# As filed with the Securities and Exchange Commission on March 7, 2008 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 Amendment No. 3 to Form S-1 **Registration Statement Under** The Securities Act of 1933 ALLEGRO MICROSYSTEMS, INC. (Exact name of Registrant as specified in its charter) **Delaware** (State or other jurisdiction of incorporation or organization) 3674 22-3056180 (I.R.S. Employer Identification Number) 115 Northeast Cutoff Worcester, MA 01606 508-853-5000 (Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Dennis H. Fitzgerald

President and Chief Executive Officer Allegro MicroSystems, Inc. 115 Northeast Cutoff Worcester, MA 01606 508-853-5000

(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

Yoshiki Shimada, Esq. Alan L. Jakimo, Esq. Sidley Austin LLP 787 Seventh Avenue New York, NY 10019 212-839-5300

William B. Brentani, Esq. Simpson Thacher & Bartlett LLP 2550 Hanover Street Palo Alto, CA 94304 650-251-5000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") check the following

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

# EXPLANATORY NOTE

This Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-145254) is filed solely to file the exhibits indicated in Item 16 of Part II. No change is made to the preliminary prospectus constituting Part I of the Registration Statement or Items 13, 14, 15 or 17 of Part II of the Registration Statement.

# PART II

# INFORMATION NOT REQUIRED IN PROSPECTUS

# Item 16. Exhibits and Financial Statement Schedules.

# (a) Exhibits:

Exhibit Number	<u>Description</u>
1.1*	Form of Underwriting Agreement.
3.1**	Amended and Restated Certificate of Incorporation of the registrant.
3.2**	Amended and Restated By-laws of the registrant.
4.1*	Form of registrant's Common Stock Certificate.
5.1*	Opinion of Sidley Austin LLP.
10.1**	2001 Stock Option Plan and form of agreements thereunder.
10.2**	2007 Long-Term Incentive Plan.
10.3**	Executive Deferred Compensation Plan for the registrant.
10.4**	Severance Agreement, dated March 30, 2001, between the registrant and Dennis H. Fitzgerald and Letter Agreement, dated June 27, 2003, between the registrant and
	Dennis H. Fitzgerald, entered in relation thereto.
10.5**	Affiliation Agreement, dated October 3, 2007, between Sanken Electric Co., Ltd. and the registrant.
10.6†	Distribution Agreement Japan, dated July 5, 2007, between Sanken Electric Co., Ltd. and the registrant.
10.7†	Distribution Agreement, dated July 5, 2007, between Sanken Electric Co., Ltd. and the registrant.
10.8†	Sales Representative Agreement, dated July 5, 2007, between Sanken Electric Co., Ltd. and the registrant.
10.9†	Wafer Foundry Agreement, dated August 1, 2007, between the registrant and Polar Semiconductor, Inc.
10.10†	Joint Technology Development Agreement, effective as of September 13, 2007, among Polar Semiconductor, Inc., Sanken Electric Co., Ltd. and the registrant.
10.11†	Technology Development Agreement, dated November 6, 2001, between PolarFab, Inc. (now known as Polar Semiconductor, Inc.) and the registrant.
10.12†	Technology Transfer Agreement, dated November 30, 2002, between the registrant and Sanken Electric Co., Ltd.
10.13**	Letter of Consent/Coexistence Agreement, dated October 3, 2006, between Cadence Design Systems, Inc. and the registrant.
10.14**	Lease Agreement, dated August 19, 2003, between Airtight II, LLC and the registrant.
10.15**	Contract of Lease, dated October , 2000, between the Government of the Republic of the Philippines and Allegro MicroSystems Philippines, Inc.
10.16**	Contract of Lease, dated April 1, 2004, between Allegro MicroSystems Philippines Realty, Inc. and Allegro MicroSystems Philippines, Inc.
10.17**	Loan Agreement, dated April 12, 2004, between the registrant and Sanken Electric Co., Ltd. and Memorandum, dated June 30, 2006, entered in relation thereto.
10.18**	Loan Agreement, dated July 13, 2005, between the registrant and Sanken Electric Co., Ltd. and Memorandum, dated June 30, 2006, entered in relation thereto.
10.19**	Loan Agreement, dated January 26, 2007, between the registrant and Sanken Electric Co., Ltd.
10.20**	Loan Agreement, dated October 10, 2003, between Allegro MicroSystems Philippines, Inc. and Equitable PCI Bank.
10.21**	Deed of Undertaking, dated October 10, 2003, entered by Allegro MicroSystems Philippines, Inc. and Allegro MicroSystems Philippines Realty, Inc. in favor of Equitable
	PCI Bank.

Exhibit Number	<u>Description</u>
10.22**	Mortgage, dated May 4, 2004, executed by Allegro MicroSystems Philippines, Inc. and Allegro MicroSystems Philippines Realty, Inc. in favor of Equitable PCI Bank.
10.23†	Agreement, dated December 28, 2006, among Sharp Corporation, Sanken Electric Co., Ltd. and the registrant.
10.24†	Agreement, dated December 28, 2006, between Sanken Electric Co., Ltd. and the registrant.
10.25**	Executive Deferred Compensation Plan, as amended and restated as of October 1, 2007.
10.26**	Severance Agreement, dated October 3, 2007, between the registrant and Dennis H. Fitzgerald.
10.27**	Severance Agreement, dated October 3, 2007, between the registrant and Mark A. Feragne.
21.1**	List of subsidiaries of the registrant.
23.1**	Consent of Ernst & Young LLP.
23.2*	Consent of Sidley Austin LLP (included in Exhibit 5.1).
24.1**	Powers of Attorney (see signature pages of Form S-1, dated August 8, 2007, and Amendment No. 1 to Form S-1, dated November 30, 2007).

<sup>\*</sup> To be filed by amendment.

 $(b) \ Consolidated \ Financial \ Statements \ Schedules:$ 

No financial statement schedules are provided because the information is shown either in the financial statements or the notes thereto.

<sup>\*\*</sup> Previously filed.

<sup>†</sup> Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission by Allegro MicroSystems, Inc.

# SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Worcester, State of Massachusetts, on March 7, 2008.

# ALLEGRO MICROSYSTEMS, INC.

/s/ DENNIS H. FITZGERALD

Name: Dennis H. Fitzgerald
Title: President and Chief Executive Officer,

Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ DENNIS H. FITZGERALD Dennis H. Fitzgerald	President and Chief Executive Officer, Director (Principal Executive Officer)	March 7, 2008
/s/ MARK A. FERAGNE Mark A. Feragne	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 7, 2008
* Sadatoshi lijima	Chairman of the Board	March 7, 2008
*  Kiyoshi Imaizumi	Director	March 7, 2008
*	Director	March 7, 2008
Hidejiro Akiyama  * Yoshihiro Suzuki	Director	March 7, 2008
*	Director	March 7, 2008
Richard R. Lury  * John H. MacKinnon	Director	March 7, 2008
*By: /s/ DENNIS H. FITZGERALD  Attorney-in-fact		
	П-3	

# EXHIBIT INDEX

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To be filed by amendment.

Previously filed.

Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission by Allegro MicroSystems, Inc.

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

### DISTRIBUTION AGREEMENT

#### IADAN

THIS AGREEMENT (the "Agreement") is made as of July 5, 2007 between Allegro MicroSystems, Inc., a Delaware corporation with its principal offices at 115 Northeast Cutoff, Worcester, Massachusetts 01615 ("Allegro"); and Sanken Electric Co., Ltd., a Japanese corporation with its principal offices at 3-6-3 Kitano, Niiza-shi, Saitama, Japan ("Sanken").

WHEREAS, Allegro desires to sell its products in Japan and Sanken has the capability to market Allegro's products in Japan; and

WHEREAS, Allegro and Sanken wish to stipulate the terms and conditions upon which Sanken will market Allegro's products in Japan; and

WHEREAS, the parties wish to supersede all prior agreements or understandings concerning the distribution of Allegro products by Sanken in Japan, including without limitation that certain Purchase and Sale Agreement dated October 1, 1994.

NOW, THEREFORE, the parties hereby agree as follows:

### DEFINITIONS.

In this Agreement, the following terms shall have the meanings set forth below:

- 1.1 "Commencement Date" means July 20, 2007.
- 1.2 "Intellectual Property" means any patent, copyright, trademark or other industrial or intellectual property right of Allegro in respect of the Products.
- 1.3 "Products" means all products produced by Allegro during the term of this Agreement, except for any products excluded from the scope of this Agreement by written agreement of the parties.
  - 1.4 "Territory" means Japan.

### 2. EXCLUSIVE DISTRIBUTORSHIP.

- 2.1 Appointment and Acceptance. Allegro hereby appoints Sanken as its exclusive distributor for the sale of Products in the Territory and Sanken accepts such appointment, subject to the terms and conditions of this Agreement. It is agreed that Sanken may sell Products to customers through sub-distributors in the Territory.
- 2.2 Scope of Appointment. Sanken shall not knowingly sell Products to purchasers in the Territory who intend to sell the Products outside of the Territory.
- 2.3 Designed In Products Compensation. Sanken may work with customers in the Territory to design into the products of such customers Products that will be shipped by Allegro to customer locations outside the Territory for assembly into such customers' products (such activities by Sanken being referred to herein as "design in efforts and support"). Sanken will exert reasonable efforts to secure such work within the Territory. As compensation for Sanken's design in efforts and support, Sanken shall receive from Allegro a commission as specified on Exhibit A, Section B, to this Agreement.
- 2.4 Relationship. The relationship between Allegro and Sanken pursuant to this Agreement is (a) in the case of all provisions other than Section 2.3 and Exhibit A, Section B that of Allegro as seller and Sanken as purchaser, and not Allegro as principal and Sanken as agent, and (b) in the case of Section 2.3 and Exhibit A, Section B with respect to design in efforts and support, the relationship shall be that of Allegro as principal and Sanken as representative. Neither Allegro (as seller or principal, as applicable) nor Sanken (as purchaser or representative, as applicable) shall have the right or authority to incur or create any warranty, liability or obligation of any kind on behalf of the other party.

