing, each Party will, and Purchaser will cause Maquiladora to, make available to the other Party, upon written request and at the cost and expense of the Party so requesting, its directors, officers, employees and agents as witnesses to the extent that any such Person may reasonably be required (giving consideration to business demands of such directors, officers, employees and agents) in connection with any Claims or administrative or other proceedings in which the requesting party may from time to time be involved and relating to the Assets, Maquiladora's business or operations prior to the Closing or arising in connection with the relationship between the Parties and/or Maquiladora on or prior to the Closing Date, provided that the same shall not unreasonably interfere with the conduct of business by the Party of which the request is made.

(e) Confidentiality. From and after the Closing, each of Seller and Purchaser shall hold, and shall use reasonable efforts to cause its Affiliates and Representatives to hold, in strict confidence all Information concerning the other Party or Maquiladora in its possession or control prior to the Closing or furnished to it by another Party pursuant to the Merger and the transactions contemplated thereby and will not release or disclose such Information to any other Person, except its Affiliates and its and their Representatives, who will be bound by the provisions of this Section 5.1(e); provided, however, that any Person may disclose such Information to the extent that (a) disclosure is compelled by judicial or administrative process or, in the opinion of such Person's counsel, by other requirements of law (in which case the Party required to make such disclosure will notify the other Party as soon as practicable of such obligation or requirement and cooperate with the other Party to limit the Information required to be disclosed and to obtain a protective order or other appropriate remedy with respect to the Information ultimately disclosed) or (b) such Person can show that such Information was (i) available to such Person on a nonconfidential basis (other than from a Party) prior to its disclosure by such Person, (ii) in the public domain through no fault of such Person or (iii) lawfully acquired by such Person from another source after the time that it was furnished to such Person by the other Party or its Affiliates, Representatives or Subsidiaries, and not acquired from such source subject to any confidentiality obligation on the part of such source known to the acquiror, or on the part of the acquiror. Each Party acknowledges that it will be liable for any breach of this Section 5.1(e) by its Affiliates, Representatives and Subsidiaries. Notwithstanding the foregoing, each Party will be deemed to have satisfied its obligations under this Section 5.1(e) with respect to any Information (other than Privileged Information) if it exercises the same care with regard to such Information as it takes to preserve confidentiality for its own similar Information.

Section 5.2. Reasonable Best Efforts.

(a) Subject to the terms and conditions of this Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing or causing to be done, all things necessary, proper or advisable under this Agreement and applicable laws to consummate the transactions contemplated by this Agreement as soon as practicable after the date hereof, including (i) taking all reasonable actions to cause the conditions set forth in ARTICLES VI and VII to be satisfied as promptly as practicable, (ii) preparing and filing as promptly as practicable all documentation to obtain as promptly as practicable all Consents set forth on Schedules 3.3 and 4.3 and (iii) taking all reasonable steps as may be necessary to obtain all Consents set forth on Schedules 3.3 and 4.3. In furtherance and not in limitation of the foregoing, each Party hereto agrees to make (i) an appropriate filing (if applicable) of a Notification and Report Form pursuant to the HSR Act and any comparable filings (if applicable) pursuant to the Mexican Economic Competition Act with respect to the transactions contemplated hereby as promptly as practicable after

the date hereof and (ii) all other necessary filings with other Governmental Authorities relating to the transactions contemplated herein, and, in each case, to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to such applicable laws or by such Governmental Authorities and to use reasonable best efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and the Mexican Economic Competition Act and the receipt of the Consents set forth on Schedules 3.3 and 4.3 under such other applicable laws or from such Governmental Authorities as soon as practicable.

(b) Each of Seller and Purchaser shall, in connection with the efforts referenced in Section 5.2(a) to obtain all Consents set forth on Schedules 3.3 and 4.3, use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other Party of any communication received by such Party from, or given by such Party to, the Antitrust Division of the Department of Justice (the "DOJ"), the Federal Trade Commission (the "FTC"), the Mexican Competition Commission or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, and (iii) permit the other Party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, the DOJ, the FTC, the Mexican Competition Commission or any such other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, and to the extent appropriate or permitted by the DOJ, the FTC, the Mexican Competition Commission or such other applicable Governmental Authority or other Person, give the other Party the opportunity to attend and participate in such meetings and conferences.

(c) In furtherance and not in limitation of the covenants of the Parties contained in Section 5.2(a) and Section 5.2(b), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any applicable laws, or if any statute, rule, regulation, executive order, decree, injunction or administrative order is enacted, entered, promulgated or enforced by a Governmental Authority which would make transactions contemplated hereby illegal or would otherwise prohibit or materially impair or delay the consummation of the transactions contemplated hereby, each of the Parties shall cooperate in all respects with each other and use its respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable so as to permit the consummation of the transactions contemplated by this Agreement.

(d) Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 5.2 shall create an obligation by the Parties to take any action in addition to the actions required to be taken pursuant to the Merger Agreement to consummate the Merger.

Section 5.3. Conduct of Business by Seller and Maquiladora. From the data hereof until the Closing Date, Seller shall (and shall cause Maquiladora to), except as expressly required or permitted by this Agreement and except as otherwise consented to in writing by Purchaser:

(i) conduct the business and operations of Maquiladora and employ the Assets in the ordinary course of business consistent with past practice, subject to Maquiladora's right to declare and pay cash dividends to its stockholders in respect of its capital stock prior to the Closing in accordance with applicable Law;

(ii) not engage Maquiladora or the Assets in any new material line of business;

(iii) use its commercially reasonable efforts to preserve intact the business organization of Maquiladora and preserve the relationships of Maquiladora with its suppliers and others having business relations with Maquiladora;

(iv) maintain Maquiladora's existence in Mexico;

(v) not amend or modify Maquiladora's Charter Documents in any material respects;

(vi) not permit Maquiladora to declare, pay or set aside for payment any dividend or other distribution to its stockholders in respect of its capital stock, other than the declaration and payment of cash dividends by Maquiladora to its stockholders in respect of its capital stock prior to the Closing in accordance with applicable Law;

(vii) not permit Maquiladora to create any subsidiary, acquire any capital stock or other equity securities of any corporation or acquire any equity or ownership interest in any business or entity;

(viii) not (A) grant, create, incur or suffer to exist any Encumbrance (other than a Permitted Encumbrance granted, created, incurred or suffered to exist in the ordinary course of business consistent with past practice) on the Assets, (B) permit Maquiladora to grant, create, incur, or suffer to exist any Encumbrance (other than a Permitted Encumbrance granted, created, incurred or suffered to exist in the ordinary course of business consistent with past practice) on the assets of Maquiladora which did not exist on the date hereof or (C) permit Maquiladora to create, incur or assume any indebtedness for borrowed money (other than indebtedness to Affiliates);

(ix) not permit Maquiladora to increase in any manner the base compensation of, or enter into any new bonus or incentive agreement or arrangement with, any Employees, directors or consultants other than in the ordinary course of business consistent with past practice;

(x) not permit Maquiladora to adopt or amend any Benefit Plan or to increase the benefits provided under any Benefit Plan other than in the ordinary course of business consistent with past practice;

(xi) not permit Maquiladora to make any material Tax election or settle or compromise any material Tax liability, other than in the ordinary course of business consistent with past practice or in accordance with Section 10.11(c) of this Agreement; and

(xii) not authorize, or commit or agree to take, any of the foregoing actions.

Section 5.4. Elimination of Intercompany Accounts. Except as set forth on Schedule 5.4, Seller (on behalf of itself and each of its Subsidiaries, other than Maquiladora), on the one hand, and Maquiladora, on the other hand, shall settle and eliminate, by cancellation or transfer to the other (in a manner to be determined by Seller), effective as of the Closing, all intercompany receivables, payables and other balances existing immediately prior to the Closing between Seller and/or any of Seller's Subsidiaries (other than Maquiladora), on the one hand, and Maquiladora, on the other hand. This Section 5.4 shall not affect any rights of any Party arising under this Agreement or any document, agreement or instrument entered into pursuant hereto.

Section 5.5. Intercompany Agreements. Effective as of the Closing, Seller and Maquiladora shall terminate (and, in the case of Seller, Seller shall cause all of Seller's Subsidiaries to terminate) all agreements between Seller and/or any of Seller's Subsidiaries, on the one hand, and Maquiladora, on the other hand, including the Assembly Agreement and the Bailment Agreements. This Section 5.5 shall not affect any rights of any Party arising under this Agreement or any document, agreement or instrument entered into pursuant hereto.

Section 5.6. Mutual Release. Effective as of the Closing and except as otherwise specifically set forth in this Agreement, each of Seller, on behalf of itself and each of Seller's Subsidiaries (other than Maquiladora), on the one hand, shall, and Seller shall cause Maquiladora, on the other hand, to, release and forever discharge the other Party and its Subsidiaries, and its and their respective officers, directors, agents, record and beneficial security holders (including trustees and beneficiaries of trusts holding such securities), advisors and Representatives (in each case, in their respective capacities as such) and their respective heirs, executors, administrators, successors and assigns, of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages, claims and Liabilities whatsoever of every name and nature, both in law and in equity, which the releasing party has or ever had or ever will have, which arise out of or relate to events, circumstances or actions taken by such other party occurring or failing to occur or any conditions existing at or prior to the Closing; provided, however, that the foregoing general release shall not apply to (i) any Liabilities or other obligations (including Liabilities with respect to payment, reimbursement, indemnification or contribution)

under this Agreement or any other document, agreement or instrument entered into pursuant to this Agreement or assumed, transferred, assigned, allocated or arising under this Agreement or any other document, agreement or instrument entered into pursuant to this Agreement (including any Liability that the Parties may have with respect to payment, performance, reimbursement, indemnification or contribution pursuant to this Agreement or any other document agreement or instrument entered into pursuant to this Agreement for claims brought against the Parties by third Persons or any Indemnified Party), and the foregoing release will not affect any Party's right to enforce this Agreement or any other document agreement or instrument entered into pursuant to this Agreement in accordance with their respective terms or (ii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 5.6 (provided, that the Parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any Party, its Subsidiaries or Affiliates with respect to any Liability to the extent such Party, its Subsidiaries and Affiliates would be released with respect to such Liability by this Section 5.6 but for this clause (ii)).

Each of Seller and Purchaser acknowledges that it has been advised by its legal counsel and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Being aware of said Code section, each of Seller, on behalf of itself and Seller's Subsidiaries, and Purchaser, on behalf of itself and Maquiladora, hereby expressly waives any rights it may have under California Civil Code Section 1542, as well as any other statutes or common law principles of similar effect.

Section 5.7. Public Announcements. The Parties shall use reasonable best efforts to develop a joint communications plan and each Party shall use reasonable best efforts (i) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications plan, and (ii) unless otherwise required by applicable laws or by obligations pursuant to any listing agreement with or rules of any securities exchange or automated quotation system, to consult with each other before issuing any press release or, to the extent practicable, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby.

Section 5.8. Supplements to Schedules. From time to time up to the Closing, Seller and Purchaser may supplement or amend the Schedules after they have been delivered pursuant to this Agreement with respect to any matter first existing or occurring on or after the date hereof which, if existing or occurring at or prior to the date hereof, would have been required to be set forth or described in such Schedules or which is necessary to correct any information in such Schedules which has been rendered inaccurate thereby; provided, however, that if any facts that give rise to such matter existed or occurred on or before the date hereof, no such supplement or amendment may be made under this Section 5.8 with respect thereto. Any such supplement or amendment to any Schedule shall not, following Closing, constitute a basis for any Claim for indemnification pursuant to ARTICLE IX; provided, however, that no such supplement or amendment shall be deemed to cure any breach of any representations or warranties made pursuant to this Agreement for purposes of Section 7.1(a) or Section 7.2(a).

Section 5.9. Insurance.

(a) Coverage. Subject to the provisions of this Section 5.9, coverage of Maquiladora and the Assets under all Policies shall cease as of the Closing. From and after the Closing, Purchaser will be responsible for obtaining and maintaining all insurance coverages for the Assets and Maquiladora. All Policies will be retained by Seller and Seller's Subsidiaries, together with all rights, benefits and privileges thereunder (including the right to receive any and all return premiums with respect thereto), except that Purchaser will have the rights in respect of Policies to the extent described in Section 5.9(b).

(b) Rights Under Policies. From and after the Closing, Purchaser and Maquiladora will have no rights with respect to any Policies, except that (i) Purchaser will have the right to assert claims (and Seller will use commercially reasonable efforts to assist Purchaser in asserting claims) for any loss, liability or damage with respect to the Assets or the assets of Maquiladora under Policies with third-party insurers which are "occurrence basis" insurance policies ("Occurrence Basis Policies") arising

out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Occurrence Basis Policies and agreements relating thereto so allow and (ii) Purchaser will have the right to continue to prosecute claims with respect to the Assets or the assets of Maquiladora properly asserted with an insurer prior to the Closing (and Seller will use commercially reasonable efforts to assist Purchaser in connection therewith) under Policies with third-party insurers which are insurance policies written on a "claims made" basis ("Claims Made Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Claims Made Policies and agreements relating thereto so allow, provided, that in the case of both clauses (i) and (ii) above, (A) all of Seller's reasonable out-of-pocket costs and expenses incurred in connection with the foregoing are promptly paid by Purchaser, (B) Seller may, at any time, without liability or obligation to Purchaser (other than as set forth in Section 5.9(c)), amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Occurrence Basis Policies or Claims Made Policies (and such claims shall be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications), (C) such claims will be subject to (and recovery thereon will be reduced by the amount of) any applicable deductibles, retentions or self-insurance provisions, (D) such claims will be subject to (and recovery thereon will be reduced by the amount of) any payment or reimbursement obligations of Seller, any of Seller's Subsidiaries or any Affiliate of Seller or any of Seller's Subsidiaries in respect thereof and (E) such claims will be subject to exhaustion of existing aggregate limits. Seller's obligation to use commercially reasonable efforts to assist Purchaser in asserting claims under applicable Policies will include using commercially reasonable efforts in assisting Purchaser to establish its right to coverage under such Policies (so long as all of Seller's reasonable out-of-pocket costs and expenses in connection therewith are promptly paid by Purchaser). None of Seller or Seller's Subsidiaries will bear any Liability for the failure of an insurer to pay any claim under any Policy. It is understood that any Claims Made Policies will not provide any coverage to Purchaser for incidents occurring prior to the Closing but which are asserted with the insurance carrier after the Closing.

(c) Seller Actions. In the event that after the Closing, Seller proposes to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Policies under which Purchaser has rights to assert claims pursuant to Section 5.9(b) in a manner that would adversely affect any such rights of Purchaser, (i) Seller will give Purchaser prior notice thereof and consult with Purchaser with respect to such action (it being understood that the decision to take any such action will be in the sole discretion of Seller) and (ii) Seller will pay to Purchaser its equitable share (which shall be determined by Seller in good faith based on the amount of premiums paid by or allocated to Purchaser or Maquiladora in respect of the applicable Policy) of any net proceeds actually received by Seller from the insurer under the applicable Policy as a result of such action by Seller (after deducting Seller's reasonable costs and expenses incurred in connection with such action).

(d) Administration. From and after the Closing:

(i) Seller or a Subsidiary of Seller, as appropriate, will be responsible for the Claims Administration with respect to claims of Seller and Seller's Subsidiaries under Policies; and

(ii) Purchaser will be responsible for the Claims Administration with respect to claims of Purchaser under Policies.

(e) Insurance Premiums. From and after the Closing, Seller will pay all premiums (retrospectively-rated or otherwise) as required under the terms and conditions of the respective Policies in respect of periods prior to the Closing, whereupon Purchaser will upon the request of Seller, forthwith reimburse Seller for that portion of such premiums paid by Seller as are reasonably determined by Seller to be attributable to the Assets or Maquiladora.

(f) Agreement for Waiver of Conflict and Shared Defense. In the event that a Policy provides coverage for both Seller and/or a Subsidiary of Seller, on the one hand, and Purchaser, on the other hand, relating to the same occurrence, Seller and Purchaser agree to defend jointly and to waive any conflict of interest necessary to the conduct of that joint defense. Nothing in this Section 5.9(f) will be construed to limit or otherwise alter in any way the indemnity obligations of the parties to this Agreement, including those created by this Agreement, by operation of law or otherwise.

Section 5.10. Transition Services Agreement. Promptly following the date hereof, Purchaser and Seller will discuss the scope, nature, term and pricing of the transition services to be provided by Seller to

Purchaser following the Closing pursuant to the Transition Services Agreement. Purchaser and Seller will negotiate in good faith with respect thereto and prior to the Effective Time will enter into the Transition Services Agreement in a form reasonably satisfactory to Purchaser and Seller. The Transition Services Agreement will provide that either Party may terminate any services provided under the Transition Services Agreement upon such prior written notice as the Parties shall mutually agree prior to the Closing.