### 3. SANKEN'S OBLIGATIONS.

Sanken shall, during the term of this Agreement:

- $3.1 \; {\rm Exert} \; {\rm commercially} \; {\rm reasonable} \; {\rm efforts} \; {\rm to} \; {\rm promote} \; {\rm the} \; {\rm sale} \; {\rm of} \; {\rm Products} \; {\rm in} \; {\rm the} \; {\rm Territory} \; {\rm through} \; {\rm a} \; {\rm qualified} \; {\rm sales} \; {\rm organization}.$
- 3.2 Maintain an effective system for shipping inventory of Products on a first in-first out basis, and maintain all inventories of Products in accordance with Allegro's warehouse requirements.
- 3.3 In respect of each calendar month during the term of this Agreement, submit a monthly point of sale report to Allegro, in such format and within such time period as reasonably required by Allegro, concerning Products sold by Sanken during each such month.

- 3.4 Keep Allegro informed of developments in the market for Products in the Territory, including changes in applicable regulatory requirements in the Territory, and submit such other information relating to the sale and service of Products by Sanken as Allegro may reasonably require from time to time.
- 3.5 If Sanken elects to advertise the Products in the Territory, Allegro shall be given the opportunity to review and approve advertising materials reasonably in advance.
- 3.6 Not knowingly sell any Product for use in any life-support device or system if a failure of such Product can reasonably be expected to cause a failure of that life-support device or system or to affect the safety or effectiveness of that device or system.
- 3.7 Promptly notify Allegro of any material issue concerning Products that could result in a monetary claim against Sanken or Allegro or any material issue that could negatively impact future sales of Products to any customer in the Territory.
- 3.8 Maintain complete and accurate records of all sales and service by Sanken of Products in the Territory.
- 3.9 Comply with all laws and regulations relating to the import of Products into the Territory applicable to Sanken in its capacity as the purchaser and importer of such Products, including, without limitation, licensing and documentation requirements in the Territory and such other jurisdictions with jurisdiction over Sanken and such purchase and import activities.
- 3.10 If requested by Allegro, and at Allegro's expense, either at the premises of Allegro or at Sanken's premises, make its employees available for instruction by Allegro in the use, sale, maintenance and application of the Products.
- ALLEGRO'S OBLIGATIONS.

Allegro shall, during the term of this Agreement:

- $4.1\ Provide$  adequate training for Sanken employees and reasonable field sales support.
- 4.2 Provide such information and support as may reasonably be requested by Sanken with respect to the Products, including then existing marketing materials, brochures and other information regarding the Products.
- $4.3\ \mbox{As}$  mutually agreed with Sanken, participate with Sanken in fairs and exhibitions in the Territory.

4.4 Comply with all laws and regulations relating to the export of Products from the place of their manufacture or assembly into the Territory applicable to Allegro in its capacity as the seller and exporter of such Products, including, without limitation, licensing and documentation requirements in such jurisdictions with jurisdiction over Allegro and such sale and export activities.

Notwithstanding the foregoing, Allegro reserves the right to withdraw its support for previously sold Products if Allegro determines that any customer's use of the Products is not suitable for such customer's application.

- 5. PAYMENT TERMS, ORDERS AND DELIVERY.
- $5.1\ Prices$  and Payment Terms. The prices of the Products and the terms of payment shall be as set forth on Exhibit A to this Agreement.
- 5.2 Governing Terms. The terms of this Agreement shall be controlling in the event of any conflict or inconsistency between this Agreement and the terms of any purchase order, quotation, acknowledgment or other form or correspondence between the parties concerning the subject matter of this Agreement.
- 5.3 Orders. Sanken shall place orders for Products according to procedures indicated by Allegro from time to time. Allegro reserves the right to reject any order at its sole discretion, provided that Allegro shall make commercially reasonable efforts to accept Sanken's orders.
- 5.4 Cancellation and Rescheduling. Allegro will accept cancellations or rescheduling of orders for Products at no cost to Sanken, if Sanken provides written notice to Allegro at least [\*\*\*] days prior to the original scheduled delivery date. For the purposes of this Section 5.4, the original scheduled delivery date means the delivery date specified in Allegro's original order acknowledgement, and does not mean any rescheduled delivery date. Unless otherwise instructed by Allegro, Sanken shall send such notice to the attention of the tactical marketing manager for the applicable Allegro business unit.
- 5.5 Shipment. Allegro shall designate the freight carrier for shipments. In the event of expedited delivery requests accepted by Allegro, the parties shall negotiate reasonable charges above the customary shipment costs.
- 5.6 Delivery Dates. Delivery dates requested by Sanken, even though accepted by Allegro, shall be understood by Sanken only as best estimates. Allegro shall attempt to meet all delivery dates requested by Sanken but shall not be liable for damages arising from any delay in delivery.
- 5.7 Title. Title to the Products and risk of loss shall pass to Sanken upon delivery of Products by Allegro to the freight carrier.
- 5.8 Order Termination. Allegro reserves the right to terminate the balance of any accepted customer order if Allegro learns that the customer's use of the Products is not suitable

for such customer's application, or if the customer intends to use the Products for any use described in Section  $3.6\ \text{of}$  this Agreement.

#### WARRANTY

- 6.1 Product Warranty. Allegro warrants to Sanken that Products delivered pursuant to this Agreement will, at the time of delivery to the freight carrier and for a period of [\*\*\*] thereafter, be free from defects in materials or workmanship and meet any applicable specifications set forth in any purchase order accepted by Allegro.
- 6.2 Remedy for Breach. In the event of any breach of Allegro's warranty set forth in Section 6.1, Allegro shall either repair or replace the defective Products or, at the election of either Allegro or Sanken, Allegro shall refund the amount paid for such Products, provided that (a) Sanken promptly notifies Allegro of the defects in such Products and in any event within [\*\*\*] after delivery thereof; (b) such defects are not caused by wear and tear, neglect, abnormal conditions or misuse; and (c) such defective Products have not been repaired or altered by a party other than Allegro.
- 6.3 Warranty Limitation. The warranty set forth in Section 6.1 is the exclusive warranty with respect to Products sold by Allegro to Sanken under this Agreement. ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED.

#### INTELLECTUAL PROPERTY.

- 7.1 License Grant. During the term of this Agreement, Allegro hereby grants to Sanken a license and privilege to use the trademarks included within the Intellectual Property in the Territory for the specific purposes of this Agreement. Allegro warrants that it owns the rights to the Intellectual Property in the Territory, or has a valid license to such rights. Allegro shall retain ownership of its Intellectual Property; and Sanken shall not by operation of this Agreement acquire or retain any ownership interest therein other than such interests that Sanken has been granted or has otherwise retained under other agreements to which Allegro and Sanken are parties and which are in force and effect during the term of this Agreement.
- 7.2 Protection of Intellectual Property. Sanken will not modify Products, alter or remove trademarks from Products, or use any trademarks or trade names in the Territory that are likely to cause confusion with the trademarks or trade names of Allegro. Following the receipt of notice or other knowledge of any actual, threatened or suspected infringement in the Territory of any Intellectual Property or any claim of a third party that the sale of Products in the Territory infringes such party's intellectual property rights, Sanken will promptly notify Allegro thereof. Sanken will assist Allegro, at Allegro's expense, in maintaining Allegro's ownership rights to the Intellectual Property in the Territory, including any action against infringement of the Intellectual Property in the Territory, or negotiation of any permit or license.

7.3 Infringement Indemnification. Allegro shall defend and hold Sanken and its customers harmless from and against any and all claims, damages, suits, causes of action, liabilities or expenses (including, without limitation, reasonable attorneys' fees) arising from any allegation or claim that the sale of the Products in the Territory infringes the intellectual property rights of any third party. Sanken shall cooperate with Allegro in connection with its defense efforts.

### 8. TERM AND TERMINATION.

- 8.1 Term. This Agreement shall take effect on the Commencement Date and shall remain in effect until March 31, 2010. This Agreement may be terminated as of March 31, 2010 by either party upon twelve (12) months prior written notice to the other party. If neither party gives such notice of termination, this Agreement shall be renewed until March 31, 2013. Thereafter, this Agreement shall automatically renew for successive three year periods until either party gives notice of termination at least twelve (12) months prior to the expiration of any renewal term.
- 8.2 Termination. Either party hereto may immediately terminate this Agreement as follows: (a) if proceedings in bankruptcy or insolvency are instituted by or against the other party, a receiver or trustee is appointed, or such party makes an assignment for the benefit of its creditors or enters into any voluntary arrangement with creditors, or a substantial part of the assets of such party is the subject of attachment; or (b) upon default by the other party in the performance of its obligations under this Agreement, whereby such default is not cured within sixty (60) days after the receipt by the defaulting party of written notice of the default.
- $8.3\ Effect$  of Termination. Upon the termination or expiration of this Agreement for any reason:
- 8.3.1 Sanken will promptly return to Allegro, or otherwise dispose of as Allegro may instruct, all Confidential Information (as defined in Section 9.1), technical instruction manuals, sales promotion materials, specifications, or other documents relating to any of the Products.
- 8.3.2 Sanken will immediately cease to advertise the Products in the Territory; provided that Sanken may complete the sale of any Products subject to any orders that had been accepted by Allegro prior to such termination.
- 8.3.3 Allegro shall satisfy all orders for Products placed by Sanken and accepted by Allegro prior to the date of termination; provided that any rights that Allegro would otherwise have with respect to such orders in accordance with the provisions of this Agreement shall remain in full force and effect.
- 8.3.4 Sanken may return to Allegro any undamaged Products in Sanken's inventory, free and clear of liens and encumbrances, to the extent that Allegro deems the Products saleable, at Allegro's discretion, and further, provided that the Products are less than two years old as indicated on the date code marked on the Product or its package. Sanken shall comply with Allegro's reasonable return authorization procedures within sixty (60) days following the date of

termination or expiration. Allegro will pay Sanken an amount equal to the original purchase price paid by Sanken for Products accepted for return by Allegro. The cost of returning the Products shall be borne by Sanken.

 $8.3.5\ Except$  for commissions due under Section 2.3 for actions taken prior to termination, Sanken shall not be entitled to a commission or other compensation following termination.

### CONFIDENTIALITY.

- 9.1 Confidential Information. Except as provided in Section 9.2, neither party shall disclose to any third party, nor use for any purpose other than the purchase or sale of Products under this Agreement, any Confidential Information of the other party without the other party's prior written consent. As used in this Agreement, "Confidential Information" shall include but not be limited to all information regarding current or future Products, designs, marketing plans, processes, inventions, formulae, pricing and cost information, specifications, drawings, samples or other confidential or proprietary information or data furnished by one party to the other. "Confidential Information" shall not include any information that is publicly known through no fault of the receiving party, was previously known to or developed by the receiving party or an employee of the receiving party who has not had access to any Confidential Information of the disclosing party, or was received from a third party without breach of any confidentiality obligation imposed on that third party.
- 9.2 Permitted Disclosures. A party may disclose Confidential Information (i) to the extent required by law or by court order or other governmental action, but only to the extent so ordered; or (ii) to the extent necessary to implement this Agreement, to the party's employees, agents or subcontractors as reasonably necessary or appropriate, provided that before disclosure such recipients are informed of the confidentiality requirements of this Agreement. The disclosing party shall ensure compliance by its employees, agents or subcontractors with the confidentiality provisions of this Agreement.
- 9.3 Governmental Filings. Each party shall determine in its sole discretion whether such party is required to file or otherwise submit this Agreement and/or any description hereof with or to any governmental authorities or securities exchanges, including, without limitation, the U.S. Securities and Exchange Commission, NASDAQ, the Japanese Securities and Exchange Surveillance Commission or the Tokyo Stock Exchange. If a party (as the Submitting Party) determines that it is required to file or otherwise submit this Agreement and/or any description hereof with or to any such governmental authority or securities exchange, as applicable, then such Submitting Party shall with respect to such proposed filing or submission: (i) provide a copy of such filing or submission to the other party (as the Non-Submitting Party) reasonably prior to its filing or submission, and (ii) to the extent that the Submitting Party intends to request confidential treatment for any portion or portions of this Agreement, the Submitting Party will (A) provide a reasonable amount of time for the Non-Submitting Party's review of such confidentiality request and any redactions comprising such intended request and (B) give good faith consideration to the Non-Submitting Party's comments and requests for any additional or different redactions.

### 10. RECORDS; AUDIT.

10.1 Records. Sanken shall maintain all books and records relating to its activities in connection with this Agreement for a minimum of three years from the date of generation thereof. Such obligation shall survive the termination of this Agreement.

10.2 Audit Rights. Allegro may engage a reputable certified public accountant to examine and audit Sanken's books and records relating to its activities under this Agreement, provided that Sanken shall be given not less than fifteen (15) days advance notice and no more than one audit may be conducted during any calendar year. Any claims resulting from any such audit, in favor of either party, shall be limited to transactions occurring within three (3) years immediately preceding the audit. Any such audit shall be at Allegro's expense unless such audit reveals an underpayment of the amounts due from Sanken to Allegro under this Agreement of five per cent (5%) or more, in which case Sanken shall reimburse Allegro for the expense of the certified public accountant.

#### 11. MISCELLANEOUS PROVISIONS.

- 11.1 Entire Agreement. This Agreement, and the attached Exhibits, constitutes the entire understanding between the parties with respect to the distribution or design in of Allegro products by Sanken in Japan, and supersedes all prior agreements, negotiations and discussions between the parties regarding such subject matter, including without limitation that certain Purchase and Sale Agreement between the parties dated October 1, 1994.
- 11.2 Amendments. No amendment or modification of this Agreement shall be effective unless set forth in writing and signed by a duly authorized representative of each party.
- 11.3 Assignment. Neither party shall assign any or all of its rights and obligations under this Agreement without the prior written consent of the other party.
- 11.4 Waiver. Any failure by a party to exercise or enforce any right under this Agreement shall not be deemed a waiver of such party's right thereafter to enforce each and every term and condition of this Agreement.
- 11.5 Force Majeure. The obligations of a party under this Agreement will be suspended during the period and to the extent that such party is prevented or hindered from complying therewith by any cause beyond its reasonable control including (insofar as such cause is beyond such party's control but without prejudice to the generality of the foregoing expression): strikes, lockouts, labor disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm. In the event of either party being so hindered or prevented such party will give notice of suspension as soon as reasonably possible to the other party stating the date and extent of such suspension and the cause thereof and the omission to give such notice will forfeit the rights of such party to claim such suspension. Any party whose obligations have been suspended as aforesaid will not be deemed to be in default of its contractual obligations nor will any penalties or damages be payable. Any such party will

resume the performance of such obligations as soon as reasonably possible after the removal of the cause and will so notify the other party. In the event that such cause continues for more than three months either party may terminate this Agreement on fourteen (14) days written notice.

- 11.6 Indemnification. Each party shall fully indemnify the other party against all actions, claims, demands, costs, charges, expenses or liabilities arising from or in connection with any breach of its obligations under this Agreement. NEITHER PARTY SHALL BE LIABLE TO THE OTHER (OR TO ANYONE ASSERTING A CLAIM ON A PARTY'S BEHALF) FOR CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES. The obligation of Allegro to so indemnify Sanken under this Section 11.6 is in addition to any indemnity provided by Allegro to Sanken under Section 7.3. [\*\*\*].
- 11.7 Language. This Agreement was drafted and executed in the English language.
- 11.8 Notices. Notices under this Agreement may be sent by e-mail or courier service. Notice shall be sent to the address set forth on the first page of this Agreement or to such other address and contact person as a party may designate, or to the email address of any such designated contact person.
- 11.9 Severability. The invalidity or unenforceability of any portion of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement.
- 11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Massachusetts. The parties opt out of the United Nations Convention on Contracts for the International Sale of Goods, which shall have no application to Products or the performance of the parties under this Agreement.
- 11.11 Dispute Resolution. The parties shall make best efforts to try to resolve any and all claims, controversies or difficulties between the parties ("Claims") by mutual discussions in good faith. Should the parties be unable to reach resolution themselves, Claims shall be finally settled by arbitration as follows: if Allegro initiates the arbitration proceedings, arbitration will be held in Tokyo, Japan in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association; and if Sanken initiates the arbitration proceedings, arbitration will be held in the State of Massachusetts in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.  $\,$ 

ALLEGRO MICROSYSTEMS, INC.

SANKEN ELECTRIC CO., LTD.

By: /s/ Daniel Demingware By: /s/ Hirohito Sekine

Mr. Daniel Demingware Vice President Sales

Mr. Hirohito Sekine General Manager, Sales Headquarters

### Pricing and Payment Terms

- A. The following terms shall apply to purchases of Products by Sanken:
  - Prices.

Unless otherwise agreed to by Sanken and Allegro in writing, the price of Products sold by Allegro to Sanken, for distribution within the Territory, shall be equal to [\*\*\*]% of the selling price to Sanken's end customer (not the intermediary price(s) between Sanken and Sanken's representative or distributor) at the time Sanken places the order to Allegro. Prices shall be converted from Yen to U.S. Dollars pursuant to #3 below. For the avoidance of doubt, this Section A.1 does not apply to Products covered under Section 2.3 herein.

Payment in Dollars.

All payments shall be made to Allegro in U.S. Dollars.

3. Exchange Rate.

Sales prices shall be converted from Yen into Dollars on a monthly basis pursuant to procedures established by the parties from time to time.

- 4. Freight Terms.
- C.I.P. (carriage and insurance paid to port of entry in Japan).
- 5. Payment Terms.

Unless otherwise agreed to by Allegro, Sanken will pay all Allegro invoices by the end of the calendar month following the month in which the invoices are received by Sanken.

- B. The following terms shall apply to commissions paid by Allegro to Sanken pursuant to Section 2.3:
  - 1. Commission.

Unless otherwise agreed between Sanken and Allegro in writing, Sanken shall be entitled to a commission of [\*\*\*] percent ([\*\*\*]%) of the "Net Sales" of designed in Products. The term "Net Sales" shall mean the total revenues for applicable Products shipped

during a month less returns and less the amount of any revenues previously included in net sales that Allegro determines during such month to be uncollectible.