ARTICLE VI

CONDITIONS TO SELLER'S AND PURCHASER'S OBLIGATIONS

The obligations of Seller and Purchaser to complete the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing, of each of the following conditions precedent; provided, however, that upon consummation of the Merger, all conditions precedent contained in this ARTICLE VI shall be deemed fully satisfied for purposes of this ARTICLE VI:

Section 6.1. HSR Act. The waiting period (and any extension thereof) applicable to the transactions contemplated by this Agreement under the HSR Act shall have been terminated or shall have expired.

Section 6.2. Mexican Competition Commission Approval. Seller and Purchaser shall have received the required consent or approval of the Mexican Competition Commission.

Section 6.3. No Injunctions or Restraints, Illegality. No Laws shall have been adopted, promulgated or enforced by any Governmental Authority, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Authority of competent jurisdiction (an "Injunction") shall be in effect, having the effect of making the transactions contemplated under this Agreement illegal or otherwise prohibiting such transactions. No proceeding initiated by any Governmental Authority seeking, and which is reasonably likely to result in the granting of, an Injunction shall be pending.

Section 6.4. Completion of the Merger. The Merger shall have been consummated.

ARTICLE VII

ADDITIONAL CONDITIONS TO SELLER'S AND PURCHASER'S OBLIGATIONS

Section 7.1. Conditions to Seller's Obligations. The obligations of Seller to complete the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing, of each of the following conditions precedent; provided, however, that upon consummation of the Merger, all conditions precedent contained in this Section 7.1 shall be deemed fully satisfied for purposes of this ARTICLE VII:

(a) Representations, Warranties and Covenants. Each of the representations and warranties of Purchaser contained in this Agreement shall be true and correct (without giving effect to any qualification or limitation as to materiality or material adverse effect set forth therein) in each case as of the date hereof and (except to the extent that such representations and warranties speak solely as to another date) as of the Closing Date as though made on and as of the Closing Date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated in this Agreement.

(b) Performance of Obligations of Purchaser. Purchaser (i) shall have performed or complied with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or material adverse effect and (ii) shall have performed or complied in all material respects with all other agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are not so qualified.

Section 7.2. Conditions to Purchaser's Obligations. The obligations of Purchaser to complete the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing, of

each of the following conditions precedent; provided, however, that upon consummation of the Merger, all conditions precedent contained in this Section 7.2 shall be deemed fully satisfied for purposes of this ARTICLE VII:

(a) Representations, Warranties and Covenants. Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct (without giving effect to any qualification or limitation as to materiality or Material Adverse Effect set forth therein) in each case as of the date hereof and (except to the extent that such representations and warranties speak solely as to another date) as of the Closing Date as though made on and as of the Closing Date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not reasonably be expected to have a Closing Material Adverse Effect.

(b) Performance of Obligations of Seller. Seller (i) shall have performed or complied with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are qualified as to materiality or Material Adverse Effect and (ii) shall have performed or complied in all material respects with all other agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date that are not so qualified.

ARTICLE VIII

CLOSING

The Closing shall, unless another time and date is agreed to in writing by the Parties, take place immediately following the Closing (as defined in the Merger Agreement) under the Merger Agreement and will be effective immediately following the Effective Time (the time and date of such Closing being herein called the "Closing Date"). The Closing will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, New York 10112, or such other place as the Parties may agree. On the Closing Date, the Parties hereto shall deliver the following:

Section 8.1. Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser the following which in the case of documents, shall be reasonably satisfactory to Purchaser:

(i) a stock certificate or certificates representing the Shares, duly endorsed by Seller to Purchaser sufficient to transfer to Purchaser good and marketable title to the Shares, and evidence that such transfer to Purchaser of the Shares has been recorded on the Maquiladora's stock registry book;

(ii) the Seller's Contrato de Compra-Venta de Acciones, duly executed by Seller, in form and substance reasonably satisfactory to Purchaser;

(iii) an Assets Bill of Sale and Assignment and Assumption Agreement, duly executed by Seller, in form and substance reasonably satisfactory to Purchaser;

(iv) the Assets;

(v) the Supply Agreement, duly executed by Seller, in form and substance reasonably satisfactory to Purchaser;

(vi) the Transition Services Agreement, duly executed by Seller, in form and substance reasonably satisfactory to Purchaser;

(vii) a duly sworn affidavit of Seller, dated as of the Closing Date, stating that Seller is not a "foreign person" as that term is defined in the Code, setting forth Seller's tax identification numbers and otherwise meeting the requirements of Section 1445(b)(2) of the Code and the Treasury Regulations promulgated thereunder; and

(viii) all documents of title and instruments of conveyance necessary to transfer record and beneficial ownership to Purchaser of all Assets which require execution, endorsement or delivery of such a document under applicable Law in order to vest record or beneficial ownership thereto in Purchaser.

Section 8.2. Deliveries by Minority Shareholder. At the Closing, Seller shall cause Minority Shareholder to deliver to Minority Purchaser the following documents, which shall be reasonably satisfactory to Purchaser:

(i) a stock certificate or certificates representing the Minority Shares, duly endorsed by Minority Shareholder sufficient to transfer to Purchaser good and marketable title to the Minority Shares to Minority Purchaser, and evidence that such transfer of the Minority Shares has been recorded on the Maquiladora's stock registry book;

(ii) the Minority Shareholder's Contrato de Compra-Venta de Acciones, duly executed by Minority Shareholder, in form and substance reasonably satisfactory to Purchaser; and

(iii) a duly sworn affidavit of Minority Shareholder, dated as of the Closing Date, stating that Minority Shareholder is not a "foreign person" as that term is defined in the Code, setting forth Minority Shareholder's tax identification numbers and otherwise meeting the requirements of Section 1445(b)(2) of the Code and the Treasury Regulations promulgated thereunder.

Section 8.3. Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller the following, which in the case of documents shall be reasonably satisfactory to Seller:

(i) (A) cash payment of the Purchase Price (via wire transfer of immediately available funds), pursuant to Section 2.3, or (B) the Promissory Note, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller, in which case, Purchaser shall deliver to Seller at Closing, in addition to the other deliveries required hereby, (I) a security agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller and Purchaser and in customary form for transactions of this nature, granting Seller a first priority security interest in the security described on Exhibit "A", (II) such notices, recordings, mortgages, statements, filings, instruments or other agreements and documents as Seller may reasonably require to have a perfected first priority security interest in the security described on Exhibit "A" and (III) customary opinions of counsel to Purchaser for secured transactions of this nature reasonably satisfactory to the Parties and their counsel;

(ii) the Seller's Contrato de Compra-Venta de Acciones, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller;

(iii) an Asset Bill of Sale and Assignment and Assumption Agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller;

(iv) the Supply Agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller; and

(v) the Transition Services Agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller.

Section 8.4. Deliveries by Minority Purchaser. At the Closing, Purchaser shall cause Minority Purchaser to deliver to the Minority Shareholder the following, which in the case of documents shall be reasonably satisfactory to Minority Shareholder:

(i) the Minority Shareholder's Contrato de Compra-Venta de Acciones duly executed by Minority Purchaser, in form and substance reasonably satisfactory to Seller.

ARTICLE IX

INDEMNIFICATION

Section 9.1. Indemnification by Seller. Subject to the limitations on and procedures for indemnification set forth in this ARTICLE IX, Seller shall indemnify, defend and hold harmless Purchaser and its Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing (the "Purchaser Indemnified Parties") from and against, and pay or reimburse, as the case may be, the Purchaser Indemnified Parties for, any Damages, as incurred, suffered by any Purchaser Indemnified Parties to the extent based upon, arising out of or relating to the following:

(i) the breach of any representation or warranty of Seller contained in this Agreement;

(ii) the breach by Seller of any covenant or agreement of Seller contained in this Agreement;

(iii) the Excluded Liabilities (including the failure of Seller to pay, perform or otherwise discharge any Excluded Liability in accordance with its terms); or

(iv) the Excluded Assets.

Section 9.2. Indemnification by Purchaser. Subject to the limitations on and procedures for indemnification set forth in this ARTICLE IX, Purchaser shall indemnify, defend and hold harmless Seller and its Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Seller Indemnified Parties") from and against, and pay or reimburse, as the case may be, the Seller Indemnified Parties for, any Damages, as incurred, suffered by any Seller Indemnified Parties to the extent based upon, arising out of or relating to the following:

(i) the breach of any representation or warranty of Purchaser contained in this Agreement;

(ii) the breach by Purchaser of any covenant or agreement of Purchaser contained in this Agreement; or

(iii) the Assumed Liabilities (including, except as provided in Section 12.16, the failure of Purchaser to pay, perform or otherwise discharge any Assumed Liability in accordance with its terms); or

(iv) any Liabilities of Maquiladora, except to the extent that Seller is or would be required to indemnify an Indemnified Party for such Liability under Section 9.1(i) (assuming for purposes of the determination of whether such indemnification is or would be required that (A) the indemnification obligation has not terminated under Section 9.6 and (B) any relevant representations or warranties have not expired under Section 12.4).

Section 9.3. Limitations on Indemnification Obligations. (a) The amount which any Party (an "Indemnifying Party") is or may be required to pay to any Person (an "Indemnified Party") in respect of Damages or other Liability for which indemnification is provided under this Agreement shall be reduced by any amounts actually received (including Insurance Proceeds actually received) by or on behalf of such Indemnified Party (net of increased insurance premiums and charges to the extent related to Damages and costs and expenses (including reasonable legal fees and expenses) incurred by such Indemnified Party in connection with seeking to collect and collecting such amounts) in respect of such Damages or other Liability (such net amounts are referred to herein as "Indemnity Reduction Amounts"). If any Indemnified Party receives any Indemnity Reduction Amounts in respect of Damages for which indemnification is provided under this Agreement after the full amount of such Damages has been paid by an Indemnifying Party or after an Indemnifying Party has made a partial payment of such Damages and such Indemnity Reduction Amounts exceed the remaining unpaid balance of such Damages, then the Indemnified Party shall promptly remit to the Indemnifying Party an amount equal to the excess (if any) of (A) the amount theretofore paid by the Indemnifying Party in respect of such Damages, less (B) the amount of the indemnity payment that would have been due if such Indemnity Reduction Amounts in respect thereof had been received before the indemnity payment was made.

(b) In determining the amount of any indemnity payment under this Agreement, such amount shall be (i) reduced to take into account any net Tax benefit realized by the Indemnified Party and its Affiliates arising from the incurrence or payment by the Indemnified Party or its Affiliates of any amount in respect of which such payment is made and (ii) increased to take into account any net Tax cost incurred by the Indemnified Party and its Affiliates as a result of the receipt or accrual of payments hereunder (grossed-up for such increase), in each case determined by treating the Indemnified Party and its Affiliates as recognizing all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt of accrual of any payment hereunder. In determining the amount of any such Tax benefit or Tax cost, the Indemnified Party and its Affiliates shall be deemed to be subject to the applicable Taxes at the maximum statutory rate then in effect. It is the intention of the Parties to this Agreement that payments made pursuant to this Agreement are to be treated as relating back to the Closing Date as a purchase price adjustment, and the Parties shall not take any position inconsistent with such intention before any Tax authority, except to the extent that a final determination (as defined in Section 1313 of the Code) with respect to the recipient party causes any such payment not to be so treated.

(c) No monetary amount will be payable by Seller to any Purchaser Indemnified Party with respect to the indemnification of any claims pursuant to Section 9.1(i) until the aggregate amount of Damages

actually incurred by the Purchaser Indemnified Parties with respect to such claims shall exceed on a cumulative basis an amount equal to one million dollars (U.S.$1,000,000), in which event Seller shall be responsible only for the amount of such Damages in excess of one million dollars (U.S.$1,000,000). No monetary amount will be payable by Seller to any Purchaser Indemnified Party with respect to the indemnification of any claims pursuant to Section 9.1(i) after the aggregate amount of Damages actually paid by Seller with respect to such claims shall equal on a cumulative basis an amount equal to ten million dollars (U.S.$10,000,000).

(d) No monetary amount will be payable by Purchaser to any Seller Indemnified Party with respect to the indemnification of any claims pursuant to Section 9.2(i) until the aggregate amount of Damages actually incurred by the Seller Indemnified Parties with respect to such claims shall exceed on a cumulative basis an amount equal to one million dollars (U.S.$1,000,000), in which event Purchaser shall be responsible only for the amount of such Damages in excess of one million dollars (U.S.$1,000,000). No monetary amount will be payable by Purchaser to any Seller Indemnified Party with respect to the indemnification of any claims pursuant to Section 9.2(i) after the aggregate amount of Damages actually paid by Purchaser with respect to such claims shall equal on a cumulative basis an amount equal to ten million dollars (U.S.$10,000,000).

Section 9.4. Procedures Relating to Indemnification. (a) If a claim or demand is made against an Indemnified Party, or an Indemnified Party shall otherwise learn of an assertion, by any Person who is not a party to this Agreement (or an Affiliate thereof) as to which an Indemnifying Party may be obligated to provide indemnification pursuant to this Agreement (a "Third Party Claim"), such Indemnified Party will notify the Indemnifying Party in writing, and in reasonable detail, of the Third Party Claim reasonably promptly after becoming aware of such Third Party Claim; provided, however, that failure to give such notification will not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure. Thereafter, the Indemnified Party will deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all material notices and documents (including court papers) received or transmitted by the Indemnified Party's relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party will be entitled to participate in or to assume the defense thereof (in either case, at the expense of the Indemnifying Party) with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, however, that if in the Indemnified Party's reasonable judgment a conflict of interest exists in respect of such claim or if the Indemnifying Party shall have assumed responsibility for such claim with any reservations or exceptions, such Indemnified Party will have the right to employ separate counsel reasonably satisfactory to the Indemnifying Party to represent such Indemnified Party and in that event the reasonable fees and expenses of such separate counsel (but not more than one separate counsel for all Indemnified Parties similarly situated) shall be paid by such Indemnifying Party. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party will have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party will control such defense. The Indemnifying Party will be liable for the reasonable fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has failed to assume the defense thereof. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnifying Party will promptly supply to the Indemnified Party copies of all material correspondence and documents relating to or in connection with such Third Party Claim and keep the Indemnified Party fully informed of all material developments relating to or in connection with such Third Party Claim (including providing to the Indemnified Party on request updates and summaries as to the status thereof). If the Indemnifying Party chooses to defend a Third Party Claim, the Parties will cooperate in the defense thereof (such cooperation to be at the expense, including reasonable legal fees and expenses, of the Indemnifying Party), which cooperation shall include the retention in accordance with this Agreement and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) No Indemnifying Party will consent to any settlement, compromise or discharge (including the consent to entry of any judgment) of any Third Party Claim without the Indemnified Party's prior written consent

(which consent will not be unreasonably withheld); provided, however, that if the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party will agree to any settlement, compromise or discharge of such Third Party Claim which the Indemnifying Party may recommend and which by its terms obligates the Indemnifying Party to pay the full amount of Damages in connection with such Third Party Claim and unconditionally and irrevocably releases the Indemnified Party and its Affiliates completely from all Liability in connection with such Third Party Claim; provided, however, that the Indemnified Party may refuse to agree to any such settlement, compromise or discharge (x) that provides for injunctive or other non-monetary relief affecting the Indemnified Party or any of its Affiliates or (y) that, in the reasonable opinion of the Indemnified Party, would otherwise materially adversely affect the Indemnified Party or any of its Affiliates. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, the Indemnified Party will not (unless required by law) admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld).

(d) Any claim on account of Damages which does not involve a Third Party Claim will be asserted by reasonably prompt written notice given by the Indemnified Party to the Indemnifying Party from whom such indemnification is sought. The failure by any Indemnified Party to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to such Indemnified Party under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(e) In the event of payment in full by an Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party will be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party will cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right or claim.

Section 9.5. Sole and Exclusive Remedy. The indemnities contained in this ARTICLE IX and ARTICLE X shall be the sole and exclusive remedies of the Parties hereto, their Affiliates, successors and assigns with respect to any and all claims arising out of or relating to this Agreement, the transactions contemplated hereby, any provision hereof or the breach or performance thereof.

Section 9.6. Termination of Indemnification Obligations. Except as set forth in the following sentence, the indemnification obligations of each of Seller and Purchaser hereunder will survive the Closing, including surviving the sale or other transfer by any party to this Agreement of any assets or businesses or the assignment by any party of any Liabilities. The obligations of each Party to indemnify, defend and hold harmless Indemnified Parties (i) pursuant to Sections 9.1(i) and 9.2(i), shall terminate when the applicable representation or warranty expires pursuant to Section 12.4, (ii) pursuant to Sections 9.1(ii) and 9.2(ii) shall terminate upon the expiration of all applicable statutes of limitation (giving effect to any extensions thereof, other than extensions caused by the applicable Indemnified Party) and (iii) pursuant to Sections 9.1(iii), 9.1(iv), 9.2(iii) and 9.2(iv) shall continue without time limitation and shall not terminate at any time; provided, however, that as to clauses (i) and (ii) above, such obligations to indemnify, defend and hold harmless shall not terminate with respect to any individual claim as to which the Indemnified Party shall have, before the expiration of the applicable period, previously delivered a notice (stating in reasonable detail the basis of such claim) to the Indemnifying Party.

Section 9.7. Effect of Investigation. The right to indemnification pursuant to Sections 9.1(i) and 9.2(i) shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement.

Section 9.8. Tax Matters. Notwithstanding anything in Sections 9.1, 9.2, 9.4 or 9.5 to the contrary, ARTICLE X will be the exclusive agreement among the Parties with respect to indemnification, procedures and remedies with respect to Tax matters.

ARTICLE X

TAX MATTERS

Section 10.1. Preparation and Filing of Tax Returns. Seller shall prepare and file or cause to be prepared and filed all Tax Returns (including amendments thereto) which are required to be filed in respect of Maquiladora or the Assets for any taxable period ending on or before the Closing Date and any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"). Purchaser hereby irrevocably designates, and agrees to cause each of its Affiliates to designate, Seller as its agent to take any and all actions necessary or incidental to the preparation and filing of such Tax Returns. All Tax Returns (including amendments thereto) required to be filed in respect of Maquiladora or the Assets for taxable periods beginning after the Closing Date shall be the responsibility of Purchaser.

Section 10.2. Consistent with Past Practice. Unless Seller and Purchaser otherwise agree in writing, all Tax Returns (including amendments thereto) described in Section 10.1 filed after the Closing Date for taxable periods ending on or before the Closing Date or Straddle Periods, in the absence of a controlling change in law or circumstances, shall be prepared on a basis consistent with the elections, accounting methods, conventions and principles of taxation used for the most recent taxable periods for which Tax Returns involving similar matters have been filed. Upon request of Purchaser, Seller shall make available a draft of such Tax Return (or relevant portions thereof) for review and comment by Purchaser. Subject to the provisions of this Agreement, all decisions relating to the preparation of Tax Returns shall be made in the sole discretion of the party responsible under this Agreement for such preparation.

Section 10.3. Payment of Taxes. Except as otherwise provided in this Agreement, Seller shall pay or cause to be paid, on a timely basis, (i) all Taxes due with respect to the Tax liability of Maquiladora for taxable periods ending on or before the Closing Date or Straddle Periods and (ii) all Taxes due with respect to the Assets for taxable periods ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date; provided, however, that Purchaser, on behalf of Maquiladora, hereby assumes and agrees to pay directly to or at the direction of Seller, at least five days prior to the date payment (including estimated payment) thereof is due, the portion of such Taxes for that portion of any Straddle Period which begins on the day after the Closing Date (calculated pursuant to Section 10.4) which relates to Maquiladora or its business, assets or activities. Purchaser shall pay or cause to be paid, on a timely basis, (i) all Taxes due with respect the Tax liability of Maquiladora for any taxable period beginning after the Closing Date and (ii) all Taxes due with respect to the Assets for taxable periods beginning after the Closing Date and the portion of any Straddle Period beginning on the day after the Closing Date.

Section 10.4. Allocation of Straddle Period Taxes. In the case of any Straddle Period:

(a) Periodic Taxes. (i) The periodic Taxes of Maquiladora or its business, assets or activities and the periodic Taxes with respect to the Assets that are not based on income or receipts (e.g., property Taxes) for the portion of any Straddle Period which ends on the Closing Date shall be computed based on the ratio of the number of days in such portion of the Straddle Period and the number of days in the entire taxable period, and (ii) the periodic taxes of Maquiladora or its business, assets or activities and the periodic Taxes with respect to the Assets that are not based on income or receipts for the portion of any Straddle Period beginning on the day after the Closing Date shall be computed based on the ratio of the number of days in such portion of the Straddle Period and the number of days in the entire taxable period

(b) Non-Periodic Taxes. (i) The Taxes of Maquiladora or its business, assets or activities for that portion of any Straddle Period ending on the Closing Date (other than Taxes described in Section 10.4(a) above), shall be computed on a "closing-of-the-books" basis as if such taxable period ended as of the close of business on the Closing Date, and (ii) the Taxes of Maquiladora or its business, assets or activities for that portion of any Straddle Period beginning after the Closing Date (other than Taxes described in Section 10.4(a) above), shall be computed on a "closing-of-the-books" basis as if such taxable period began on the day after the Closing Date.

Section 10.5. Tax Refunds and Carrybacks.

(a) Retention and Payment of Tax Refunds. Except as otherwise provided in this Agreement, Seller shall be entitled to retain, and to receive within ten days after Actually Realized by Purchaser and its Affiliates, the portion of all refunds or credits of Taxes for which Seller is liable pursuant to Section 10.3 or Section 10.6(a), and Purchaser shall be entitled to retain, and to receive within ten days after Actually Realized by Seller and its Affiliates, the portion of all refunds or

credits of Taxes for which Purchaser is liable pursuant to Section 10.3 or Section 10.6(b). The amount of any refund or credit of Taxes to which Seller or Purchaser is entitled to retain or receive pursuant to the foregoing sentence shall be reduced to take account of any Taxes incurred by Purchaser and its Affiliates, in the case of a refund or credit to which Seller is entitled, or Seller and its Affiliates, in the case of a refund or credit to which Purchaser is entitled, upon the receipt of such refund or credit.

(b) Carrybacks. Unless the parties otherwise agree in writing, Purchaser shall elect where permitted by law, to carry forward any net operating loss, net capital loss, charitable contribution or other item arising after the Closing Date that could, in the absence of such election, be carried back to a taxable period ending on or before the Closing Date. Except as otherwise provided in this Agreement, notwithstanding the provisions of Section 10.5(a), (i) any refund or credit of Taxes resulting from the carryback of any item of Taxes attributable to Purchaser or its Affiliates arising in a taxable period beginning after the Closing Date to a taxable period ending on or before the Closing Date or that portion of any Straddle Period that ends on the Closing Date shall be for the account and benefit of Purchaser and its Affiliates, and (ii) any refund or credit of Taxes resulting from the carryback of any item of Taxes attributable to Seller or its Affiliates arising in a taxable period beginning after the Closing Date to a taxable period ending on or before the Closing Date or that portion of any Straddle Period that ends on the Closing Date shall be for the account and benefit of Seller and its Affiliates.

(c) Refund Claims. Seller shall be permitted to file at Seller's sole expense, and Purchaser shall reasonably cooperate with Seller in connection with, any claims for refund of Taxes to which Seller is entitled pursuant to this Section 10.5 or any other provision of this Agreement. Seller shall reimburse Purchaser for any reasonable out-of-pocket costs and expenses incurred by Purchaser and its Representatives or Affiliates in connection with such cooperation. Purchaser shall be permitted to file at Purchaser's sole expense, and Seller shall reasonably cooperate with Purchaser in connection with, any claims for refunds of Taxes to which Purchaser is entitled pursuant to this Section 10.5 or any other provision of this Agreement. Purchaser shall reimburse Seller for any reasonable out-of-pocket costs and expenses incurred by Seller and its Representatives and Affiliates in connection with such cooperation.

Section 10.6. Tax Indemnification.

(a) Seller Indemnification. Seller shall be liable for, and shall indemnify, defend and hold harmless the Purchaser Indemnified Parties from and against:

(i) all Taxes of Maquiladora for any taxable period that ends on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date;

(ii) all Taxes due with respect to the Assets for taxable periods ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date;

(iii) all Taxes for any Tax period (whether beginning before, on or after the Closing Date) attributable to the breach by Seller or its Affiliates of any representation, warranty, covenant or obligation under this Agreement;

(iv) all liability for a breach by Seller of any representation, warranty, covenant, or obligation under this Agreement with respect to Tax matters; and

(v) all liability for any reasonable legal, accounting, appraisal, consulting or similar fees and expenses relating to the foregoing.

Notwithstanding the foregoing, Seller shall not indemnify, defend or hold harmless the Purchaser Indemnified Parties from any liability for Taxes attributable to a Purchaser Tax Act. A Purchaser Tax Act shall mean any action specified in Schedule 10.6 attached hereto. Seller's obligations under this Section 10.6(a) shall not be subject to the limitations in Section 9.3 of this Agreement.

(b) Purchaser Indemnification. Purchaser shall be liable for, and shall indemnify, defend and hold harmless the Seller Indemnified Parties from and against:

(i) all Taxes of Maquiladora (other than Taxes for which Seller is obligated to provide indemnification for pursuant to Section 10.6(a)(i));

(ii) all Taxes due with respect to the Assets (other than Taxes for which Seller is obligated to provide indemnification pursuant to Section 10.6(a)(ii));

(iii) all Taxes for any Tax period (whether beginning before, on or after the Closing Date) attributable to the breach by Purchaser or its Affiliates of any representation, warranty, covenant or obligation under this Agreement;

(iv) all liability for a breach by Purchaser of any representation, warranty, covenant, or obligation under this Agreement with respect to Tax matters;

(v) all Taxes attributable to a Purchaser Tax Act; and

(vi) all liability for any reasonable legal, accounting, appraisal, consulting or similar fees and expenses relating to the foregoing.

Purchaser's obligation under this Section 10.6(b) shall not be subject to the limitations in Section 9.3 of this Agreement.

Section 10.7. Notice of Indemnity. Whenever an Indemnified Party becomes aware of the existence of an issue raised by any Tax authority which could reasonably be expected to result in a determination that would increase the liability for any Tax of the other Party hereto or any of its Representatives or Affiliates for any Tax period or require a payment hereunder by the other party (hereinafter an "Indemnity Issue"), the Indemnified Party shall in good faith promptly give notice to an Indemnifying Party of such Indemnity Issue. The failure of the Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent such Indemnifying Party or any of its Representatives or Affiliates is actually prejudiced by such failure to give notice.

Section 10.8. Payments.

(a) Timing Adjustments. In the event that a final determination (which shall include the execution of a Form 870-AD or successor form) results in a timing difference (e.g., an acceleration of income or delay of deductions) that would increase Seller's liability for Taxes pursuant to ARTICLE IX or this ARTICLE X or results in a timing difference (e.g., an acceleration of deductions or delay of income) that would increase Purchaser's liability for Taxes pursuant to ARTICLE IX or this ARTICLE X, Purchaser or Seller, as the case may be, will promptly make payments to Seller or Purchaser as and when Purchaser or Seller (or its Affiliates), as the case may be, actually realizes any Tax benefits as a result of such timing difference (or under such other method for determining the present value of any such anticipated Tax benefits as agreed to by the Parties).

(b) Time for Payment. Any indemnity payment required to be made pursuant to this Agreement shall be paid within thirty days after the Indemnified Party makes written demand upon the Indemnifying Party, provided that in no event shall such payment be required to be made earlier than five business days prior to the date on which the relevant Taxes (including estimated Taxes) are required to be paid (or would be required to be paid if no such Taxes are due) to the relevant Tax authority.

Section 10.9. Tax Contests. The Indemnifying Party and its Representatives, at the Indemnifying Party's expense, shall be entitled to participate (a) in all conferences, meetings and proceedings with any Tax authority, the subject matter of which is or includes an Indemnity Issue and (b) in all appearances before any court, the subject matter of which is or includes an Indemnity Issue. The Party who has responsibility for filing the Tax Return under this Agreement with respect to which there could be an increase in liability for any Tax or with respect to which a payment could be required hereunder shall have the right to decide as between the Parties hereto how such matter is to be dealt with and finally resolved with the appropriate Tax Authority and shall control all audits and similar proceedings, provided, however, that if such contest would be reasonably expected to result in a material increase in the tax liability (i) of Maquiladora or (ii) related to the Assets, for which Purchaser would be liable, Purchaser may participate in the conduct of such contest and Seller shall not settle any such contest without the consent of Purchaser, which consent shall not be unreasonably withheld. If no Tax Return is or was required to be filed in respect of an Indemnity Issue, the Indemnifying Party shall be treated as the responsible party with respect thereto. The responsible party agrees to cooperate in the settlement of any Indemnity Issue with the other Party and to take such other Party's interests into account.

Section 10.10. Cooperation and Exchange of Information. Each

Party hereto agrees to provide, and to cause each of its Affiliates to provide, such cooperation and information as such other Party shall request, on a timely basis, in connection with the preparation or filing of any Tax Return or claim for Tax refund not inconsistent with this Agreement or in conducting any Tax audit, Tax dispute, or otherwise in respect of Taxes or to carry out the provisions of this Agreement, provided, however, that neither Party shall be obligated to provide the other Party with Tax Returns, documentation or other information of a proprietary or confidential nature for purposes of verifying any calculation, and provided further, that in any such case where one Party does not provide the other Party with Tax Returns, documentation or information because it is proprietary or confidential, both Parties shall cooperate in developing mutually acceptable procedures including retaining a mutually agreeable accounting firm to review such Tax Returns, documentation or information for purposes of verifying such calculation.

Section 10.11. Taxes; Profit-Sharing; Customs Duties; Transfer Sales and Use Taxes.

(a) Mexican Taxes on Sale of Shares, Minority Shares and the Assets. Seller shall, and shall cause Minority Shareholder to, fully comply with all Mexican Tax laws in connection with the sale of the Shares, the Minority Shares and the Assets, respectively, such that Purchaser and the Minority Purchaser shall not be required to deduct or withhold any amount from the Purchase Price. Seller agrees to indemnify and hold Purchaser and Minority Purchaser harmless from and against any Taxes imposed on any gain from the sale by Seller or Minority Shareholder, respectively, of the Shares, the Minority Shares or the Assets under this Agreement due to any Governmental Authority, including any obligation Purchaser or Minority Purchaser may have to withhold or remit to Mexican Governmental Authorities Taxes levied on Seller or Minority Shareholder as a result of the sale of the Shares, the Minority Shares or the Assets under this Agreement. The Parties agree that the Spanish language stock purchase agreement with respect to the Shares and the Spanish language stock purchase agreement with respect to the Minority Shares to be delivered at the Closing as provided in Section 8.1(ii), Section 8.2(ii), Section 8.3(ii) and Section 8.4(i), shall be used by the Parties, Minority Shareholder and Minority Purchaser for Mexican Tax reporting purposes and that the consideration set forth in such documents shall be the same as and not in addition to the Purchase Price.

(b) No Tax Elections. Purchaser shall not make any U.S. federal income Tax elections with respect to its purchase of the Shares.

(c) Advanced Pricing Agreement; Effect on Taxes and Profit Sharing. Seller, at its own expense, shall have the sole and exclusive right, power and authority to negotiate with the appropriate Mexican Governmental Authorities and enter into the Advanced Pricing Agreement. Seller agrees to keep Purchaser informed of the status of such negotiations and shall not enter into the Advanced Pricing Agreement without the consent of Purchaser, which consent shall not be unreasonably withheld. Maquiladora shall cooperate with Seller in negotiating and finalizing the Advanced Pricing Agreement. Purchaser agrees to cause Maquiladora not amend, supplement or modify the Advanced Pricing Agreement as it would relate to periods prior to the Closing.

(d) Mexican Customs Duties. Purchaser and Seller will, and Purchaser will cause Maquiladora after the Closing to, cooperate in good faith to prepare and execute any and all customs documents required to legally allow Maquiladora to continue to use the Assets in Mexico, in accordance with applicable Mexican Law and to file a virtual exportation and virtual importation pediment to reconcile the open pediments of Maquiladora at the Closing. Seller shall be responsible for any customs duties or fees relating to periods prior to the Closing. Purchaser and Maquiladora will be responsible for any customs duties or fees relating to periods from and after the Closing.

(e) Transfer, Sales and Use Taxes. Notwithstanding anything to the contrary in this Agreement, all transfer, documentary, sales, use, stamp, registration, value added and other similar Taxes and fees (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement shall be shared equally by Seller and Purchaser. Each Party hereto agrees to file all necessary documentation (including all Tax Returns) with respect to all such Taxes in a timely manner. On or before the Closing Date, Purchaser shall provide to Seller a required sales and use tax purchase exemption certificate or certificates with respect to the Assets to the extent they constitute (i) exempt tangible personal property held for resale or for incorporation into goods to be held for resale, (ii) exempt manufacturing and production equipment, or (iii) otherwise are exempt from the sales and use tax upon the provision of an appropriate exemption certificate.

Section 10.12. Tax Records.

(a) The Parties agree to (and to cause each of their Affiliates to) (i) retain all Tax Returns, related schedules and work papers, and all material records and other documents as required under Section 6001 of the Code and the regulations promulgated thereunder relating thereto existing on the date hereof or created through the Closing Date, for a period of at least ten years following the Closing Date and (ii) allow the Party to this Agreement, at times and dates reasonably acceptable to the retaining Party, to inspect, review and make copies of such records, as the Parties may reasonably deem necessary or appropriate from time to time. In addition, after the expiration of such ten-year period, such Tax Returns, related schedules and workpapers, and material records shall not be destroyed or otherwise disposed of at any time, unless, prior to such destruction or disposal, (A) the Party proposing to destroy or otherwise dispose of such records shall provide no less than 30 days' prior written notice to the other Party, specifying in reasonable detail the records proposed to be destroyed or disposed of and (B) if a recipient of such notice shall request in writing prior to the scheduled date for such destruction or disposal that any of the records proposed to be destroyed or disposed of be delivered to such requesting Party, the Party proposing the destruction or disposal shall promptly arrange for the delivery of such requested records at the expense of the Party requesting such records.