# 2. Payment in Dollars.

Payments shall be made to Sanken in U.S. Dollars.

### 3. Exchange Rate.

Commissions shall be converted from local currency into U.S. Dollars on a monthly basis pursuant to procedures established by the parties from time to time.

### 4. Payment Terms.

Payments shall be made to Sanken by the end of the month following the month for which Net Sales are calculated.

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

#### DISTRIBUTION AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of July 5, 2007 between Sanken Electric Co., Ltd., a Japanese corporation with its principal offices at 3-6-3 Kitano, Niiza-shi, Saitama, Japan ("Sanken"); and Allegro MicroSystems, Inc., a Delaware corporation with its principal offices at 115 Northeast Cutoff, Worcester, Massachusetts 01615 ("Allegro").

WHEREAS, Sanken desires to sell its semiconductor products in the continents of North and South America and Allegro has the capability to market such products in the continents of North and South America; and

WHEREAS, Allegro and Sanken wish to stipulate the terms and conditions upon which Allegro will market Sanken semiconductor products in the continents of North and South America: and

WHEREAS, the parties wish to supersede all prior agreements or understandings concerning the distribution of Sanken semiconductor products by Allegro in the continents of North and South America, including without limitation that certain Purchase and Sale Agreement dated September 1, 1994.

NOW, THEREFORE, the parties hereby agree as follows:

### DEFINITIONS.

In this Agreement, the following terms shall have the meanings set forth below:

- 1.1 "Commencement Date" means July 20, 2007.
- 1.2 "Intellectual Property" means any patent, copyright, trademark or other industrial or intellectual property right of Sanken in respect of the Products.
- 1.3 "Products" means all semiconductor products produced by Sanken during the term of this Agreement, except for any products excluded from the scope of this Agreement by written agreement of the parties.
  - 1.4 "Territory" means North and South America, including Puerto Rico.

### 2. EXCLUSIVE DISTRIBUTORSHIP.

- 2.1 Appointment and Acceptance. With the exception of those customers listed on Exhibit A or customers otherwise excluded pursuant to the written consent of the parties, Sanken hereby appoints Allegro as its exclusive distributor for the sale of Products in the Territory and Allegro accepts such appointment, subject to the terms and conditions of this Agreement. It is agreed that Allegro may sell Products to customers through sub-distributors in the Territory. Allegro shall not distribute Products to any customer listed on Exhibit A.
- 2.2 Scope of Appointment. Allegro shall not knowingly sell Products to purchasers in the Territory who intend to sell the Products outside of the Territory.
- 2.3 Designed In Products Compensation. Allegro may work with customers in the Territory to design into the products of such customers Products that will be shipped by Sanken to customer locations outside the Territory for assembly into such customers' products (such activities by Allegro being referred to herein as "design in efforts and support"). Allegro will exert reasonable efforts to secure such work within the Territory. As compensation for Allegro's design in efforts and support, Allegro shall receive from Sanken a commission as specified on Exhibit B, Section B, to this Agreement.
- 2.4 Relationship. The relationship between Sanken and Allegro pursuant to this Agreement is (a) in the case of all provisions other than Section 2.3 and Exhibit B, Section B that of Sanken as seller and Allegro as purchaser, and not Sanken as principal and Allegro as agent, and (b) in the case of Section 2.3 and Exhibit B, Section B with respect to design in efforts and support, the relationship shall be that of Sanken as principal and Allegro as representative. Neither Sanken (as seller or principal, as applicable) nor Allegro (as purchaser or representative, as applicable) shall have the right or authority to incur or create any warranty, liability or obligation of any kind on behalf of the other party.

### ALLEGRO'S OBLIGATIONS.

Allegro shall, during the term of this Agreement:

- 3.1 Exert commercially reasonable efforts to promote the sale of Products in the Territory through a qualified sales organization.
- 3.2 Maintain an effective system for shipping inventory of Products on a first in-first out basis, and maintain all inventories of Products in accordance with any applicable Sanken warehouse requirements.
- 3.3 In respect of each calendar month during the term of this Agreement, submit a monthly point of sale report to Sanken, in such format and within such time period as reasonably required by Sanken, concerning Products sold by Allegro during each such month.
- 3.4 Keep Sanken informed of developments in the market for Products in the Territory, including changes in applicable regulatory requirements in the Territory, and submit

such other information relating to the sale and service of Products by Allegro as Sanken may reasonably require from time to time.

- 3.5 If Allegro elects to advertise the Products in the Territory, Sanken shall be given the opportunity to review and approve advertising materials reasonably in advance.
- 3.6 Not knowingly sell any Product for use in any life-support device or system if a failure of such Product can reasonably be expected to cause a failure of that life-support device or system or to affect the safety or effectiveness of that device or system.
- 3.7 Promptly notify Sanken of any material issue concerning Products that could result in a monetary claim against Allegro or Sanken or any material issue that could negatively impact future sales of Products to any customer in the Territory.
- 3.8 Maintain complete and accurate records of all sales and service by Allegro of Products in the Territory.
- 3.9 Comply with all laws and regulations relating to the import of Products into the Territory applicable to Allegro in its capacity as the purchaser and importer of such Products, including, without limitation, licensing and documentation requirements in the Territory and such other jurisdictions with jurisdiction over Allegro and such purchase and import activities.
- 3.10 If requested by Sanken, and at Sanken's expense, either at the premises of Sanken or at Allegro's premises, make its employees available for instruction by Sanken in the use, sale, maintenance and application of the Products.

#### SANKEN'S OBLIGATIONS.

Sanken shall, during the term of this Agreement:

- $4.1\ Provide$  adequate training for Allegro employees and reasonable field sales support.
- 4.2 Provide such information and support as may reasonably be requested by Allegro with respect to the Products, including then existing marketing materials, brochures and other information regarding the Products.
- $4.3\ \mbox{As}$  mutually agreed with Allegro, participate with Allegro in fairs and exhibitions in the Territory.
- 4.4 Comply with all laws and regulations relating to the export of Products from the place of their manufacture or assembly into the Territory applicable to Sanken in its capacity as the seller and exporter of such Products, including, without limitation, licensing and documentation requirements in such jurisdictions with jurisdiction over Sanken and such sale and export activities.

Notwithstanding the foregoing, Sanken reserves the right to withdraw its support for previously sold Products if Sanken determines that any customer's use of the Products is not suitable for such customer's application.

- 5. PAYMENT TERMS, ORDERS AND DELIVERY.
- $5.1\ Prices$  and Payment Terms. The prices of the Products and the terms of payment shall be as set forth on Exhibit B to this Agreement.
- 5.2 Governing Terms. The terms of this Agreement shall be controlling in the event of any conflict or inconsistency between this Agreement and the terms of any purchase order, quotation, acknowledgment or other form or correspondence between the parties concerning the subject matter of this Agreement.
- 5.3 Orders. Allegro shall place orders for Products according to procedures indicated by Sanken from time to time. Sanken reserves the right to reject any order at its sole discretion provided that Sanken shall make commercially reasonable efforts to accept Allegro's orders.
- 5.4 Cancellation and Rescheduling. Sanken will accept cancellations or rescheduling of orders for Products at no cost to Allegro, if Allegro provides written notice to Sanken at least [\*\*\*] days prior to the original scheduled delivery date. For the purposes of this Section 5.4, the original scheduled delivery date means the delivery date specified in Sanken's original order acknowledgement, and does not mean any rescheduled delivery date. Allegro shall send such notice to the attention of a person at the applicable Sanken business unit who is designated by Sanken from time to time.
- 5.5 Shipment. Sanken shall designate the freight carrier for shipments. In the event of expedited delivery requests accepted by Sanken, the parties shall negotiate reasonable charges above the customary shipment costs.
- 5.6 Delivery Dates. Delivery dates requested by Allegro, even though accepted by Sanken, shall be understood by Allegro only as best estimates. Sanken shall attempt to meet all delivery dates requested by Allegro but shall not be liable for damages arising from any delay in delivery.
- 5.7 Title. Title to the Products and risk of loss shall pass to Allegro upon delivery of Products by Sanken to the freight carrier.
- 5.8 Order Termination. Sanken reserves the right to terminate the balance of any accepted customer order if Sanken learns that the customer's use of the Products is not suitable for such customer's application, or if the customer intends to use the Products for any use described in Section 3.6 of this Agreement.

### 6. WARRANTY.

- 6.1 Product Warranty. Sanken warrants to Allegro that Products delivered pursuant to this Agreement will, at the time of delivery to the freight carrier and for a period of [\*\*\*] thereafter, be free from defects in materials or workmanship and meet any applicable specifications set forth in any purchase order accepted by Sanken.
- 6.2 Remedy for Breach. In the event of any breach of Sanken's warranty set forth in Section 6.1, Sanken shall either repair or replace the defective Products or, at the election of either Sanken or Allegro, Sanken shall refund the amount paid for such Products, provided that (a) Allegro promptly notifies Sanken of the defects in such Products and in any event within [\*\*\*] after delivery thereof; (b) such defects are not caused by wear and tear, neglect, abnormal conditions or misuse; and (c) such defective Products have not been repaired or altered by a party other than Sanken.
- 6.3 Warranty Limitation. The warranty set forth in Section 6.1 is the exclusive warranty with respect to Products sold by Sanken to Allegro under this Agreement. ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED.