(b) Notwithstanding anything in this Agreement to the contrary, if any Party fails to comply with the requirements of Section 10.12(a) hereof, the Party failing so to comply shall be liable for, and shall hold the other Party, harmless from, any Taxes (including without limitation, penalties for failure to comply with the record retention requirements of the Code) and other costs resulting from such Party's failure to comply.

Section 10.13. Tax Sharing Agreements. On the Closing Date, all Tax sharing agreements and arrangements between (a) Maquiladora, on the one side, and (b) Seller or any of its Subsidiaries or Affiliates, on the other side, will be terminated and have no further effect for any taxable year or period (whether a past, present or future year or period), and no additional payments will be made thereunder on or after the Closing Date in respect of a redetermination of Tax liabilities or otherwise.

Section 10.14. Dispute Resolution. Any dispute, claim or controversy arising out of or relating to any provision of ARTICLE X of this Agreement will be resolved in accordance with the procedures set forth in Section 12.3(b) of this Agreement, provided that each such mediator or arbitrator selected pursuant to such procedures shall have an expertise in Tax matters.

ARTICLE XI

TERMINATION

Section 11.1. Voluntary Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date by the mutual written consent of Purchaser and Seller.

Section 11.2. Automatic Termination. In the event of a termination of the Merger Agreement, this Agreement shall automatically and immediately terminate.

Section 11.3. Effect of Termination. In the event of the termination of this Agreement, all further obligations of the Parties hereunder shall terminate, and the transactions contemplated hereby shall be abandoned without further action or liability by any of the Parties hereto, except that (i) Section 11.3 ("Effect of Termination"), Section 12.2 ("Notices"), Section 12.3 ("Choice of Law, Dispute Resolution"), Section 12.6 ("Entire Agreement; Waivers"), Section 12.8 ("Severability"), Section 12.10 ("Expenses"), Section 12.12 ("Parties in Interest") and Section 12.14 ("Controlling Agreement") shall survive such termination and (ii) nothing shall relieve any Party hereto from liability for any breach of this Agreement prior to such termination.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Assignment. No Party to this Agreement will convey, assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party in its

sole and absolute discretion. Notwithstanding the foregoing, any Party may (without obtaining any consent) assign, delegate or sublicense all or any portion of its rights and obligations hereunder to (i) the surviving entity resulting from a merger or consolidation involving such Party, (ii) the acquiring entity in a sale or other disposition of (A) all or substantially all of the assets of such Party as a whole, (B) any line of business or division of such Party, or (C), in the case of Purchaser, the Facility, (iii) any other Person that is created as a result of a spin-off from, or similar reorganization transaction of, such Party or any line of business or division of such Party or (iv) an Affiliate. In the event of an assignment pursuant to (ii) or (iii) above, the non-assigning Party shall, at the assigning Party's request, use good faith commercially reasonable efforts to enter into separate agreements with each of the resulting entities and take such further actions as may be reasonably required to assure that the rights and obligations under this Agreement are preserved, in the aggregate, and divided equitably between such resulting entities. Any conveyance, assignment or transfer requiring the prior written consent of another Party pursuant to this Section 12.1 which is made without such consent will be void ab initio. No assignment of this Agreement will relieve the assigning Party of its obligations hereunder.

Section 12.2. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) upon confirmation of receipt if delivered by telecopy or telefacsimile, (c) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service, or (d) on the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to Purchaser, to:

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4426
Attention: Paul E. Vincent
Chief Financial Officer

With copies to (not effective for purposes of notice):

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4564
Attention: James K. Jacobs, Esq.
General Counsel

or if to Seller, to:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
Fax: (949) 483-6388
Attention: Dennis E. O'Reilly
Senior Vice President, General
Counsel and Secretary

With a copy to (not effective for purposes of notice):

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
Fax: (212) 541-5369
Attention: Peter R. Kolyer, Esq.

Section 12.3. Choice of Law; Dispute Resolution.

(a) Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to choice of law principles).

(b) Dispute Resolution. In the event that from and after the Closing, any dispute, claim or controversy (collectively, a "Dispute") arises out of or relates to any provision of this Agreement or the breach, performance, enforcement or validity or invalidity thereof, the designees of Seller's Chief Executive Officer and Purchaser's Chief Executive Officer will attempt a good faith resolution of the Dispute within thirty (30) days after either Party notifies the other Party in writing of the Dispute. If the Dispute is not resolved within thirty (30) days of the receipt of the

notification, or within such other time as they may agree, the Dispute will be referred for resolution to Seller's Chief Executive Officer and Purchaser's Chief Executive Officer. Should they be unable to resolve the Dispute within thirty (30) days following the referral to them, or within such other time as they may agree, Seller and Purchaser will then attempt in good faith to resolve such Dispute by mediation in accordance with the then-existing CPR Mediation Procedures promulgated by the CPR Institute for Dispute Resolution, New York City. If such mediation is unsuccessful within thirty (30) days (or such other period as the Parties may mutually agree) after the commencement thereof, such Dispute shall be submitted by the Parties to binding arbitration, initiated and conducted in accordance with the then-existing American Arbitration Association Commercial Arbitration Rules, before a single arbitrator selected jointly by Seller and Purchaser, who shall not be the same person as the mediator appointed pursuant to the preceding sentence. If Seller and Purchaser cannot agree upon the identity of an arbitrator within ten (10) days after the arbitration process is initiated, then the arbitration will be conducted before three arbitrators, one selected by Seller, one selected by Purchaser and the third selected by the first two. The arbitration shall be conducted in San Francisco, California and shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award may be entered by any court having jurisdiction thereof. The arbitrators shall have case management authority and shall resolve the Dispute in a final award within one hundred eighty (180) days from the commencement of the arbitration action, subject to any extension of time thereof allowed by the arbitrators upon good cause shown.

Section 12.4. Survival of Representations and Warranties and Covenants. The respective representations and warranties of the Parties contained in this Agreement (other than those set forth in the following sentence) will survive the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the Closing and will continue in full force and effect until six (6) months after the Closing Date and will then expire. The representations and warranties of the Parties contained in Section 3.1, Section 3.2, Section 3.3, Section 3.4, Section 3.9(a), Section 3.13, Section 3.18, Section 4.1, Section 4.2, and Section 4.3 will survive the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the Closing and will continue in full force and effect until all applicable statutes of limitation (including any extensions thereof) have expired and will then expire. All covenants of the Parties contained in this Agreement will remain in full force and effect after, and survive, the Closing (other than those to be performed at or prior to the Closing).

Section 12.5. Limitations on Representations and Warranties. Except for the representations and warranties set forth in this Agreement, the Assets, the Shares and the Minority Shares are being sold "AS IS, WHERE IS, AND WITH ALL FAULTS." EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER CONCERNING THE ASSUMED LIABILITIES, THE ASSETS, THE FACILITY, THE BUSINESS OR OPERATIONS OF MAQUILADORA OR ANY OTHER MATTER, EXPRESS OR IMPLIED, ORAL, OR WRITTEN. SELLER HEREBY SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

Section 12.6. Entire Agreement; Waivers. This Agreement, together with all exhibits and Schedules hereto, and the other agreements and instruments of the Parties delivered in connection herewith constitute the entire agreement and supersede all prior agreements and understandings both written and oral, among the Parties with respect to the subject matter hereof. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

Section 12.7. Counterparts. This Agreement may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. This Agreement may be executed and delivered by telecopier with the same force and effect as if it were a manually executed and delivered counterpart.

Section 12.8. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. If the economic or legal substance of the transactions contemplated hereby is affected in any manner adverse to any Party as a result thereof, the Parties will negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the Parties.

Section 12.9. Headings. The headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 12.10. Expenses. Except as otherwise provided in this Agreement, each of the Parties shall be liable for its own expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement prior to Closing.

Section 12.11. Amendments. This Agreement cannot be amended, modified or supplemented except by a written agreement executed by Seller and Purchaser.

Section 12.12. Parties in Interest. This Agreement is binding upon and is for the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement is not made for the benefit of any Person not a Party hereto, and no Person other than the Parties hereto or their respective successors and permitted assigns will acquire or have any benefit, right, remedy or claim under or by reason of this Agreement, except that the provisions of Sections 9.1, 9.2 and 10.6 hereof shall inure to the benefit of the Persons referred to therein.

Section 12.13. Schedules and Exhibits. Inclusion of an item or matter on any of the Schedules or Exhibits attached hereto shall not be deemed to be an admission by any Party that such item or matter is required to be disclosed in such Schedule or Exhibit. Each disclosure on each Schedule, to the extent specified therein, qualifies the correspondingly numbered representation and warranty or covenant contained herein and, to the extent it is apparent on the face of such disclosure that such disclosure qualifies another representation or warranty contained herein, such other representation and warranty.

Section 12.14. Controlling Agreement. In the event of any inconsistency between the provisions of this Agreement and those of either Seller's Contrato de Compra-Venta de Acciones or Minority Shareholder's Contrato de Compra-Venta de Acciones, this Agreement shall be controlling (other than with respect to the governing law).

Section 12.15. Compliance with Bulk Sales Laws. The Parties hereby waive compliance with the bulk sales laws and any other similar laws in any applicable jurisdiction in respect of the transactions contemplated by this Agreement.

Section 12.16. Savings Clause. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Assumed Contract if an assignment or attempted assignment of the same without the Consent of any other party or parties thereto or other required Consent would constitute a breach thereof or of any applicable law or in any way impair the rights of Seller or Purchaser thereunder. If any such Consent is not obtained or if an attempted assignment would be ineffective or would impair any rights of either Seller or Purchaser under any such Assumed Contract that Purchaser would not receive all such rights, then (x) Seller will use commercially reasonable efforts (it being understood that such efforts shall not include any requirement of Seller to pay any consideration or offer or grant any financial accommodation) to provide or cause to be provided to Purchaser the benefits of any such Assumed Contract and Seller will promptly pay or cause to be paid to Purchaser when received all moneys and properties received by Seller with respect to any such Assumed Contract and (y) to the extent that Purchaser receives the benefits of such Assumed Contract, Purchaser will pay, perform and discharge on behalf of Seller all of Seller's Liabilities thereunder in a timely manner and in accordance with the terms thereof. If and when such Consents are obtained, the transfer of the applicable Assumed Contract shall be effected as promptly following the Closing as shall be practicable in accordance with the terms of this Agreement.

Section 12.17. Cooperation Following the Closing. Following the Closing, the Parties shall each deliver to the other such further information and documents and shall execute and deliver to the other such further instruments and agreements as the other shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other the benefits of this Agreement.

[The remainder of this page is left intentionally blank;
signature page follows]

IN WITNESS WHEREOF, each of the Parties listed below has executed this Mexican Stock and Asset Purchase Agreement as of the day and year first above written.

CONEXANT SYSTEMS, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and Chief Executive Officer

ALPHA INDUSTRIES, INC.

By: /s/ David J. Aldrich

David J. Aldrich
President and Chief Executive Officer

Schedules

Schedule 1	Certain Executive Officers of Seller
Schedule 2.2(a)	Excluded Assets
Schedule 2.2(b)	Permitted Encumbrances
Schedule 2.4(a)	Assumed Liabilities
Schedule 3.3	Consents Required by Seller
Schedule 3.6	Compliance with Laws
Schedule 3.7	Financial Statements
Schedule 3.8	Certain Changes or Events
Schedule 3.10	Seller Litigation
Schedule 3.11(a)	List of Employees
Schedule 3.11(b)	Benefit Plans
Schedule 3.12	Labor Relations
Schedule 3.13(b)	Tax Proceedings
Schedule 3.13(f)	Tax Audits
Schedule 3.14	Environmental Matters
Schedule 3.15	Assumed Contracts
Schedule 3.16	Maquiladora Contracts
Schedule 4.3	Consents Required by Purchaser
Schedule 4.4	Purchaser Litigation
Schedule 5.4	Intercompany Accounts
Schedule 10.6(a)	Purchaser Tax Act

Exhibits

Exhibit A	Terms of Promissory Note
Exhibit B	Terms of Supply Agreement

Exhibit 2.4

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U.S. ASSET PURCHASE AGREEMENT

DATED AS OF DECEMBER 16, 2001

BY AND BETWEEN

CONEXANT SYSTEMS, INC.,

AND

ALPHA INDUSTRIES, INC.

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U.S. ASSET PURCHASE AGREEMENT

U.S. ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of December 16, 2001, by and between Conexant Systems, Inc., a Delaware corporation ("Seller"), and Alpha Industries, Inc., a Delaware corporation ("Purchaser"). Seller and Purchaser are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party."

RECITALS

A. Seller employs certain employees (the "Package Design Team") at its facilities in Newport Beach, California, who perform certain design and other functions in support of certain manufacturing and assembly operations conducted by Seller and its Affiliates (as defined herein) in Mexicali, Baja California, Mexico;

B. Seller owns certain assets (including certain intellectual property) in the United States utilized by the Package Design Team, which it desires to sell to Purchaser; and

C. Purchaser desires to purchase the Assets (as defined herein) and employ the Package Design Team Employees (as defined herein) pursuant to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings given those terms in this ARTICLE I or in the Section of this Agreement referenced in the definition provided for such term:

"Affiliate" of a Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" is defined in the first paragraph hereof.

"Assets" means all of Seller's right, title and interest in and to (i) the equipment specifically set forth on Schedule 2.1, together with all prepaid expenses paid by Seller with respect to such equipment and all third party insurance proceeds (if any) in respect of losses, liabilities or damage with respect to such equipment arising out of insured incidents occurring after the date hereof and prior to the Closing (to the extent Seller and its Affiliates have no obligation to reimburse the insurer for such insurance proceeds), (ii) the Intellectual Property set forth on Schedule 3.5 and (iii) the Books and Records.

"Books and Records" means all documents, information, computer data, files, books and records (in each case, in whatever form or media, including electronic media) that relate exclusively to (i) the Assets or (ii) the Package Design Team Employees.

"Business Day" means a day other than a Saturday, a Sunday or a day on which banks are required or authorized to close in the City of New York.

"Charter Document" means any of the certificate of incorporation, bylaws, agreement of limited partnership, operating agreement or other organizational or constitutive document of a Person.

"Claim(s)" means any action, suit, litigation, proceeding, arbitration or other method of settling disputes or disagreements and any grievance, complaint, claim, charge, demand, investigation or other similar matter.

"Claims Made Policies" is defined in Section 5.7(b).

"Closing" means the consummation of the transactions contemplated by this Agreement on the Closing Date.

"Closing Date" is defined in the first paragraph of ARTICLE VII.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Consent(s)" means any and all consents, waivers, approvals, authorizations, declarations, filings, recordings, registrations or exemptions.

"Damages" means any and all losses, Liabilities, claims, damages, deficiencies, obligations, fines, payments, Taxes, Encumbrances, and costs and expenses, whether matured or unmatured, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, whenever arising and whether or not resulting from Third Party Claims (including the costs and expenses of any and all Claims; all amounts paid in connection with any demands, assessments, judgments, settlements and compromises relating thereto; interest and penalties with respect thereto; out-of-pocket expenses and reasonable attorneys', accountants' and other experts' fees and expenses reasonably incurred in investigating, preparing for or defending against any such Claims or in asserting,

preserving or enforcing an Indemnified Party's rights hereunder; and any losses that may result from the granting of injunctive relief as a result of any such Claims).

"Dispute" is defined in Section 11.3(b).

"dollars" or "U.S.$" means United States dollars.

"Effective Time" is defined in the Merger Agreement.

"Employee Matters Agreement" means the Employee Matters Agreement to be entered into by and among Seller, Washington and Purchaser on or before the Effective Time.

"Encumbrance" means any lien, pledge, easement, security interest, mortgage, deed of trust, right-of-way, retention of title agreement or other encumbrance of whatever nature.

"Governmental Authority" means any federal, state or local governmental authority or regulatory body of any nation, any subdivision, agency, commission, board or authority or instrumentality thereof, or any quasi-governmental or private body asserting, exercising or empowered to assert or exercise any regulatory authority thereunder and any Person, directly or indirectly, owned by and subject to the control of any of the foregoing.

"HSR Act" means the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended.

"including" means including without limiting the generality of what precedes that term.

"Income Tax" means (a) any Tax based upon, measured by, or calculated with respect to (i) net income or profits (including, but not limited to, any capital gains, minimum Tax and any Tax on items of Tax preference, but not including sales, use, real or personal property, gross or net receipts, transfer or similar Taxes) or (ii) multiple bases (including, but not limited to, corporate franchise, doing business or occupation Taxes) if one or more of the bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (i) above, or (b) any U.S. state or local franchise Tax; including in the case of each of (a) and (b) any related interest and any penalties, additions to such Tax or additional amounts imposed with respect thereto by any Tax authority.

"Indemnified Party" is defined in Section 8.3(a).

"Indemnifying Party" is defined in Section 8.3(a).

"Indemnity Reduction Amounts" is defined in Section 8.3(a).

"Information" means all records, books, contracts, instruments, computer data and other data and information (in each case, in whatever form or medium, including electronic media).

"Insurance Proceeds" means monies (a) received by an insured from an insurance carrier, (b) paid by an insurance carrier on behalf of an insured or (c) received from any third party in the nature of insurance, contribution or indemnification in respect of any Liability.

"Intellectual Property" means trademarks, service marks, brand names, certification marks, trade dress and other indications of origin, the goodwill associated with the foregoing and registrations in any jurisdiction of, and applications in any jurisdiction to register, the foregoing, including any extension, modification or renewal of any such registration or application; inventions, discoveries and ideas, whether patentable or not, in any jurisdiction; patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions or reissues thereof, in any jurisdiction; nonpublic information, trade secrets and confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any Person; writings and other works, whether copyrightable or not, in any jurisdiction; and registrations or applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; and any other intellectual property or proprietary rights.

"Law" means all laws, principals of common law, statutes, constitutions, treaties, rules, regulations, ordinances, codes, ruling, orders and determinations of any Governmental Authority.

"Liabilities" means any and all claims, debts, liabilities, commitments and obligations of whatever nature, whether fixed, contingent

or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising and whether or not the same would be required by generally accepted accounting principles to be reflected as a liability in financial statements or disclosed in the notes thereto.

"Maquiladora" means Conexant Systems, S.A. de C.V., a sociedad anonima de capital variable organized under the laws of Mexico.

"Material Adverse Change" or "Material Adverse Effect" means any event, change, circumstance or development that is materially adverse to (i) the ability of Seller to consummate the transactions contemplated by this Agreement or (ii) the Assets taken as a whole or the use of the Assets, taken as a whole, in the manner heretofore used by Seller, other than, with respect to clause (ii), any event, change, circumstance or development (A) resulting from any action taken in connection with the transactions contemplated hereby pursuant to the terms of this Agreement, (B) relating to the economy or financial markets in general, (C) relating in general to the industries in which Seller operates and not specifically relating to Seller or (D) relating to any action or omission of Seller or any Subsidiary of either of them taken with the express prior written consent of Purchaser.

"Merger" is defined in the recitals of the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Reorganization, dated as of December 16, 2001, by and among Seller, Washington and Purchaser.

"Mexican Stock and Asset Purchase Agreement" means that certain Mexican Stock and Asset Purchase Agreement, dated as of December 16, 2001, by and between Seller and Purchaser.

"Non-Income Tax" means any Tax other than an Income Tax.

"Occurrence Basis Policies" is defined in Section 5.7(b).

"Package Design Team" is defined in Recital A.

"Package Design Team Employee(s)" means the persons employed by Seller and listed on Schedule 3.7(a).

"Party" and "Parties" are defined in the first paragraph of this Agreement.

"Permits" means licenses, permits, authorizations, consents, certificates, registrations, variances, franchises and other approvals from any Governmental Authority, including those relating to environmental matters.

"Permitted Encumbrance" means (i) Encumbrances for Taxes, assessments or governmental charges or levies on property not yet due and payable or which are being contested in good faith and for which appropriate reserves are maintained, (ii) Encumbrances of landlords, carriers, warehousemen, mechanics and other Encumbrances imposed by law and incurred in the ordinary course of business as currently operated, (iii) Encumbrances for purchase money obligations incurred in the ordinary course of business consistent with past practice and (iv) Encumbrances incurred in the ordinary course of business which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

"Person" means an individual, corporation, limited liability entity, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act), including any Governmental Authority.

"Policies" means all insurance policies, insurance contracts and claim administration contracts of any kind of Seller relating to the Assets which were or are in effect at any time at or prior to the Closing, including primary, excess and umbrella, commercial general liability, fiduciary liability, product liability, automobile, aircraft, property and casualty, business interruption, directors and officers liability, employment practices liability, workers' compensation, crime, errors and omissions, special accident, cargo and employee dishonesty insurance policies and captive insurance company arrangements, together with all rights, benefits and privileges thereunder.

"Privileged Information" means, with respect to a Party, Information regarding the Party, or any of its operations, employees, assets or Liabilities (whether in documents or stored in any other form or known to its employees or agents) that is or may be protected from disclosure pursuant to the attorney-client privilege, the work product doctrine or other applicable privileges, that a Party has or may come into

possession of or has obtained or may obtain access to pursuant to this Agreement or otherwise.

"Promissory Note" means a promissory note issued by Purchaser in favor of Seller in a principal amount equal to the Purchase Price, substantially on the terms attached hereto as Exhibit "A".

"Purchase Price" means the amount allocated to the purchase price of the Assets being sold hereunder pursuant to the terms of Section 2.5 of the Mexican Stock and Asset Purchase Agreement.

"Purchaser" is defined in the first paragraph of this Agreement.

"Purchaser Indemnified Parties" is defined in Section 8.1.

"Representative" means, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys and representatives.

"Schedules" means the disclosure schedules contained in this Agreement which schedules are attached hereto and incorporated by reference as if specifically set forth herein.

"Seller" is defined in the first paragraph of this Agreement.

"Seller Indemnified Parties" is defined in Section 8.2.

"Seller Spinoff" is defined in Section 5.8(c).

"Subsidiary" when used with respect to any Person means any corporation or other organization, whether incorporated or unincorporated, at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is, directly or indirectly, owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"Tax" and "Taxes" shall mean all forms of taxation, whenever created or imposed, and whether of the United States or elsewhere, and whether imposed by a federal, state, municipal, governmental, territorial, local, foreign or other body, and without limiting the generality of the foregoing, shall include net income, gross income, gross receipts, sales, use, value added, ad valorem, transfer, recording, franchise, profits, license, lease, service, service use, payroll, wage, withholding, employment, unemployment insurance, workers compensation, social security, excise, severance, stamp, business license, business organization, occupation, premium, property, environmental, windfall profits, customs, duties, alternative minimum, estimated or other taxes, fees, premiums, assessments or charges of any kind whatever imposed or collected by any governmental entity or political subdivision thereof, together with any related interest and any penalties, additions to such tax or additional amounts imposed with respect thereto by any Tax authority.

"Tax Proceeding" means any audit, examination, Claim or other administrative or judicial proceeding relating to Taxes or Tax Returns.

"Tax Return" shall mean any return, filing, questionnaire, information return, election or other document required or permitted to be filed, including requests for extensions of time, filings made with respect to estimated tax payments, claims for refund and amended returns that may be filed, for any period with any Tax authority (whether domestic or foreign) in connection with any Tax (whether or not a payment is required to be made with respect to such filing).

"Third Party Claim" is defined in Section 8.4(a).

"To the knowledge of Seller" or words of similar import with respect to a fact or matter means the actual knowledge of the executive officers of Seller listed on Schedule 1 after reasonable inquiry.

"Washington" means Washington Sub, Inc., a Delaware corporation.

"Washington Business" is defined in the Merger Agreement.

"Washington Participants" is defined in the Employee Matters Agreement.

ARTICLE II

SALE AND PURCHASE OF ASSETS

Section 2.1. Purchase and Sale of Assets. At the Closing, Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase, acquire and accept, the Assets, as the same shall exist on the Closing Date, free and clear of any Encumbrances other than Permitted Encumbrances.

Section 2.2. Purchase Price. The Purchase Price to be paid by Purchaser to Seller in consideration for the Assets shall be payable, at the election of Purchaser, either (A) by wire transfer of immediately available funds at the Closing or (B) by delivery of the Promissory Note at the Closing; provided, however, that if Purchaser shall elect to pay the Purchase Price pursuant to clause (B), Purchaser shall provide written notice of such election to Seller no later than thirty (30) days prior to the Closing Date.

Section 2.3. No Assumption of Liabilities. Purchaser shall not assume hereunder any Liabilities of Seller related to the Assets. This section shall not affect any other obligation of Purchaser under this Agreement.

Section 2.4. Allocation of Purchase Price. Purchaser and Seller mutually agree that the Purchase Price shall be allocated among the Assets in the manner required by Section 1060 of the Code and Treasury Regulations promulgated thereunder. Purchaser and Seller shall agree upon such allocation prior to the Closing and shall file Form 8594 with the United States Internal Revenue Service reflecting such allocation. Neither Seller nor Purchaser shall take a position inconsistent with such allocation in any Tax Proceeding, in any refund claim, in any litigation or investigation or otherwise. If a competent Government Authority adjusts such allocation for any reason, the allocation shall be deemed to be amended to conform to any such adjustments.

ARTICLE III

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Purchaser as of the date hereof and as of the Closing Date the following:

Section 3.1. Corporate Status, Good Standing and Authorization. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, with all requisite corporate power and authority to own the Assets, except where the failure to have such power and authority, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller is duly licensed or qualified to do business as a foreign corporation in all states or jurisdictions in which the nature of Assets or the operations thereof by the Package Design Team requires such license or qualification, except where the failure to be so licensed or qualified, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.2. Authority; Enforceability. Seller has all requisite corporate power and authority to enter into this Agreement and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly authorized, executed and delivered by Seller and is a legally valid and binding obligation of Seller (assuming that this Agreement constitutes the valid and binding obligation of Purchaser) and is enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.3. Consents; No Conflicts or Violations. Except for the Consents set forth on Schedule 3.3 and Consents which if not obtained and maintained by Seller, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, there are no Consents of any Governmental Authority required in connection with (i) Seller's execution and delivery of this Agreement and the other agreements, documents and instruments to be executed and delivered by Seller in connection herewith or (ii) the performance by Seller of its obligations herein or therein or the consummation by Seller of the transactions contemplated hereby or thereby. Assuming receipt of all of the Consents set forth on Schedule 3.3 (including any required HSR Act approval), neither

the execution or delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated hereby will, with or without the giving of notice or the lapse of time or both, conflict with or result in a breach or violation of or give rise to a default or right of termination, amendment, cancellation or acceleration under (i) any provision of Seller's Charter Documents, (ii) any contract, agreement, note, bond, mortgage, indenture, lease, license, franchise, permit, concession, instrument or obligation to which Seller is a party or by which any of its properties or assets are bound or (iii) any Law or license or other requirement to which Seller or its properties or assets is subject, except, in the case of items (ii) and (iii) above only, for those which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.4. Compliance with Laws. Except as disclosed on Schedule 3.4, Seller is in compliance in all material respects with all Laws applicable with respect to the Assets, the manner in which the Assets are used and the Package Design Team, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, and Seller has not received within the past twelve (12) months any written notice or correspondence from any Governmental Authority to the effect that it is not in compliance with any such applicable Laws, except for such violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.5. Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) Seller owns, or is licensed to use (in each case, free and clear of any Encumbrances), all Intellectual Property set forth on Schedule 3.5; (ii) to the knowledge of Seller, the use of any Intellectual Property set forth on Schedule 3.5 by Seller does not infringe on or otherwise violate the rights of any Person; (iii) the use of Intellectual Property set forth on Schedule 3.5 by or on behalf of Seller is in accordance with any applicable license pursuant to which Seller acquired the right to use any Intellectual Property; (iv) to the knowledge of Seller, no Person is challenging, infringing on or otherwise violating any right of Seller with respect to any Intellectual Property set forth on Schedule 3.5 owned by and/or licensed to Seller; and (v) Seller does not have any knowledge of any pending claim, order or proceeding with respect to any use of Intellectual Property set forth on Schedule 3.5 by Seller and, to the knowledge of Seller, no Intellectual Property set forth on Schedule 3.5 is being used or enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of such Intellectual Property.

Section 3.6. Litigation. Except as set forth on Schedule 3.6, there is no action, suit or proceeding or regulatory investigation pending or, to the knowledge of Seller, threatened against Seller or its business or operations affecting the Package Design Team or any of the Assets or this Agreement before any court or arbitrator or any governmental body, agency or official, except for those which, if adversely determined, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Seller is not a party to or subject to any judgment, order, rule, writ, injunction, or decree of any Governmental Authority or arbitrator which relates to or affects the Assets or the Package Design Team, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 3.7. Employee Matters.

(a) Package Design Team Employees. Schedule 3.7(a) contains a list of all current Package Design Team Employees as of the date hereof.

Section 3.8. Labor Relations. Except as stated on Schedule 3.8, as of the date hereof, Seller is not a signatory to any collective bargaining agreement with any trade union or labor organization relating to Package Design Team Employees.

Section 3.9. Tax Matters.

(a) All material Tax Returns required to be filed by Seller with respect to the Assets have been timely filed. All such Tax Returns are true, correct and complete, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. All Taxes shown as due and payable by or with respect to such Tax Returns have been timely paid in full.

(b) Except as set forth on Schedule 3.9(b), there are no Tax proceedings presently pending with regard to any Non-Income Taxes related to the Assets, and no notice has been received from any Governmental Authority of the expected commencement of such a Tax Proceeding.

(c) There are no Encumbrances for any Tax on the Assets, except for Permitted Encumbrances.

(d) None of the Assets is a lease made pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954.

(e) None of the Assets constitute "tax exempt use property" within the meaning of Section 168(h) of the Code or is "tax exempt bond financed property" within the meaning of Section 168(g) of the Code.

Section 3.10. No Brokers. Neither this Agreement nor the sale of the Assets was induced or procured through any Person acting on behalf of or representing Seller and no commissions or any other payment is due to any intermediary in connection therewith.

Section 3.11. Title to Properties. Seller has good and valid title to the Assets, except, in each case, where the failure to have such good and valid title, or valid leasehold interest, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.12. Insurance. Seller maintains insurance coverage in respect of the Assets with reputable insurers in such amounts and covering such risks as is deemed reasonably appropriate for its business (taking into account the cost and availability of such insurance).

ARTICLE IV

PURCHASER'S REPRESENTATIONS AND WARRANTIES

Purchaser hereby represents and warrants to Seller as of the date hereof and as of the Closing Date the following:

Section 4.1. Organization of Purchaser. Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 4.2. Authority; Enforceability. Purchaser has all requisite corporate power and authority to enter into this Agreement and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Purchaser. This Agreement has been duly authorized, executed and delivered by Purchaser and is a legally valid and binding obligation of Purchaser (assuming that this Agreement constitutes the valid and binding obligation of Seller) and is enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar Laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.3. Consents; No Conflicts or Violations. Except for the Consents set forth on Schedule 4.3 and the Consents which if not obtained and maintained by Purchaser, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement, there are no Consents of any Governmental Authorities required in connection with (i) Purchaser's execution and delivery of this Agreement and the other agreements, documents and instruments to be executed and delivered by Purchaser in connection herewith or (ii) the performance by Purchaser of its obligations herein or therein or the consummation by Seller of the transactions contemplated hereby or thereby. Assuming receipt of all of the Consents set forth on Schedule 4.3 (including, any required HSR Act approval), neither the execution or delivery by Purchaser of this Agreement nor the consummation by Purchaser of the transactions contemplated hereby will, with or without the giving of notice or the lapse of time or both, conflict with or result in a breach or violation of or give rise to a default or right of termination, amendment, cancellation or acceleration under (i) any provision of Purchaser's Charter Documents, (ii) any material contract, agreement, note, bond, mortgage, indenture, lease, license, franchise, permit, concession, instrument or obligation to which Purchaser is a party or by which any of its properties or assets are bound or (iii) any Law or license or other requirement to which Purchaser or its properties or assets is subject, except, in the case of items (ii) and (iii) above only, for those which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement.

Section 4.4. Litigation. Except as set forth on Schedule 4.4,

there is no action, suit or proceeding or regulatory investigation pending or, to the knowledge of Purchaser, threatened against Purchaser affecting this Agreement before any court or arbitrator or any governmental body, agency or official, except for those which, if adversely determined, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement. Purchaser is not a party to or subject to any judgment, order, writ, injunction, or decree of any Governmental Authority or arbitrator, except as, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement.

Section 4.5. No Brokers. Neither this Agreement nor the purchase of the Assets was induced or procured through any Person acting on behalf of or representing Purchaser and no commissions or any other payment is due to any intermediary in connection therewith.

ARTICLE V

COVENANTS

The Parties hereby covenant as follows:

Section 5.1. Access.

(a) Access to Information by Purchaser Prior to Closing. Prior to Closing, subject to compliance with applicable laws, Seller and Maquiladora shall, upon reasonable request, afford to Purchaser and its Representatives reasonable access during normal business hours to all Books and Records. Purchaser shall coordinate its requests and activities under this Section 5.1 with Seller's need for security and will assist Seller in minimizing disruption to Seller's normal business operations.