### 7. INTELLECTUAL PROPERTY.

- 7.1 License Grant. During the term of this Agreement, Sanken hereby grants to Allegro a license and privilege to use the trademarks included within the Intellectual Property in the Territory for the specific purposes of this Agreement. Sanken warrants that it owns the rights to the Intellectual Property in the Territory, or has a valid license to such rights. Sanken shall retain ownership of its Intellectual Property; and Allegro shall not by operation of this Agreement acquire or retain any ownership interest therein other than such interests that Allegro has been granted or has otherwise retained under other agreements to which Sanken and Allegro are parties and which are in force and effect during the term of this Agreement.
- 7.2 Protection of Intellectual Property. Allegro will not modify Products, alter or remove trademarks from Products, or use any trademarks or trade names in the Territory that are likely to cause confusion with the trademarks or trade names of Sanken. Following the receipt of notice or other knowledge of any actual, threatened or suspected infringement in the Territory of any Intellectual Property or any claim of a third party that the sale of Products in the Territory infringes such party's intellectual property rights, Allegro will promptly notify Sanken thereof. Allegro will assist Sanken, at Sanken's expense, in maintaining Sanken's ownership rights to the Intellectual Property in the Territory, including any action against infringement of the Intellectual Property in the Territory, or negotiation of any permit or license.
- 7.3 Infringement Indemnification. Sanken shall defend and hold Allegro and its customers harmless from and against any and all claims, damages, suits, causes of action, liabilities or expenses (including, without limitation, reasonable attorneys' fees) arising from any allegation or claim that the sale of the Products in the Territory infringes the intellectual property

rights of any third party. Allegro shall cooperate with Sanken in connection with such defense efforts by Sanken.

### 8. TERM AND TERMINATION.

- 8.1 Term. This Agreement shall take effect on the Commencement Date and shall remain in effect until March 31, 2010. This Agreement may be terminated as of March 31, 2010 by either party upon twelve (12) months prior written notice to the other party. If neither party gives such notice of termination, this Agreement shall be renewed until March 31, 2013. Thereafter, this Agreement shall automatically renew for successive three year periods until either party gives notice of termination at least twelve (12) months prior to the expiration of any renewal term.
- 8.2 Termination. Either party hereto may immediately terminate this Agreement as follows: (a) if proceedings in bankruptcy or insolvency are instituted by or against the other party, a receiver or trustee is appointed, or such party makes an assignment for the benefit of its creditors or enters into any voluntary arrangement with creditors, or a substantial part of the assets of such party is the subject of attachment; or (b) upon default by the other party in the performance of its obligations under this Agreement, whereby such default is not cured within sixty (60) days after the receipt by the defaulting party of written notice of the default.
- $8.3\ Effect$  of Termination. Upon the termination or expiration of this Agreement for any reason:
- 8.3.1 Allegro will promptly return to Sanken, or otherwise dispose of as Sanken may instruct, all Confidential Information (as defined in Section 9.1), technical instruction manuals, sales promotion materials, specifications, or other documents relating to any of the Products.
- 8.3.2 Allegro will immediately cease to advertise the Products in the Territory; provided that Allegro may complete the sale of any Products subject to any orders that had been accepted by Sanken prior to such termination.
- 8.3.3 Sanken shall satisfy all orders for Products placed by Allegro and accepted by Sanken prior to the date of termination; provided that any rights that Sanken would otherwise have with respect to such orders in accordance with the provisions of this Agreement shall remain in full force and effect.
- 8.3.4 Allegro may return to Sanken any undamaged Products in Allegro's inventory, free and clear of liens and encumbrances, to the extent that Sanken deems the Products saleable, at Sanken's discretion, and further, provided that the Products are less than two years old as indicated on the date code marked on the Product or its package. Allegro shall comply with Sanken's reasonable return authorization procedures within sixty (60) days following the date of termination or expiration. Sanken will pay Allegro an amount equal to the original purchase price paid by Allegro for Products accepted for return by Sanken. The cost of returning the Products shall be borne by Allegro.

8.3.5 Except for commissions due under Section 2.3 for actions taken prior to termination, Allegro shall not be entitled to a commission or other compensation following termination.

#### 9. CONFIDENTIALITY.

- 9.1 Confidential Information. Except as provided in Section 9.2, neither party shall disclose to any third party, nor use for any purpose other than the purchase or sale of Products under this Agreement, any Confidential Information of the other party without the other party's prior written consent. As used in this Agreement, "Confidential Information" shall include but not be limited to all information regarding current or future Products, designs, marketing plans, processes, inventions, formulae, pricing and cost information, specifications, drawings, samples or other confidential or proprietary information or data furnished by one party to the other. "Confidential Information" shall not include any information that is publicly known through no fault of the receiving party, was previously known to or developed by the receiving party or an employee of the receiving party who has not had access to any Confidential Information of the disclosing party, or was received from a third party without breach of any confidentiality obligation imposed on that third party.
- 9.2 Permitted Disclosures. A party may disclose Confidential Information (i) to the extent required by law or by court order or other governmental action, but only to the extent so ordered; or (ii) to the extent necessary to implement this Agreement, to the party's employees, agents or subcontractors as reasonably necessary or appropriate, provided that before disclosure such recipients are informed of the confidentiality requirements of this Agreement. The disclosing party shall ensure compliance by its employees, agents or subcontractors with the confidentiality provisions of this Agreement.
- 9.3 Governmental Filings. Each party shall determine in its sole discretion whether such party is required to file or otherwise submit this Agreement and/or any description hereof with or to any governmental authorities or securities exchanges, including, without limitation, the U.S. Securities and Exchange Commission, NASDAQ, the Japanese Securities and Exchange Surveillance Commission or the Tokyo Stock Exchange. If a party (as the Submitting Party) determines that it is required to file or otherwise submit this Agreement and/or any description hereof with or to any such governmental authority or securities exchange, as applicable, then such Submitting Party shall with respect to such proposed filing or submission: (i) provide a copy of such filing or submission to the other party (as the Non-Submitting Party) reasonably prior to its filing or submission, and (ii) to the extent that the Submitting Party intends to request confidential treatment for any portion or portions of this Agreement, the Submitting Party will (A) provide a reasonable amount of time for the Non-Submitting Party's review of such confidentiality request and any redactions comprising such intended request and (B) give good faith consideration to the Non-Submitting Party's comments and requests for any additional or different redactions.

### 10. RECORDS; AUDIT.

10.1 Records. Allegro shall maintain all books and records relating to its activities in connection with this Agreement for a minimum of three years from the date of generation thereof. Such obligation shall survive the termination of this Agreement.

10.2 Audit Rights. Sanken may engage a reputable certified public accountant to examine and audit Allegro's books and records relating to its activities under this Agreement, provided that Allegro shall be given not less than fifteen (15) days advance notice and no more than one audit may be conducted during any calendar year. Any claims resulting from any such audit, in favor of either party, shall be limited to transactions occurring within three (3) years immediately preceding the audit. Any such audit shall be at Sanken's expense unless such audit reveals an underpayment of the amounts due from Allegro to Sanken under this Agreement of five per cent (5%) or more, in which case Allegro shall reimburse Sanken for the expense of the certified public accountant.

#### 11. MISCELLANEOUS PROVISIONS.

- 11.1 Entire Agreement. This Agreement, and the attached Exhibits, constitutes the entire understanding between the parties with respect to the distribution or design in the Products by Allegro in North and South America, and supersedes all prior agreements, negotiations and discussions between the parties regarding such subject matter including without limitation that certain Purchase and Sale Agreement between the parties dated September 1, 1994. It is understood that Allegro may act as a distributor or sales representative of Sanken with respect to designated Sanken products other than Products pursuant to a separate agreement or understanding.
- 11.2 Amendments. No amendment or modification of this Agreement shall be effective unless set forth in writing and signed by a duly authorized representative of each party.
- 11.3 Assignment. Neither party shall assign any or all of its rights and obligations under this Agreement without the prior written consent of the other party.
- 11.4 Waiver. Any failure by a party to exercise or enforce any right under this Agreement shall not be deemed a waiver of such party's right thereafter to enforce each and every term and condition of this Agreement.
- 11.5 Force Majeure. The obligations of a party under this Agreement will be suspended during the period and to the extent that such party is prevented or hindered from complying therewith by any cause beyond its reasonable control including (insofar as such cause is beyond such party's control but without prejudice to the generality of the foregoing expression): strikes, lockouts, labor disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm. In the event of either party being so hindered or prevented such party will give notice of suspension as soon as reasonably possible to the other party stating the date and extent of such suspension and the cause thereof and the

omission to give such notice will forfeit the rights of such party to claim such suspension. Any party whose obligations have been suspended as aforesaid will not be deemed to be in default of its contractual obligations nor will any penalties or damages be payable. Any such party will resume the performance of such obligations as soon as reasonably possible after the removal of the cause and will so notify the other party. In the event that such cause continues for more than three months either party may terminate this Agreement on fourteen (14) days written notice.