(b) Access to Information by Purchaser After Closing. From and after the Closing, Seller will afford to Purchaser and its Representatives (at Purchaser's expense) reasonable access and duplicating rights during normal business hours and upon reasonable advance notice to all Books and Records within Seller's possession or control relating to the Assets, insofar as such access is reasonably required by Purchaser.

(c) Access to Books and Records by Seller. Purchaser shall, following the Closing, give Seller and its Representatives such access, during normal business hours and upon reasonable prior notice, to the Books and Records and such other documents as shall be reasonably necessary for Seller in connection with its performance of its obligations hereunder, for the preparation and filing of Seller's Tax Returns for periods prior to the Closing Date and for any other reasonable purposes, and Purchaser will allow Seller and its Representatives to make extracts and copies thereof as may be necessary for such purposes at Seller's expense. Purchaser shall preserve and protect the Books and Records in its possession and control for the period required by the applicable records retention policy of Seller in effect immediately prior to the Closing. Purchaser shall offer to deliver the Books and Records to Seller prior to their destruction or other disposition.

(d) Production of Witnesses. Subject to Section 5.1(e), after the Closing, each Party will make available to the other Party, upon written request and at the cost and expense of the Party so requesting, its directors, officers, employees and agents as witnesses to the extent that any such Person may reasonably be required (giving consideration to business demands of such directors, officers, employees and agents) in connection with any Claims or administrative or other proceedings in which the requesting party may from time to time be involved and relating to the Assets or the Package Design Team or arising in connection with the relationship between the Parties on or prior to the Closing Date, provided that the same shall not unreasonably interfere with the conduct of business by the Party of which the request is made.

(e) Confidentiality. From and after the Closing, each of Seller and Purchaser shall hold, and shall use reasonable efforts to cause its Affiliates and Representatives to hold, in strict confidence all Information concerning the other Party in its possession or control prior to the Closing or furnished to it by another Party pursuant to the Merger and the transactions contemplated thereby and will not release or disclose such Information to any other Person, except its Affiliates and its and their Representatives, who will be bound by the provisions of this Section 5.1(e); provided, however, that any Person may disclose such Information to the extent that (a) disclosure is compelled by judicial or administrative process or, in the opinion of such Person's counsel, by other requirements

of law (in which case the Party required to make such disclosure will notify the other Party as soon as practicable of such obligation or requirement and cooperate with the other Party to limit the Information required to be disclosed and to obtain a protective order or other appropriate remedy with respect to the Information ultimately disclosed) or (b) such Person can show that such Information was (i) available to such Person on a nonconfidential basis (other than from a Party) prior to its disclosure by such Person, (ii) in the public domain through no fault of such Person or (iii) lawfully acquired by such Person from another source after the time that it was furnished to such Person by the other Party or its Affiliates, Representatives or Subsidiaries, and not acquired from such source subject to any confidentiality obligation on the part of such source known to the acquiror, or on the part of the acquiror. Each Party acknowledges that it will be liable for any breach of this Section 5.1(e) by its Affiliates, Representatives and Subsidiaries. Notwithstanding the foregoing, each Party will be deemed to have satisfied its obligations under this Section 5.1(e) with respect to any Information (other than Privileged Information) if it exercises the same care with regard to such Information as it takes to preserve confidentiality for its own similar Information.

Section 5.2. Reasonable Best Efforts.

(a) Subject to the terms and conditions of this Agreement, each Party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing or causing to be done, all things necessary, proper or advisable under this Agreement and applicable laws to consummate the transactions contemplated by this Agreement as soon as practicable after the date hereof, including (i) preparing and filing as promptly as practicable all documentation to obtain as promptly as practicable all Consents set forth on Schedules 3.3 and 4.3 and (ii) taking all reasonable steps as may be necessary to obtain all Consents set forth on Schedules 3.3 and 4.3. In furtherance and not in limitation of the foregoing, each Party hereto agrees to make (i) an appropriate filing (if applicable) of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby as promptly as practicable after the date hereof and (ii) all other necessary filings with other Governmental Authorities relating to the transactions contemplated herein, and, in each case, to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to such applicable laws or by such Governmental Authorities and to use reasonable best efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and the receipt of the Consents set forth on Schedules 3.3 and 4.3 under such other applicable laws or from such Governmental Authorities as soon as practicable.

(b) Each of Seller and Purchaser shall, in connection with the efforts referenced in Section 5.2(a) to obtain all Consents set forth on Schedules 3.3 and 4.3, use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other Party of any communication received by such Party from, or given by such Party to, the Antitrust Division of the Department of Justice (the "DOJ"), the Federal Trade Commission (the "FTC") or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, and (iii) permit the other Party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, the DOJ, the FTC or any such other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, and to the extent appropriate or permitted by the DOJ, the FTC or such other applicable Governmental Authority or other Person, give the other Party the opportunity to attend and participate in such meetings and conferences.

(c) In furtherance and not in limitation of the covenants of the Parties contained in Section 5.2(a) and Section 5.2(b), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any applicable laws, or if any statute, rule, regulation, executive order, decree, injunction or administrative order is enacted, entered, promulgated or enforced by a Governmental Authority which would make transactions contemplated hereby illegal or would otherwise prohibit or materially impair or delay the consummation of the transactions contemplated hereby, each of the Parties shall cooperate in all respects with each other and use its respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement

and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable so as to permit the consummation of the transactions contemplated by this Agreement.

(d) Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 5.2 shall create an obligation by the Parties to take any action in addition to the actions required to be taken pursuant to the Merger Agreement to consummate the Merger.

Section 5.3. Conduct of Business by Seller. From the data hereof until the Closing Date, Seller shall, except as expressly required or permitted by this Agreement and except as otherwise consented to in writing by Purchaser:

(i) conduct the operations of the Package Design Team and employ the Assets in the ordinary course of business consistent with past practice;

(ii) not grant, create, incur or suffer to exist any Encumbrance (other than a Permitted Encumbrance granted, created, incurred or suffered to exist in the ordinary course of business consistent with past practice) on the Assets;

(iii) not increase in any manner the base compensation of, or enter into any new bonus or incentive agreement or arrangement with, any Package Design Team Employees, other than in the ordinary course of business consistent with past practice;

(iv) not adopt or amend any Benefit Plan with respect to Package Design Team Employees or to increase the benefits provided under any Benefit Plan to Package Design Team Employees other than in the ordinary course of business consistent with past practice;

(v) not grant any license or sublicense or otherwise transfer, other than in the ordinary course of business consistent with past practice, any portion of its right, title or interest in any Intellectual Property included in the Assets; and

(vi) not authorize, or commit or agree to take, any of the foregoing actions.

Section 5.4. Employment Arrangements.

(a) Employment. Purchaser shall offer employment, with comparable compensation and benefits, commencing as of the Closing Date, to each of the Package Design Team Employees (including those who are actively employed or on layoff, leave or short-term or long-term disability or other permitted absence from employment). Purchaser shall provide to each Package Design Team Employee (i) employment and a salary or wage level at least equal to that which such Package Design Team Employee was entitled from Seller and its Subsidiaries and Affiliates immediately prior to the Closing Date and (ii) employee benefits comparable in all material respects to and no less favorable in the aggregate than the employee benefits provided to each such Package Design Team Employee by Seller and its Subsidiaries and Affiliates immediately prior to the Closing Date; provided, however, that after the Closing Date, Purchaser expressly reserves the right to modify any salary or wage level of any Package Design Team Employee and to amend, modify or terminate any benefit plan or program established or maintained by Purchaser for the benefit of Package Design Team Employees in accordance with the terms of such plan or program and applicable law.

(b) Employee Matters Agreement Terms Applicable. The Parties agree that all terms and provisions of the Employee Matters Agreement applicable to Washington Participants (including all Liabilities and obligations assumed or to be performed by Purchaser or Washington under the Employee Matters Agreement relating to the Washington Participants) shall, to the extent applicable, also apply to the Package Design Team Employees, and that the Package Design Team Employees shall be deemed to be Washington Participants for all purposes of the Employee Matters Agreement (other than Section 2.01 thereof). Accordingly, Purchaser hereby assumes, and agrees to fully perform, pay and discharge, all Liabilities and obligations in respect of the Package Design Team Employees of the type that were assumed by or allocated to Purchaser, Washington or any Subsidiary of Washington under the Employee Matters Agreement in respect of Washington Participants and to perform, pay and discharge such Liabilities and obligations in the same manner as provided in the Employee Matters Agreement.

Section 5.5. Public Announcements. The Parties shall use reasonable best efforts to develop a joint communications plan and each Party shall use reasonable best efforts (i) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications

plan, and (ii) unless otherwise required by applicable laws or by obligations pursuant to any listing agreement with or rules of any securities exchange or automated quotation system, to consult with each other before issuing any press release or, to the extent practicable, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby.

Section 5.6. Supplements to Schedules. From time to time up to the Closing, Seller and Purchaser may supplement or amend the Schedules after they have been delivered pursuant to this Agreement with respect to any matter first existing or occurring on or after the date hereof which, if existing or occurring at or prior to the date hereof, would have been required to be set forth or described in such Schedules or which is necessary to correct any information in such Schedules which has been rendered inaccurate thereby; provided, however, that if any facts that give rise to such matter existed or occurred on or before the date hereof, no such supplement or amendment may be made under this Section 5.6 with respect thereto. Any supplement or amendment to any Schedule shall not, following Closing, constitute a basis for any Claim for indemnification pursuant to ARTICLE VIII.

Section 5.7. Insurance.

(a) Coverage. Subject to the provisions of this Section 5.7, coverage of the Assets under all Policies shall cease as of the Closing. From and after the Closing, Purchaser will be responsible for obtaining and maintaining all insurance coverages for the Assets. All Policies will be retained by Seller and Seller's Subsidiaries, together with all rights, benefits and privileges thereunder (including the right to receive any and all return premiums with respect thereto), except that Purchaser will have the rights in respect of Policies to the extent described in Section 5.7(b).

(b) Rights Under Policies. From and after the Closing, Purchaser will have no rights with respect to any Policies, except that (i) Purchaser will have the right to assert claims (and Seller will use commercially reasonable efforts to assist Purchaser in asserting claims) for any loss, liability or damage with respect to the Assets under Policies with third-party insurers which are "occurrence basis" insurance policies ("Occurrence Basis Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Occurrence Basis Policies and agreements relating thereto so allow and (ii) Purchaser will have the right to continue to prosecute claims with respect to the Assets properly asserted with an insurer prior to the Closing (and Seller will use commercially reasonable efforts to assist Purchaser in connection therewith) under Policies with third-party insurers which are insurance policies written on a "claims made" basis ("Claims Made Policies") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Closing to the extent that the terms and conditions of any such Claims Made Policies and agreements relating thereto so allow, provided, that in the case of both clauses (i) and (ii) above, (A) all of Seller's reasonable out-of-pocket costs and expenses incurred in connection with the foregoing are promptly paid by Purchaser, (B) Seller may, at any time, without liability or obligation to Purchaser (other than as set forth in Section 5.7(c)), amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Occurrence Basis Policies or Claims Made Policies (and such claims shall be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications), (C) such claims will be subject to (and recovery thereon will be reduced by the amount of) any applicable deductibles, retentions or self-insurance provisions, (D) such claims will be subject to (and recovery thereon will be reduced by the amount of) any payment or reimbursement obligations of Seller, any of Seller's Subsidiaries or any Affiliate of Seller or any of Seller's Subsidiaries in respect thereof and (E) such claims will be subject to exhaustion of existing aggregate limits. Seller's obligation to use commercially reasonable efforts to assist Purchaser in asserting claims under applicable Policies will include using commercially reasonable efforts in assisting Purchaser to establish its right to coverage under such Policies (so long as all of Seller's reasonable out-of-pocket costs and expenses in connection therewith are promptly paid by Purchaser). None of Seller or Seller's Subsidiaries will bear any Liability for the failure of an insurer to pay any claim under any Policy. It is understood that any Claims Made Policies will not provide any coverage to Purchaser for incidents occurring prior to the Closing but which are asserted with the insurance carrier after the Closing.

(c) Seller Actions. In the event that after the Closing, Seller proposes to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Policies under which Purchaser has rights to assert claims pursuant to Section 5.7(b) in a manner that would adversely affect any such rights of Purchaser, (i) Seller will give Purchaser prior notice thereof and consult with Purchaser with respect to such action (it being

understood that the decision to take any such action will be in the sole discretion of Seller) and (ii) Seller will pay to Purchaser its equitable share (which shall be determined by Seller in good faith based on the amount of premiums paid by or allocated to Purchaser or the Assets in respect of the applicable Policy) of any net proceeds actually received by Seller from the insurer under the applicable Policy as a result of such action by Seller (after deducting Seller's reasonable costs and expenses incurred in connection with such action).

(d) Administration. From and after the Closing:

(i) Seller or a Subsidiary of Seller, as appropriate, will be responsible for the Claims Administration with respect to claims of Seller and Seller's Subsidiaries under Policies; and

(ii) Purchaser will be responsible for the Claims Administration with respect to claims of Purchaser under Policies.

(e) Insurance Premiums. From and after the Closing, Seller will pay all premiums (retrospectively-rated or otherwise) as required under the terms and conditions of the respective Policies in respect of periods prior to the Closing, whereupon Purchaser will upon the request of Seller, forthwith reimburse Seller for that portion of such premiums paid by Seller as are reasonably determined by Seller to be attributable to the Assets.

(f) Agreement for Waiver of Conflict and Shared Defense. In the event that a Policy provides coverage for both Seller and/or a Subsidiary of Seller, on the one hand, and Purchaser, on the other hand, relating to the same occurrence, Seller and Purchaser agree to defend jointly and to waive any conflict of interest necessary to the conduct of that joint defense. Nothing in this Section 5.7(f) will be construed to limit or otherwise alter in any way the indemnity obligations of the parties to this Agreement, including those created by this Agreement, by operation of law or otherwise.

Section 5.8. License of Purchaser Intellectual Property to Seller.

(a) Effective as of the Closing Date, Purchaser hereby grants to Seller, its Subsidiaries and its Affiliates, a non-exclusive, world-wide, irrevocable royalty-free license, without the right to assign or grant sublicenses, except as provided in Sections 5.8(b) and (c), under all Intellectual Property constituting Assets (excluding trademarks, trade names, domain names, service marks, trade dress and any other form of trade identity), to make, have made, use, sell, offer for sale, import, or otherwise dispose of semiconductor products and systems in the conduct of their respective businesses as they are being conducted on the Closing Date and any related extensions or expansions thereof, and to practice any process involved in the use or manufacture thereof.

(b) The license granted under Section 5.8(a) is non-assignable and non-transferable (in insolvency proceedings, by reason of corporate merger, by acquisition or other change in control or otherwise).

(c) The license granted under Section 5.8(a) does not include the right to grant sublicenses, except that Seller, its Subsidiaries and its Affiliates may grant a sublicense (within the scope of such license) to any entity or business that is a spin-off or other similar divestiture of all or any part of the businesses of Seller, its Subsidiaries and its Affiliates (a "Seller Spin-Off") and to any subsequent entity or business that is a spin-off or other similar divestiture of all or any part of a Seller Spin-Off; provided, however, that any such sublicense shall be subject to the same restrictions on assignment and transfer as the original license granted in this Section 5.8.

(d) In the event that following the Closing, Seller or a Seller Spin-Off becomes insolvent or is acquired by or merges with a third party, such license or sublicense shall immediately and automatically terminate with respect to such Person and its Affiliates effective as of the date of such insolvency, acquisition or merger, unless Seller and Purchaser otherwise agree; provided that such termination of such license or sublicense shall not necessarily affect any other license or sublicense.

ARTICLE VI

CONDITIONS TO SELLER'S AND PURCHASER'S OBLIGATIONS

The obligations of Seller and Purchaser to complete the transactions contemplated by this Agreement are subject to the Closing (as defined in the Merger Agreement) under the Merger Agreement having been

consummated.

ARTICLE VII

CLOSING

The Closing shall, unless another time and date is agreed to in writing by the Parties, take place immediately following the Closing (as defined in the Merger Agreement) under the Merger Agreement and will be effective immediately following the Effective Time (the time and date of such Closing being herein called the "Closing Date"). The Closing will take place at the offices of Chadbourne & Parke LLP, 30 Rockefeller Plaza, New York, New York 10112, or such other place as the Parties may agree. On the Closing Date, the Parties hereto shall deliver the following:

Section 7.1. Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser the following which in the case of documents, shall be reasonably satisfactory to Purchaser:

(i) an Assets Bill of Sale and Assignment and Assumption Agreement, duly executed by Seller, in form and substance reasonably satisfactory to Purchaser;

(ii) the Assets; and

(iii) all documents of title and instruments of conveyance necessary to transfer record and beneficial ownership to Purchaser of all Assets which require execution, endorsement or delivery of such a document under applicable Law in order to vest record or beneficial ownership thereto in Purchaser.