- 11.6 Indemnification. Each party shall fully indemnify the other party against all actions, claims, demands, costs, charges, expenses or liabilities arising from or in connection with any breach of its obligations under this Agreement. NEITHER PARTY SHALL BE LIABLE TO THE OTHER (OR TO ANYONE ASSERTING A CLAIM ON A PARTY'S BEHALF) FOR CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES. The obligation of Sanken to so indemnify Allegro under this Section 11.6 is in addition to any indemnity provided by Sanken to Allegro under Section 7.3. [\*\*\*]
- 11.7 Language. This Agreement was drafted and executed in the English language.
- 11.8 Notices. Notices under this Agreement may be sent by e-mail or courier service. Notice shall be sent to the address set forth on the first page of this Agreement or to such other address and contact person as a party may designate, or to the email address of any such designated contact person.
- 11.9 Severability. The invalidity or unenforceability of any portion of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement.
- 11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Japan. The parties opt out of the United Nations Convention on Contracts for the International Sale of Goods, which shall have no application to Products or the performance of the parties under this Agreement.
- 11.11 Dispute Resolution. The parties shall make best efforts to try to resolve any and all claims, controversies or difficulties between the parties ("Claims") by mutual discussions in good faith. Should the parties be unable to reach resolution themselves, Claims shall be finally settled by arbitration as follows: if Sanken initiates the arbitration proceedings, arbitration will be held in the State of Massachusetts in accordance with the Commercial Arbitration Rules of the American Arbitration Association; and if Allegro initiates the arbitration proceedings, arbitration will be held in Tokyo, Japan in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.  $\,$ 

SANKEN ELECTRIC CO., LTD.

ALLEGRO MICROSYSTEMS, INC.

By: /s/ Hirohito Sekine By: /s/ Daniel Demingware

Mr. Hirohito Sekine Mr. Daniel Demingware General Manager, Sales Vice President Sales Headquarters

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EXHIBIT A

# Exclusions

A. Products sales to the following customers in the Territory are excluded from the scope of this Agreement:

[\*\*\*] [\*\*\*]

B. Products sales through trading companies to the following customers in the Territory are excluded from the scope of this Agreement:

[\*\*\*]

[\*\*\*]

[\*\*\*]

C. For clarification purposes, it is agreed that varistors are excluded from the scope of this Agreement.

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### Pricing and Payment Terms

- A. The following terms shall apply to purchases of Products by Allegro:
  - Prices.

Unless otherwise agreed to by Allegro and Sanken in writing, the price of Products sold by Sanken to Allegro, for distribution within the Territory, shall be equal to [\*\*\*]% of the selling price to Allegro's end customer (not the intermediary price(s) between Allegro and Allegro's representative or distributors) at the time Allegro places the order to Sanken. Prices shall be converted from local currency to U.S. Dollars pursuant to #3 below. For the avoidance of doubt, this Section A.1 does not apply to Products covered under Section 2.3 herein.

Payment in Dollars.

All payments shall be made to Sanken in U.S. Dollars.

Exchange Rate.

Sales prices shall be converted from local currency into Dollars on a monthly basis pursuant to procedures established by the parties from time to time.

- 4. Freight Terms.
- C.I.P. (carriage and insurance paid to port of entry in the Territory).
- 5. Payment Terms.

- 3. The following terms shall apply to commissions paid by Sanken to Allegro pursuant to Section 2.3:
  - 1. Commission.

Unless otherwise agreed between Sanken and Allegro in writing, Allegro shall be entitled to a commission of [\*\*\*] percent ([\*\*\*]%) of the "Net Sales" of designated Products. The term "Net Sales" shall mean the total revenues for applicable Products shipped

during a month less returns and less the amount of any revenues previously included in net sales that Sanken determines during such month to be uncollectible.

# 2. Payment in Dollars.

Payments shall be made to Allegro in U.S. Dollars.

### Exchange Rate.

Commissions shall be converted from local currency into U.S. Dollars on a monthly basis pursuant to procedures established by the parties from time to time.

#### Payment Terms.

Payments shall be made to Allegro by the end of the month following the month for which Net Sales are calculated.  $\label{eq:payments}$ 

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

#### SALES REPRESENTATIVE AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of July 5, 2007 between Sanken Electric Co., Ltd., a Japanese corporation with its principal offices at 3-6-3 Kitano, Niiza-shi, Saitama, Japan ("Sanken"); and Allegro MicroSystems, Inc., a Delaware corporation with its principal offices at 115 Northeast Cutoff, Worcester, Massachusetts 01615 ("Allegro").

WHEREAS, Sanken desires that Allegro act as a sales representative for certain Sanken products in the continents of North and South America, and Allegro is willing to act in such capacity; and

WHEREAS, Sanken and Allegro wish to stipulate the terms and conditions of such activity and supersede that certain Representative Agreement between the parties dated October 1, 1997.

NOW, THEREFORE, the parties hereby agree as follows:

### DEFINITIONS.

In this Agreement, the following terms shall have the meanings set forth below:

- 1.1 "Commencement Date" means July 20, 2007.
- 1.2 "Intellectual Property" means any patent, copyright, trademark or other industrial or intellectual property right of Sanken in respect of the Products.
- 1.3 "Products" means those Sanken products that are listed on Exhibit A to this Agreement.
  - 1.4 "Territory" means North and South America, including Puerto Rico.

### APPOINTMENT AND ACCEPTANCE.

2.1 Non-Exclusive Representative. Sanken hereby appoints Allegro as its non-exclusive sales representative for the Products in the Territory and Allegro accepts such appointment, subject to the terms of this Agreement. It is agreed that Allegro may solicit orders through sub-representatives in the Territory.

- $2.2\ Scope$  of Appointment. Allegro shall not knowingly solicit orders from customers who intend to sell the Products outside of the Territory.
- 2.3 Product Modification or Discontinuance. Sanken may modify Products or discontinue the production of any or all of the Products at any time at its sole discretion. Sanken shall provide reasonable notice of such changes to Allegro and Sanken shall be responsible for resolving any customer issues resulting from its modification or discontinuation of its Products.
- 2.4 Relationship. Allegro is a representative of Sanken for the purpose of procuring orders from customers for Products. The parties are not principal and agent. Neither party shall have the right or authority to incur or create any warranty, liability or obligation of any kind on behalf of the other party.

### ALLEGRO'S OBLIGATIONS.

Allegro shall, during the term of this Agreement:

- 3.1 Use commercially reasonable efforts to promote the sale of Products in the Territory through a qualified sales organization.
- 3.2 Ensure that its sales personnel participate in sales training programs that Sanken may conduct, and conduct its own internal training to instill in its personnel, effective sales methods for the Products.
- 3.3 Keep Sanken reasonably informed of developments in the market for Products in the Territory, including changes in applicable regulatory requirements, and provide Sanken such other information relating to the sale and service of Products as Sanken may reasonably require from time to time.
- $3.4\ Refrain$  from advertising the Products in the Territory, unless Sanken has been given the opportunity to review and approve advertising materials in advance.
- 3.5 If requested by Sanken and at Sanken's expense, either at the premises of Allegro or at Sanken's premises, make its employees available for instruction by Sanken Allegro in the use, sale, maintenance and application of Products.
- 3.6 Refrain from becoming a representative or distributor of products manufactured by a third party that compete with the Products.
- 3.7 Bear all expenses associated with selling the Products, such as those for communication, travel and other sales associated disbursements, incurred in connection with its activities under this Agreement, unless otherwise agreed by the parties in writing.

3.8 Comply with all applicable laws and regulations relating to the import of Products into the Territory, including, without limitation, licensing and documentation requirements in the Territory and such other jurisdictions with jurisdiction over Allegro and such import activities.

### SANKEN'S OBLIGATIONS.

Sanken shall, during the term of this Agreement:

- $4.1\ Provide$  adequate training for Allegro employees and reasonable field sales support.
- 4.2 Provide such information and support as may reasonably be requested by Allegro with respect to Products, including then existing marketing materials, brochures and other information regarding Products.
- $4.3\ \mbox{As}$  mutually agreed with Allegro, participate with Allegro in fairs and exhibitions in the Territory.
- 4.4 Comply with all applicable laws and regulations relating to the export of Products from their place of manufacture or assembly into the Territory, including, without limitation, licensing and documentation requirements in the Territory and such other jurisdictions with jurisdiction over Sanken and such export activities.

### ORDERS, TERMS AND COMMISSIONS.

- 5.1 Orders. Orders for Products shall be submitted in accordance with procedures indicated by Sanken from time to time. Sanken reserves the right to reject any order at its sole discretion.
- 5.2 Terms and Conditions of Sale. Sanken's terms and conditions of sale shall apply to all sales of Products. No deviation from Sanken's terms and conditions shall be binding unless accepted in writing by Sanken.
- 5.3 Prices. Sanken reserves the right to change Product prices at any time. Orders accepted by Sanken prior to a price increase will be invoiced at the price in effect at the time of acceptance. Orders based upon a prior quotation will be accepted at prices in effect on the date of the quotation if the order is received by Sanken within thirty (30) days after the date of the quotation.
- $5.4\ Commissions.$  Allegro shall be entitled to receive commissions as specified on Exhibit B to this Agreement.
- 5.5 Order Termination. Sanken reserves the right to terminate the balance of any accepted customer order if Sanken learns that the customer's use of the Products is not suitable for such customer's application, or if the customer intends to use the Products in any life-support

device or system if a failure of such Product can reasonably be expected to cause a failure of that life-support device or system or to effect the safety or effectiveness of that device or system.

#### INTELLECTUAL PROPERTY.

- 6.1 License Grant. During the term of this Agreement, Sanken hereby grants to Allegro a license and privilege to use the trademarks included within the Intellectual Property in the Territory for the specific purposes of this Agreement. Sanken warrants that it owns the rights to the Intellectual Property in the Territory, or has a valid license to such rights. Sanken shall retain ownership of its Intellectual Property and Allegro shall not by operation of this Agreement acquire any ownership interest therein.
- 6.2 Protection of Intellectual Property. Allegro will not use any trademarks or trade names in the Territory that are likely to cause confusion with the trademarks or trade names of Sanken. Following the receipt of notice or other knowledge of any actual, threatened or suspected infringement in the Territory of any Intellectual Property or any claim of a third party that the sale of Products in the Territory infringes such party's intellectual property rights, Allegro will promptly notify Sanken thereof. Allegro will assist Sanken, at Sanken's expense, in maintaining Sanken's ownership rights to the Intellectual Property in the Territory, including any action against infringement of the Intellectual Property in the Territory, or negotiation of any permit or license.
- 6.3 Infringement Indemnification. Sanken shall defend and hold Allegro harmless from and against any and all claims, damages, suits, causes of action, liabilities or expenses (including without limitation reasonable attorneys' fees) arising from any allegation or claim that the sale of Products in the Territory infringes the intellectual property rights of any third party.

## 7. TERM AND TERMINATION.

- 7.1 Term. This Agreement shall take effect on the Commencement Date and shall remain in effect for a period of one year. This Agreement may be terminated as of the one year anniversary of the Commencement Date by either party upon three (3) months prior written notice to the other party. If neither party gives such notice of termination, this Agreement shall be renewed for one additional year. Thereafter, this Agreement shall automatically renew for a successive one year periods until either party gives notice of termination at least three (3) months prior to the expiration of any renewal term.
- 7.2 Termination. Either party hereto may immediately terminate this Agreement as follows: (a) if proceedings in bankruptcy or insolvency are instituted by or against the other party, a receiver or trustee is appointed, or such party makes an assignment for the benefit of its creditors or enters into any voluntary arrangement with creditors, or a substantial part of the assets of such party is the subject of attachment; or (b) upon default by the other party in the performance of its obligations under this Agreement, whereby such default is not cured within sixty (60) days after receipt by the defaulting party of written notice of the default.

- $7.3\ Effect$  of Termination. Upon the termination or expiration of this Agreement for any reason:
- 7.3.1 Allegro will promptly return to Sanken, or otherwise dispose of as Sanken may instruct, all Confidential Information (as defined in Section 8.1), technical instruction manuals, sales promotion materials, specifications or other documents relating to any of the Products.
- $7.3.2 \ \mbox{Allegro will}$  immediately cease to market or advertise the Products in the Territory.
- 7.3.3 Sanken shall satisfy all orders for Products accepted from any customer by Sanken prior to such termination if the customer order was procured, at least in part, through the efforts of Allegro.
- 7.4 Effect of Non-Completion. Sanken may withhold the payment of commissions due after the termination or expiration of this Agreement until all obligations owed by Allegro have been completed.

#### CONFIDENTIALITY.

- 8.1 Confidential Information. Except as provided in Section 8.2, neither party shall disclose to any third party, nor use for any purpose other than the purchase or sale of Products under this Agreement, any Confidential Information of the other party without the other party's prior written consent. As used in this Agreement, "Confidential Information" shall include but not be limited to all information regarding current or future Products, designs, marketing plans, processes, inventions, formulae, pricing and cost information, specifications, drawings, samples or other confidential or proprietary information or data furnished by one party to the other. "Confidential Information" shall not include any information that is publicly known through no fault of the receiving party, was previously known to or developed by the receiving party or an employee of the receiving party who has not had access to any Confidential Information of the disclosing party, or was received from a third party without breach of any confidentiality obligation imposed on that third party.
- 8.2 Permitted Disclosures. A party may disclose Confidential Information (i) to the extent required by law or by court order or other governmental action, but only to the extent so ordered; or (ii) to the extent necessary to implement this Agreement, to the party's employees, agents or subcontractors as reasonably necessary or appropriate, provided that before disclosure such recipients are informed of the confidentiality requirements of this Agreement. The disclosing party shall ensure compliance by its employees, agents or subcontractors with the confidentiality provisions of this Agreement.

8.3 Governmental Filings. Each party shall determine in its sole discretion whether such party is required to file or otherwise submit this Agreement and/or any description hereof with or to any governmental authorities or securities exchanges, including, without limitation, the U.S. Securities and Exchange Commission, NASDAQ, the Japanese Securities and Exchange Surveillance Commission or the Tokyo Stock Exchange. If a party (as the Submitting Party) determines that it is required to file or otherwise submit this Agreement and/or any description hereof with or to any such governmental authority or securities exchange, as applicable, then such Submitting Party shall with respect to such proposed filing or submission: (i) provide a copy of such filing or submission to the other party (as the Non-Submitting Party) reasonably prior to its filing or submission, and (ii) to the extent that the Submitting Party intends to request confidential treatment for any portion or portions of this Agreement, the Submitting Party will (A) provide a reasonable amount of time for the Non-Submitting Party's review of such confidentiality request and any redactions comprising such intended request and (B) give good faith consideration to the Non-Submitting Party's comments and requests for any additional or different redactions.

#### MISCELLANEOUS PROVISIONS.

- 9.1 Entire Agreement. This Agreement, and the attached Exhibits, constitutes the entire understanding between the parties with respect to Allegro's status as a sales representative for the Products in the Territory, and supersedes all prior agreements, negotiations and discussions between the parties regarding such subject matter, including without limitation that certain Representative Agreement between the parties dated October 1, 1997.
- 9.2 Amendments. No amendment or modification of this Agreement shall be effective unless set forth in writing and signed by a duly authorized representative of each party.
- 9.3 Assignment. Neither party shall assign any or all of its rights and obligations under this Agreement without the prior written consent of the other party.
- 9.4 Waiver. Any failure by any party to exercise or enforce any right under this Agreement shall not be deemed a waiver of such party's right thereafter to enforce each and every term and condition of this Agreement.
- 9.5 Force Majeure. The obligations of a party under this Agreement will be suspended during the period and to the extent that such party is prevented or hindered from complying therewith by any cause beyond its reasonable control including (insofar as such cause is beyond such party's control but without prejudice to the generality of the foregoing expression): strikes, lockouts, labor disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm. In the event of either party being so hindered or prevented such party will give notice of suspension as soon as reasonably possible to the other party stating the date and extent of such suspension and the cause thereof and the omission to give such notice will forfeit the rights of such party to claim such suspension. Any party whose obligations have been suspended as aforesaid will not be deemed to be in default of

its contractual obligations nor will any penalties or damages be payable. Any such party will resume the performance of such obligations as soon as reasonably possible after the removal of the cause and will so notify the other party. In the event that such cause continues for more than three months either party may terminate this Agreement on fourteen (14) days written notice.

- 9.6 Indemnification. Each party shall fully indemnify the other party against all actions, claims, demands, costs, charges, expenses or liabilities arising from or in connection with any breach of its obligations under this Agreement. NEITHER PARTY SHALL BE LIABLE TO THE OTHER (OR TO ANYONE ASSERTING A CLAIM ON A PARTY'S BEHALF) FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE, INCLUDING WITHOUT LIMITATION LOST PROFITS OR REVENUES. The obligation of Sanken to so indemnify Allegro under this Section 9.6 is in addition to any indemnity provided by Sanken to Allegro under Section 6.3.
- $9.7\ Language.$  This Agreement was drafted and executed in the English language.
- 9.8 Notices. Notices under this Agreement may be sent by e-mail or courier service. Notice shall be sent to the address set forth on the first page of this Agreement or to such other address and contact person as a party may designate, or to the email address of any such designated contact person.
- 9.9 Severability. The invalidity or unenforceability of any portion of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement.
- 9.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Japan.
- 9.11 Dispute Resolution. The parties shall make best efforts to try to resolve any and all claims, controversies or difficulties between the parties ("Claims") by mutual discussions in good faith. Should the parties be unable to reach resolution themselves, Claims shall be finally settled by arbitration as follows: if Allegro initiates the arbitration proceedings, arbitration will be held in Tokyo, Japan in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association; and if Sanken initiates the arbitration proceedings, arbitration will be held in the State of Massachusetts in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.  $\,$ 

SANKEN ELECTRIC CO., LTD.

ALLEGRO MICROSYSTEMS, INC.

By: /s/ Hirohito Sekine By: /s/ Daniel Demingware

Mr. Hirohito Sekine Mr. Daniel Demingware General Manager, Sales Vice President Sales Headquarters

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EXHIBIT A

Products

AC adapters
Switching mode power supplies

Transformers

q

#### Commissions

The following terms shall apply to sales representative commissions payable to Allegro pursuant to Section  $5.4\colon$ 

# 1. Commission.

Allegro shall be entitled to a commission of [\*\*\*] percent ([\*\*\*]%) of the "Net Sales" of Products. The term "Net Sales" shall mean the total revenues for Products shipped during a three-month quarter less returns and less the amount of any revenues previously included in net sales that Sanken determines during such month to be uncollectible.

## 2. Payment in Dollars.

Payments shall be made to Allegro in U.S. Dollars.

## 3. Exchange Rate.

Commissions shall be converted from local currency into U.S. Dollars on a quarterly basis pursuant to procedures established by the parties from time to time.

## 4. Payment Terms.

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*]

WAFER FOUNDRY AGREEMENT

By and Between

POLAR SEMICONDUCTOR, INC.

and

ALLEGRO MICROSYSTEMS, INC.