Section 7.2. Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller the following, which in the case of documents shall be reasonably satisfactory to Seller:

(i) (A) cash payment of the Purchase Price (via wire transfer of immediately available funds), pursuant to Section 2.3, or (B) the Promissory Note, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller, in which case, the Purchase shall deliver to Seller at Closing, in addition to the other deliveries required hereby, (I) a security agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller and Purchaser and in customary form for transactions of this nature, granting Seller a first priority security interest in the security described on Exhibit "A", (II) such notices, recordings, mortgages, statements, filings, instruments or other agreements and documents as Seller may reasonably require to have a perfected first priority security interest in the security described on Exhibit "A" and (III) customary opinions of counsel to Purchaser for secured transactions of this nature reasonably satisfactory to the Parties and their counsel; and

(ii) an Asset Bill of Sale and Assignment and Assumption Agreement, duly executed by Purchaser, in form and substance reasonably satisfactory to Seller.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Indemnification by Seller. Subject to the limitations on and procedures for indemnification set forth in this ARTICLE VIII, Seller shall indemnify, defend and hold harmless Purchaser and its Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Purchaser Indemnified Parties") from and against, and pay or reimburse, as the case may be, the Purchaser Indemnified Parties for, any Damages, as incurred, suffered by any Purchaser Indemnified Parties to the extent based upon, arising out of or relating to the following:

(i) the breach of any representation or warranty of Seller contained in this Agreement; or

(ii) the breach by Seller of any covenant or agreement of Seller contained in this Agreement.

Section 8.2. Indemnification by Purchaser. Subject to the limitations on and procedures for indemnification set forth in this ARTICLE

VIII, Purchaser shall indemnify, defend and hold harmless Seller and its Representatives and Affiliates and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Seller Indemnified Parties") from and against, and pay or reimburse, as the case may be, the Seller Indemnified Parties for, any Damages, as incurred, suffered by any Seller Indemnified Parties to the extent based upon, arising out of or relating to the following:

(i) the breach of any representation or warranty of Purchaser contained in this Agreement; or

(ii) the breach by Purchaser of any covenant or agreement of Purchaser contained in this Agreement.

Section 8.3. Limitations on Indemnification Obligations. (a) The amount which any Party (an "Indemnifying Party") is or may be required to pay to any Person (an "Indemnified Party") in respect of Damages or other Liability for which indemnification is provided under this Agreement shall be reduced by any amounts actually received (including Insurance Proceeds actually received) by or on behalf of such Indemnified Party (net of increased insurance premiums and charges to the extent related to Damages and costs and expenses (including reasonable legal fees and expenses) incurred by such Indemnified Party in connection with seeking to collect and collecting such amounts) in respect of such Damages or other Liability (such net amounts are referred to herein as "Indemnity Reduction Amounts"). If any Indemnified Party receives any Indemnity Reduction Amounts in respect of Damages for which indemnification is provided under this Agreement after the full amount of such Damages has been paid by an Indemnifying Party or after an Indemnifying Party has made a partial payment of such Damages and such Indemnity Reduction Amounts exceed the remaining unpaid balance of such Damages, then the Indemnified Party shall promptly remit to the Indemnifying Party an amount equal to the excess (if any) of (A) the amount theretofore paid by the Indemnifying Party in respect of such Damages, less (B) the amount of the indemnity payment that would have been due if such Indemnity Reduction Amounts in respect thereof had been received before the indemnity payment was made.

(b) In determining the amount of any indemnity payment under this Agreement, such amount shall be (i) reduced to take into account any net Tax benefit realized by the Indemnified Party and its Affiliates arising from the incurrence or payment by the Indemnified Party or its Affiliates of any amount in respect of which such payment is made and (ii) increased to take into account any net Tax cost incurred by the Indemnified Party and its Affiliates as a result of the receipt or accrual of payments hereunder (grossed-up for such increase), in each case determined by treating the Indemnified Party and its Affiliates as recognizing all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt of accrual of any payment hereunder. In determining the amount of any such Tax benefit or Tax cost, the Indemnified Party and its Affiliates shall be deemed to be subject to the applicable Taxes at the maximum statutory rate then in effect. It is the intention of the Parties to this Agreement that payments made pursuant to this Agreement are to be treated as relating back to the Closing Date as a purchase price adjustment, and the Parties shall not take any position inconsistent with such intention before any Tax authority, except to the extent that a final determination (as defined in Section 1313 of the Code) with respect to the recipient party causes any such payment not to be so treated.

(c) No monetary amount will be payable by Seller to any Purchaser Indemnified Party with respect to the indemnification of any claims pursuant to Section 8.1(i) until the aggregate amount of Damages actually incurred by the Purchaser Indemnified Parties with respect to such claims shall exceed on a cumulative basis an amount equal to fifty thousand dollars (U.S.$50,000), in which event Seller shall be responsible only for the amount of such Damages in excess of fifty thousand dollars (U.S.$50,000). No monetary amount will be payable by Seller to any Purchaser Indemnified Party with respect to the indemnification of any claims pursuant to Section 8.1(i) after the aggregate amount of Damages actually paid by Seller with respect to such claims shall equal on a cumulative basis an amount equal to five hundred thousand dollars (U.S.$500,000).

(d) No monetary amount will be payable by Purchaser to any Seller Indemnified Party with respect to the indemnification of any claims pursuant to Section 8.2(i) until the aggregate amount of Damages actually incurred by the Seller Indemnified Parties with respect to such claims shall exceed on a cumulative basis an amount equal to fifty thousand dollars (U.S.$50,000), in which event Purchaser shall be responsible only for the amount of such Damages in excess of fifty thousand dollars (U.S.$50,000). No monetary amount will be payable by Purchaser to any Seller Indemnified Party with respect to the indemnification of any claims pursuant to Section 8.2(i) after the aggregate amount of Damages actually paid by Purchaser with respect to such claims shall equal on a cumulative

basis an amount equal to five hundred thousand dollars (U.S.$500,000).

Section 8.4. Procedures Relating to Indemnification. (a) If a claim or demand is made against an Indemnified Party, or an Indemnified Party shall otherwise learn of an assertion, by any Person who is not a party to this Agreement (or an Affiliate thereof) as to which an Indemnifying Party may be obligated to provide indemnification pursuant to this Agreement (a "Third Party Claim"), such Indemnified Party will notify the Indemnifying Party in writing, and in reasonable detail, of the Third Party Claim reasonably promptly after becoming aware of such Third Party Claim; provided, however, that failure to give such notification will not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure. Thereafter, the Indemnified Party will deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all material notices and documents (including court papers) received or transmitted by the Indemnified Party relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party will be entitled to participate in or to assume the defense thereof (in either case, at the expense of the Indemnifying Party) with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, however, that if in the Indemnified Party's reasonable judgment a conflict of interest exists in respect of such claim or if the Indemnifying Party shall have assumed responsibility for such claim with any reservations or exceptions, such Indemnified Party will have the right to employ separate counsel reasonably satisfactory to the Indemnifying Party to represent such Indemnified Party and in that event the reasonable fees and expenses of such separate counsel (but not more than one separate counsel for all Indemnified Parties similarly situated) shall be paid by such Indemnifying Party. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party will have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood that the Indemnifying Party will control such defense. The Indemnifying Party will be liable for the reasonable fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has failed to assume the defense thereof. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnifying Party will promptly supply to the Indemnified Party copies of all material correspondence and documents relating to or in connection with such Third Party Claim and keep the Indemnified Party fully informed of all material developments relating to or in connection with such Third Party Claim (including providing to the Indemnified Party on request updates and summaries as to the status thereof). If the Indemnifying Party chooses to defend a Third Party Claim, the Parties will cooperate in the defense thereof (such cooperation to be at the expense, including reasonable legal fees and expenses, of the Indemnifying Party), which cooperation shall include the retention in accordance with this Agreement and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(c) No Indemnifying Party will consent to any settlement, compromise or discharge (including the consent to entry of any judgment) of any Third Party Claim without the Indemnified Party's prior written consent (which consent will not be unreasonably withheld); provided, however, that if the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party will agree to any settlement, compromise or discharge of such Third Party Claim which the Indemnifying Party may recommend and which by its terms obligates the Indemnifying Party to pay the full amount of Damages in connection with such Third Party Claim and unconditionally and irrevocably releases the Indemnified Party and its Affiliates completely from all Liability in connection with such Third Party Claim; provided, however, that the Indemnified Party may refuse to agree to any such settlement, compromise or discharge (x) that provides for injunctive or other non-monetary relief affecting the Indemnified Party or any of its Affiliates or (y) that, in the reasonable opinion of the Indemnified Party, would otherwise materially adversely affect the Indemnified Party or any of its Affiliates. Whether or not the Indemnifying Party shall have assumed the defense of a Third Party Claim, the Indemnified Party will not (unless required by law) admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld).

(d) Any claim on account of Damages which does not involve a Third Party Claim will be asserted by reasonably prompt written notice

given by the Indemnified Party to the Indemnifying Party from whom such indemnification is sought. The failure by any Indemnified Party to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to such Indemnified Party under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(e) In the event of payment in full by an Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party will be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party will cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right or claim.

Section 8.5. Sole and Exclusive Remedy. The indemnities contained in this ARTICLE VIII shall be the sole and exclusive remedies of the Parties hereto, their Affiliates, successors and assigns with respect to any and all claims arising out of or relating to this Agreement, the transactions contemplated hereby, any provision hereof or the breach or performance thereof.

Section 8.6. Termination of Indemnification Obligations. Except as set forth in the following sentence, the indemnification obligations of each of Seller and Purchaser hereunder will survive, including surviving the sale or other transfer by any party of any assets or businesses or the assignment by any party of any Liabilities. The obligations of each Party to indemnify, defend and hold harmless Indemnified Parties (i) pursuant to Sections 8.1(i) and 8.2(i), shall terminate when the applicable representation or warranty expires pursuant to Section 11.4 and (ii) pursuant to Sections 8.1(ii) and 8.2(ii) shall terminate upon the expiration of all applicable statutes of limitation (giving effect to any extensions thereof, other than extensions caused by the applicable Indemnified Party); provided, however, that as to clauses (i) and (ii) above, such obligations to indemnify, defend and hold harmless shall not terminate with respect to any individual claim as to which the Indemnified Party shall have, before the expiration of the applicable period, previously delivered a notice (stating in reasonable detail the basis of such claim) to the Indemnifying Party.

Section 8.7. Effect of Investigation. The right to indemnification pursuant to Sections 8.1(i) and 8.2(i) shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement.

ARTICLE IX

TAXES

Section 9.1. Transfer, Sales and Use Taxes. Notwithstanding anything to the contrary in this Agreement, all transfer, documentary, sales, use, stamp, registration, value added and other similar Taxes and fees (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement shall be shared equally by Seller and Purchaser. Each Party hereto agrees to file all necessary documentation (including all Tax Returns) with respect to all such Taxes in a timely manner. On or before the Closing Date, Purchaser shall provide to Seller a required sales and use tax purchase exemption certificate or certificates with respect to the Assets to the extent they constitute (i) exempt tangible personal property held for resale or for incorporation into goods to be held for resale, (ii) exempt manufacturing and production equipment, or (iii) otherwise are exempt from the sales and use tax upon the provision of an appropriate exemption certificate.

Section 9.2. Tax Returns. Seller shall prepare and file or cause to be prepared and filed all Tax Returns (including amendments thereto) which are required to be filed in respect of the Assets for any taxable period ending on or before the Closing Date and any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"). Purchaser hereby irrevocably designates, and agrees to cause each of its Affiliates to designate Seller as its agent to take any and all actions necessary or incidental to the preparation and filing of such Tax Returns. All Tax Returns (including amendments thereto) required to be filed in respect of the Assets for taxable periods beginning after the Closing Date shall be the responsibility of Purchaser.

Section 9.3. Prorations. Purchaser and Seller agree that Taxes

with respect to the Assets shall be prorated as of the Closing Date, with Seller liable to the extent such Taxes relate to any time period on or before the Closing Date, and Purchaser liable to the extent such Taxes relate to periods commencing after the Closing Date.

Section 9.4. Allocation of Straddle Period Taxes. In the case of any Straddle Period:

(a) Periodic Taxes. (i) The periodic Taxes with respect to the Assets that are not based on income or receipts (e.g., property Taxes) for the portion of any Straddle Period which ends on the Closing Date shall be computed based on the ratio of the number of days in such portion of the Straddle Period and the number of days in the entire taxable period, and (ii) the periodic taxes with respect to the Assets that are not based on income or receipts for the portion of any Straddle Period beginning on the day after the Closing Date shall be computed based on the ratio of the number of days in such portion of the Straddle Period and the number of days in the entire taxable period.

(b) Non-Periodic Taxes. (i) The Taxes with respect to the Assets for that portion of any Straddle Period ending on the Closing Date (other than Taxes described in Section 9.4(a) above), shall be computed on a "closing-of-the-books" basis as if such taxable period ended as of the close of business on the Closing Date, and (ii) the Taxes with respect to the Assets for that portion of any Straddle Period beginning after the Closing Date (other than Taxes described in Section 9.4(a) above), shall be computed on a "closing-of-the-books" basis as if such taxable period began on the day after the Closing Date.

ARTICLE X

TERMINATION

Section 10.1. Voluntary Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date by the mutual written consent of Purchaser and Seller.

Section 10.2. Automatic Termination. In the event of a termination of the Merger Agreement, this Agreement shall automatically and immediately terminate.

Section 10.3. Effect of Termination. In the event of the termination of this Agreement, all further obligations of the Parties hereunder shall terminate, and the transactions contemplated hereby shall be abandoned without further action or liability by any of the Parties hereto, except that (i) Section 10.3 ("Effect of Termination"), Section 11.2 ("Notices"), Section 11.3 ("Choice of Law, Dispute Resolution"), Section 11.6 ("Entire Agreement; Waivers"), Section 11.8 ("Severability"), Section 11.10 ("Expenses") and Section 11.12 ("Parties in Interest") shall survive such termination and (ii) nothing shall relieve any Party hereto from liability for any breach of this Agreement prior to such termination.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Assignment. No Party to this Agreement will convey, assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party in its sole and absolute discretion. Notwithstanding the foregoing, any Party may (without obtaining any consent) assign, delegate or sublicense all or any portion of its rights and obligations hereunder to (i) the surviving entity resulting from a merger or consolidation involving such Party, (ii) the acquiring entity in a sale or other disposition of (A) all or substantially all of the assets of such Party as a whole or (B) any line of business or division of such Party, (iii) any other Person that is created as a result of a spin-off from, or similar reorganization transaction of, such Party or any line of business or division of such Party, (iv) in the case of Purchaser, to Maquiladora or (v) an Affiliate. In the event of an assignment pursuant to (ii) or (iii) above, the non-assigning Party shall, at the assigning Party's request, use good faith commercially reasonable efforts to enter into separate agreements with each of the resulting entities and take such further actions as may be reasonably required to assure that the rights and obligations under this Agreement are preserved, in the aggregate, and divided equitably between such resulting entities. Any conveyance, assignment or transfer requiring the prior written consent of another Party pursuant to this Section 11.1 which is made without such

consent will be void ab initio. No assignment of this Agreement will relieve the assigning Party of its obligations hereunder.

Section 11.2. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) upon confirmation of receipt if delivered by telecopy or telefacsimile, (c) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service, or (d) on the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to Purchaser, to:

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4426
Attention: Paul E. Vincent
Chief Financial Officer

With copies to (not effective for purposes of notice):

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801
Fax: (617) 824-4564
Attention: James K. Jacobs, Esq.
General Counsel

or if to Seller, to:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
Fax: (949) 483-6388
Attention: Dennis E. O'Reilly
Senior Vice President, General
Counsel and Secretary

With a copy to (not effective for purposes of notice):

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, New York 10112
Fax: (212) 541-5369
Attention: Peter R. Kolyer, Esq.

Section 11.3. Choice of Law; Dispute Resolution.

(a) Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to choice of law principles).

(b) Dispute Resolution. In the event that from and after the Closing, any dispute, claim or controversy (collectively, a "Dispute") arises out of or relates to any provision of this Agreement or the breach, performance, enforcement or validity or invalidity thereof, the designees of Seller's Chief Executive Officer and Purchaser's Chief Executive Officer will attempt a good faith resolution of the Dispute within thirty (30) days after either Party notifies the other Party in writing of the Dispute. If the Dispute is not resolved within thirty (30) days of the receipt of the notification, or within such other time as they may agree, the Dispute will be referred for resolution to Seller's Chief Executive Officer and Purchaser's Chief Executive Officer. Should they be unable to resolve the Dispute within thirty (30) days following the referral to them, or within such other time as they may agree, Seller and Purchaser will then attempt in good faith to resolve such Dispute by mediation in accordance with the then-existing CPR Mediation Procedures promulgated by the CPR Institute for Dispute Resolution, New York City. If such mediation is unsuccessful within thirty (30) days (or such other period as the Parties may mutually agree) after the commencement thereof, such Dispute shall be submitted by the Parties to binding arbitration, initiated and conducted in accordance with the then-existing American Arbitration Association Commercial Arbitration Rules, before a single arbitrator selected jointly by Seller and Purchaser, who shall not be the same person as the mediator appointed pursuant to the preceding sentence. If Seller and Purchaser cannot agree upon the identity of an arbitrator within ten (10) days after the arbitration process is initiated, then the arbitration will be conducted before three arbitrators, one selected by Seller, one selected by Purchaser and the third selected by

the first two. The arbitration shall be conducted in San Francisco, California and shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award may be entered by any court having jurisdiction thereof. The arbitrators shall have case management authority and shall resolve the Dispute in a final award within one hundred eighty (180) days from the commencement of the arbitration action, subject to any extension of time thereof allowed by the arbitrators upon good cause shown.

Section 11.4. Survival of Representations and Warranties and Covenants. The respective representations and warranties of the Parties contained in this Agreement (other than those set forth in the following sentence) will survive the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the Closing and will continue in full force and effect until six (6) months after the Closing Date and will then expire. The representations and warranties of the Parties contained in Section 3.1, Section 3.2, Section 3.3, Section 3.9, Section 3.11, Section 4.1, Section 4.2, and Section 4.3 will survive the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the Closing and will continue in full force and effect until all applicable statutes of limitation (including any extensions thereof) have expired and will then expire. All covenants of the Parties contained in this Agreement will remain in full force and effect after, and survive, the Closing (other than those to be performed at or prior to the Closing).

Section 11.5. Limitations on Representations and Warranties. Except for the representations and warranties set forth in this Agreement, the Assets are being sold "AS IS, WHERE IS, AND WITH ALL FAULTS." EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER CONCERNING THE ASSUMED LIABILITIES, THE ASSETS, OR ANY OTHER MATTER, EXPRESS OR IMPLIED, ORAL, OR WRITTEN. SELLER HEREBY SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

Section 11.6. Entire Agreement; Waivers. This Agreement, together with all exhibits and Schedules hereto, and the other agreements and instruments of the Parties delivered in connection herewith constitute the entire agreement and supersede all prior agreements and understandings both written and oral, among the Parties with respect to the subject matter hereof. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

Section 11.7. Counterparts. This Agreement may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. This Agreement may be executed and delivered by telecopier with the same force and effect as if it were a manually executed and delivered counterpart.

Section 11.8. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. If the economic or legal substance of the transactions contemplated hereby is affected in any manner adverse to any Party as a result thereof, the Parties will negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the Parties.

Section 11.9. Headings. The headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 11.10. Expenses. Except as otherwise provided in this Agreement, each of the Parties shall be liable for its own expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement prior to Closing.

Section 11.11. Amendments. This Agreement cannot be amended, modified or supplemented except by a written agreement executed by Seller and Purchaser.

Section 11.12. Parties in Interest. This Agreement is binding upon and is for the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement is not made for the benefit of any Person not a Party hereto, and no Person other than the Parties hereto or their respective successors and permitted assigns will

acquire or have any benefit, right, remedy or claim under or by reason of this Agreement, except that the provisions of Sections 8.1 and 8.2 hereof shall inure to the benefit of the Persons referred to therein.

Section 11.13. Schedules and Exhibits. Inclusion of an item or matter on any of the Schedules or Exhibits attached hereto shall not be deemed to be an admission by any Party that such item or matter is required to be disclosed in such Schedule or Exhibit. Each disclosure on each Schedule, to the extent specified therein, qualifies the correspondingly numbered representation and warranty or covenant contained herein and, to the extent it is apparent on the face of such disclosure that such disclosure qualifies another representation or warranty contained herein, such other representation and warranty.

Section 11.14. Cooperation Following the Closing. Following the Closing, the Parties shall each deliver to the other such further information and documents and shall execute and deliver to the other such further instruments and agreements as the other shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other the benefits of this Agreement.

[The remainder of this page is left intentionally blank;
signature page follows]

IN WITNESS WHEREOF, each of the Parties listed below has executed this U.S. Asset Purchase Agreement as of the day and year first above written.

CONEXANT SYSTEMS, INC.

By: /s/ Dwight W. Decker

Dwight W. Decker
Chairman of the Board and Chief Executive Officer

ALPHA INDUSTRIES, INC.

By: /s/ David J. Aldrich

David J. Aldrich
President and Chief Executive Officer

Schedules

Schedule 1	Certain Executive Officers of Seller
Schedule 2.1	Assets
Schedule 3.3	Consents Required by Seller
Schedule 3.4	Compliance with Laws
Schedule 3.5	Intellectual Property
Schedule 3.6	Seller Litigation
Schedule 3.7(a)	List of Package Design Team Employees
Schedule 3.8	Labor Relations
Schedule 3.9(b)	Tax Proceedings
Schedule 4.3	Consents Required by Purchaser
Schedule 4.4	Purchaser Litigation

Exhibits

Exhibit A Terms of Promissory Note

Exhibit 99.1

ALPHA CONTACT:
Paul Vincent
Chief Financial Officer
(781) 935-5150, ext. 4438

CONEXANT CONTACTS:
Editorial
Gwen Carlson
(949) 483-7363

Investor Relations
Thomas Schiller
(949) 483-2698

ALPHA AND CONEXANT'S WIRELESS BUSINESS MERGE TO CREATE THE PURE-PLAY LEADER IN MOBILE COMMUNICATIONS SEMICONDUCTORS

New Company Uniquely Positioned to Drive the Evolution of RF and Complete System Solutions For 2.5G and 3G Applications

WOBURN, Mass., and NEWPORT BEACH, Calif., Dec. 17, 2001 - Alpha Industries, Inc., (Nasdaq: AHAA) and Conexant Systems, Inc., (Nasdaq: CNXT) today announced the signing of a definitive agreement that will combine Conexant's wireless business with Alpha to create the pure-play world leader in radio frequency (RF) and complete semiconductor system solutions for mobile communications applications.

Combining the wireless technology and product portfolios of the two companies will uniquely position the new entity to drive the evolution of RF integration for all major air interfaces, including CDMA and GSM, and complete semiconductor and software solutions for advanced 2.5G and 3G applications.

David Aldrich, Alpha president and chief executive officer, will be chief executive officer of the new company and Dwight W. Decker, Conexant chairman and chief executive officer, will serve as chairman of the board of directors. Alpha and Conexant will have equal representation on the board of directors of the new company.

The new company would have approximately 140 million fully diluted shares outstanding, with current Alpha shareholders owning approximately 33 percent and current Conexant shareholders owning approximately 67 percent of the combined company's shares on a fully diluted basis. The combined company would be valued at approximately $3 billion, based on Alpha's December 14 closing price of $21.20 per share.

Under the terms of the agreement, Conexant will spin-off its wireless business, including its GaAs wafer fabrication facility located in Newbury Park, Calif., to be followed immediately by a merger of this business with Alpha. Upon completion of the merger, the new company will purchase Conexant's semiconductor assembly, module manufacturing and test facility, located in Mexicali, Mexico, for $150 million in cash.

The merged company will have executive offices in Woburn, Mass. and Newport Beach, Calif., and will employ approximately 4,000 people worldwide. It will operate under a new name and stock ticker symbol that will be announced within the next few months.

"Success in today's wireless semiconductor industry increasingly demands a comprehensive portfolio of technology and products," said David Aldrich. "This merger of two highly complementary wireless businesses will create the world's pure-play leader in mobile communications semiconductors, with the industry's broadest technology capability and most complete product offering.

"For RF systems, this portfolio will include combination switch and filter products, multi-chip power-amplifier modules, and highly integrated transmit-and-receive devices for all major air-interface standards," Aldrich continued. "For complete handset systems, the combined company will deliver the world's most comprehensive 2.5G GSM/GPRS solution, including the complete radio as well as all baseband processing, protocol stack and user interface software, plus complete reference designs and development platforms. For infrastructure applications, we are excited about the opportunity to leverage Conexant's integrated RF product and technology capabilities across Alpha's existing strong channel relationships and broad customer engagements."

"Conexant has viewed wireless communications as a core investment, and over the past five years this business has grown from approximately $50 million in annual revenues to more than $250 million this year," said Dwight Decker. "With Alpha's proven track record of product execution and operational excellence, we strongly believe this merger will create a company that is capable of even greater long-term success.

"Together, the merger partners sell to virtually every key wireless OEM, including the world's top 10 handset manufacturers," Decker continued. "In fact, as a result of the merger, the new company's top four handset customers will consist of Nokia, Motorola, Sony/Ericsson and Samsung, the world's largest handset OEMs, and the company's top four infrastructure customers will be Ericsson, Motorola, Nokia and Nortel, the world's largest infrastructure OEMs.

The new company will have an expanded GaAs wafer manufacturing capability, including both PHEMT and InGaP HBT, for RF switch and power-amplifier applications. In addition, the company will have long-term assured access to Conexant's advanced SiGe and BiCMOS wafer manufacturing for integrated RF applications. The company will also own a high-volume, low-cost RF module assembly and test facility that has manufactured nearly 150 million power-amplifier modules to date.

"The new company will have access to all critical RF specialty process technologies, and will be unique in its capabilities for both PHEMT and HBT manufacturing," said David Aldrich. "Also, the addition of Conexant's industry-leading module manufacturing and test facility will bring significant economies of scale to the combined company."

The boards of directors of both companies have approved the definitive agreement. Under the terms of the transaction, Alpha shareholders will receive one share and Conexant shareowners will receive 0.342 of a share in the new company. The transaction is subject to customary regulatory approvals, receipt of a ruling by the IRS that the Conexant wireless business spin-off qualifies as tax-free, and an Alpha shareholder vote to approve the merger. The transaction is expected to be completed in the second quarter of calendar 2002.

NOTE TO EDITORS, ANALYSTS AND INVESTORS

Alpha and Conexant will be holding a conference call to discuss the merger agreement. The call will take place on Monday, Dec. 17, 2001 at 6:00 a.m. PST, 9 a.m. EST. To listen to the conference call via telephone, please call 800-680-9685 (domestic) or 334-323-7242 (international), security code: USA. To listen via the Internet, please visit www.alphaind.com, www.conexant.com, or www.ccbn.com. Playback of the conference call will begin at 9:00 a.m. PST on Monday, Dec. 17, and end at 5:00 p.m. PST on Friday, Dec. 21. The replay will be available on Alpha's web site at www.alphaind.com, or at Conexant's web site at www.conexant.com, or by calling 800-858-5309 (domestic) or 334-323-9869 (international), access code: 40313, pass code 16809.

SECURITY LEGEND

Alpha Industries intends to file a registration statement with the Securities and Exchange Commission in connection with the transaction, and to mail a proxy statement/prospectus and other relevant documents to Alpha shareholders. Investors are urged to read the proxy statement/prospectus and other relevant documents when they become available, because they will contain important information about Conexant, Alpha and the proposed transaction. Shareholders will be able to obtain the documents filed with the Commission free of charge at the Web site maintained by the Commission at www.sec.gov. In addition, shareholders may obtain documents filed with the Commission by Alpha free of charge by requesting them in writing from Alpha Industries, Inc., 20 Sylvan Road, P.O. Box 1044, Woburn, MA 01801, Attention: Investor Relations, or by telephone at (781) 935-5150, ext. 5.

Alpha Industries, Inc. and its directors and executive officers may be deemed participants in the solicitation of proxies from Alpha Industries shareholders. A list of the names of those directors and officers and descriptions of their interests in Alpha Industries will be contained in Alpha Industries proxy statement/prospectus when it becomes available.

ABOUT ALPHA

Alpha Industries is a leading provider of RF integrated circuit-based solutions, including semiconductors and ceramic components, for the wireless and broadband communications markets. Alpha's switches, power amplifiers and discrete semiconductors are used by the world's leading broadband, infrastructure and wireless communications companies to enhance the speed, quality and performance of voice, data and video. The company's Alpha Integration Platform(TM) (aiIP(TM)) is a breakthrough manufacturing, packaging and design technique that reduces design complexity and improves the OEM's overall time to market for new products. For more information, please visit Alpha's Web site, www.alphaind.com.

ABOUT CONEXANT

Conexant Systems, Inc. is a worldwide leader in semiconductor system solutions for communications applications. Conexant leverages its expertise in mixed-signal processing to deliver integrated systems and semiconductor products through two separate businesses: Conexant and Mindspeed Technologies.

Conexant's personal networking business is focused on wireless communications, digital infotainment and personal computing products that are used in mobile communications and the broadband digital home. Mindspeed Technologies designs, develops and sells a complete portfolio of semiconductor networking solutions that facilitate the aggregation, transmission and switching of data, video and voice from the edge of the Internet to linked metropolitan area networks and long-haul networks.

Conexant, headquartered in Newport Beach, Calif., delivered revenues of $1.1 billion for fiscal 2001, and has approximately 6,900 employees worldwide. The company is a member of the S&P 500 and Nasdaq-100 indices. To learn more, visit us at www.conexant.com or www.mindspeed.com.

SAFE HARBOR STATEMENT

This press release contains statements relating to future results of Conexant Systems, Inc. and Alpha Industries, Inc. (including certain projections and business trends) that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties. For Conexant, these risks and uncertainties include, but are not limited to: global economic and market conditions, such as the cyclical nature of the semiconductor industry and the markets addressed by the company's and its customers' products; demand for and market acceptance of new and existing products; successful development of new products; the timing of new product introductions; the availability and extent of utilization of manufacturing capacity; pricing pressures and other competitive factors; changes in product mix; fluctuations in manufacturing yields; product obsolescence; the ability to develop and implement new technologies and to obtain protection for the related intellectual property; the successful planned disposition of certain assets; the successful separation of Conexant's Internet infrastructure and personal networking businesses; the successful merger of Conexant's wireless business with Alpha; the ability to attract and retain qualified personnel; labor relations of Conexant, its customers and suppliers; and the uncertainties of litigation, as well as other risks and uncertainties, including but not limited to the security and safety risks of Conexant's employees and of Conexant facilities and those risks and uncertainties detailed from time to time in Conexant's Securities and Exchange Commission filings. For Alpha, factors include, but are not limited to: the successful merger of Alpha with Conexant's wireless business, the cancellation or postponement of customer orders, the ability to provide advantageous cycle times and a range of product offerings, inability to predict customer orders, the disproportionate impact of Alpha's business relationships with its larger customers, difficulty manufacturing products in sufficient quantity and quality, erosion of selling prices or margins, modification of Alpha's plans or intentions, and market developments, competitive pressures and changes in economic conditions that vary from Alpha's expectations. Additional information on these and other factors that may cause actual results and Alpha's performance to differ materially is included in the Alpha's periodic reports filed with the SEC, including but not limited to Alpha's Form 10-K for the year ended April 1, 2001 and subsequent Forms 10-Q. Copies may be obtained by contacting Alpha or the SEC. Alpha cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Alpha does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in Alpha's expectations or any change in events, conditions or circumstance on which any such statement is based. These forward-looking statements are made only as of the date hereof, and the companies undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

GLOSSARY OF TERMS
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BiCMOS (bipolar complementary metal oxide semiconductor) -- a type of integrated circuit that uses both bipolar and CMOS technologies to create transistors that can handle higher current than CMOS-only transistors.

CDMA (Code Division Multiple Access) -- a digital spread-spectrum modulation technology for radio links, used primarily with personal communications devices such as mobile phones.

GaAs (gallium arsenide) -- an alloy of gallium and arsenic that is used as the base material for compound (multi-element) semiconductors. It is several times faster than silicon and is used in high-frequency, high-speed, low-power applications such as cell phones, and is particularly effective for manufacturing the RF front-ends of cellular/PCS handsets, the part that broadcasts and detects the signal.

GSM (Global System for Mobile Communications) -- a set of standards for digital transmission techniques that have been widely adopted in Europe for mobile communications and supported in North America for Personal Communications Service (PCS).

GPRS (General Packet Radio Service) is a wireless service for digital cellular networks. It provides efficient, low-cost, end-to-end access to Internet network services. GPRS uses a packet-mode technique to transfer high-speed and low-speed data and signaling in an efficient manner over GSM radio networks.

HBT (heterojunction bipolar transistor) -- a very high-performance transistor structure that offers higher RF power gain per stage and does not require a negative power supply, making it ideal for wireless applications.

InGaP (indium gallium phosphide) HBT -- a semiconductor used to form the emitter region of a gallium arsenide heterojunction bipolar transistor.

PHEMT (pseudomorphic high electron mobility transistor) -- a type of compound semiconductor that features high electron mobility and low-noise characteristics, making it suitable for high-speed devices.

SiGe (silicon germanium) -- a semiconductor material made from silicon and germanium that is compatible with standard semiconductor fabrication processes, and that enables transistors to switch faster and yield higher performance than all-silicon transistors, and can be built on the same chip with silicon transistors to create high-frequency circuits.

Transistor -- a device used to amplify a signal or open and close a circuit. The transistor contains a semiconductor material that can change its electrical state when pulsed.