DATED AUGUST 1, 2007

ALLEGRO MICROSYSTEMS, INC. PROPRIETARY INFORMATION

## WAFER FOUNDRY AGREEMENT

This Wafer Foundry Agreement ("Agreement") is made and entered into this 1st day of August, 2007, (the "Effective Date") by and between Allegro MicroSystems Inc., a corporation duly organized and existing under the laws of the State of Delaware, ("Allegro"), and Polar Semiconductor, Inc., a corporation duly organized and existing under the laws of the State of Delaware ("PSI"). PSI and Allegro are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

#### Witnesseth:

WHEREAS, Allegro wishes to purchase certain semiconductor wafers; and

WHEREAS, PSI wishes to manufacture and sell such semiconductor wafers to Allegro; and

WHEREAS, the Parties wish to set forth their respective rights and obligations with respect to the purchase and sale of such semiconductor wafers; and

WHEREAS, Allegro desires PSI to use certain technology and intellectual property rights owned or otherwise controlled by Allegro for the purpose of manufacturing semiconductor wafers in accordance with this Agreement, and in furtherance thereof, Allegro desires to grant to PSI a non-exclusive license to use such technology and intellectual property rights for such purpose in accordance with this Agreement.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Parties hereto agree as follows:

## Definitions:

- A) "Wafers" means the semiconductor Wafers for Device Types, fabricated by PSI using the process technologies listed in Appendix A. Wafers will include Engineering Wafers, Risk Wafers, Production Wafers, and Process Qualification Wafers, as defined below.
- B) "Device Type" will mean any of the various Allegro integrated circuit devices specified by Allegro.
- C) "Process Qualification Wafers" or "PQW" means Wafers manufactured for the purposes of qualifying a new or changed Wafer manufacturing process, in accordance with Section 2.1 of this Agreement.
- D) "Engineering Wafers" will mean any Wafers manufactured with unverified masks or requiring process splits for product characterization based on qualified processes, as described in Section 2.2 of this Agreement.
- E) "Risk Wafers" will mean non-engineering, non-Process Qualification Wafers fabricated by PSI at Allegro's request, as referenced in Appendix C, and prior to Mass Production Wafer Approval, as referenced in Appendix B.

ALLEGRO MICROSYSTEMS, INC. PROPRIETARY INFORMATION

- F) "Production Wafers" will mean those Wafers manufactured at PSI after successful Mass Production Wafer Approval, as referenced in Appendix B.
- G) "Allegro Wafer Manufacturing Technology" means, from time to time during the term of this Agreement, those certain processes and related technical information, whether or not patentable, then owned or controlled by Allegro, necessary for manufacturing Wafers, and listed in Appendix N attached hereto, as such Appendix may from time to time, during the term of this Agreement, be amended by Allegro in its sole and absolute discretion in order for PSI to fulfill its obligations hereunder. In no event shall Allegro Wafer Manufacturing Technology be deemed to include any process or technical information previously known by PSI prior to its receipt from Allegro, received from another party, becomes part of the public domain, or is independently developed by PSI.
- H) "Allegro WMT Documentation" means, from time to time during the term of this Agreement, all documents and other manifestations, in any form whatsoever (including, without limitation, Allegro WMT Production Records, operating procedures, masks, reticles, and the like) that describe, memorialize or otherwise make manifest the processes or other inventions comprising the Allegro Wafer Manufacturing Technology and the use thereof by PSI.
- I) "Allegro WMT Production Records" means all production records, data, analyses, and the like generated by PSI in the course of manufacturing Wafars
- J) "Allegro Intellectual Property Rights" means, from time to time during the term of this Agreement, all right, title and interest in, to and under the Allegro Wafer Manufacturing Technology then owned or otherwise controlled by Allegro.
- K) "PSI Bloomington Wafer Fab Facility" means that certain facility owned by PSI and located at 2800 East Old Shakopee Road, Bloomington, Minnesota.
- L) "PSI Wafer Manufacturing Technology" means, from time to time during the term of this Agreement, those certain processes and related technical information, whether or not patentable, then owned or controlled by PSI, used by PSI in manufacturing Wafers, and listed in Appendix N, attached hereto, as such Appendix shall from time to time during the term of this Agreement be amended in order to reflect the manufacturing processes or other inventions then being used by PSI to fulfill its obligations under this Agreement. It is further understood and agreed to by the Parties that technical information, documentation and intellectual property rights related to PSI's [\*\*\*] process shall not be included within PSI Wafer Manufacturing Technology or PSI Intellectual Property Rights.
- M) "PSI WMT Documentation" means, from time to time during the term of this Agreement, all documents and other manifestations, in any form whatsoever (including, without limitation, operating procedures, masks, reticles, and the like) that describe, memorialize or otherwise make manifest the processes or other inventions comprising the PSI Wafer Manufacturing Technology and the use thereof by PSI.
- N) "PSI Intellectual Property Rights" means, from time to time during the term of this Agreement, all right, title and interest in, to and under the PSI Wafer Manufacturing

Patents and the PSI Wafer Manufacturing Technology then owned or otherwise controlled by PSI. It is further understood and agreed to by the Parties that technical information, documentation and intellectual property rights related to PSI's [\*\*\*] process shall not be included within PSI Wafer Manufacturing Technology or PSI Intellectual Property Rights.

Section 1. Scope and Grant of License:

- 1.1 Subject to the terms of this Agreement, PSI will fabricate certain Wafers ordered by Allegro, and PSI will deliver and sell such Wafers to Allegro.
- 1.2 This Agreement does not constitute a purchase order or release for such services. PSI will not undertake any expenses or other acts on Allegro's behalf before receiving and agreeing to an actual purchase order or other written authorization from Allegro.
- 1.3 Subject to the terms and conditions set forth in this Agreement, Allegro grants to PSI, and PSI accepts, a non-exclusive, royalty-free license under the Allegro Intellectual Property Rights, limited in accordance with the terms and conditions of this Agreement, to use the manufacturing processes and other inventions comprising the Allegro Wafer Manufacturing Technology and the Allegro WMT Documentation in order to make the Wafers in compliance with PSI's obligations under this Agreement or such other uses as the Parties may agree to in writing. Such license shall be limited to the manufacture of Wafers by PSI in the PSI Bloomington Wafer Fab Facility (or such other facility operated or subcontracted by PSI and to which Allegro consents in its sole and absolute discretion), shall not be sublicensed or otherwise transferred by PSI to any third party, and shall be subject to revocation, in whole or in part, by Allegro at any time in Allegro's sole and absolute discretion, and in the event of such revocation, PSI shall cease any further use of such portion or all, as specified by Allegro, of such manufacturing processes, other inventions and Allegro Wafer Manufacturing Technology.
  - 1.3.1 The license granted by Allegro to PSI, under Section #.1 of this Agreement, shall terminate upon the expiration or termination of this Agreement.
  - 1.3.2 Upon the termination of the license granted by Allegro to PSI, in this Section 1 of this Agreement, PSI shall promptly return to Allegro any and all Allegro WMT Documentation and, if requested in writing by Allegro
  - 1.3.3 Allegro shall have the right, upon reasonable notice to PSI, during the term of this Agreement, during reasonable times to inspect and copy the Allegro WMT Documentation. Documentation and information received by Allegro from PSI in this manner shall be used solely by Allegro to manufacture Wafers during a force majeure condition or if a default event has occurred, unless otherwise agreed to in writing by PSI and Allegro.
  - 1.3.4 PSI agrees at all times during the term of this Agreement to maintain the Allegro WMT Production Records in a manner at least as rigorous as it maintains its own information of a similar nature and consistent with PSI's implementation of the requirements, as set forth in the TS 16949 specifications.

1.3.5 PSI agrees at all times during the term of this Agreement to maintain the PSI WMT Documentation in a manner at least as rigorous as those it maintains its own information of a similar nature and consistent with PSI's implementation of the requirements, as set forth in the TS 16949 specifications.

## Section 2. Wafer Fabrication:

PSI will fabricate all Wafers at its Bloomington, Minnesota facility, using the process technologies listed in Appendix A, as specified by Allegro.

- 2.1 PSI will provide Allegro with PQW or qualification reports to establish wafer fabrication processes with the following conditions:
  - 2.1.1 Wafer lot sizes will be as specified in Appendix E;
  - 2.1.2 Split Wafer lots for PQW will be mutually agreed upon by Allegro and PSI;
  - 2.1.3 All instructions for such PQW will be documented in Allegro purchase orders;
  - 2.1.4 PQW processed to standard conditions will meet optical and electrical specification(s) as referenced in Appendix A;
  - 2.1.5 PQW not processed to standard conditions will meet optical and electrical specification(s) as referenced in Appendix A;
  - 2.1.6 Allegro acknowledges that the sale of all PQW not processed to standard conditions, but processed correctly within practical limits according to the mutually agreed upon process flow, will be made AS IS and with all faults and without warranties, either express or implied, except as provided in Section 2.1.5;
  - 2.1.7 Future Wafer processes, including modifications to current Wafer processes, that are developed by PSI may be added to this Agreement by mutual consent. Subject to Allegro's prior written consent, PSI may terminate the use of a Wafer process at the PSI Fab (provided that such changes are not initiated at Allegro's request) (i) PSI will provide all PQWs to Allegro free of charge, and (ii) PSI will reimburse Allegro for the purchase of masks for qualification of each process with a change requiring mask changes. At least [\*\*\*] prior to the date of the discontinuance of any process, with respect to any Wafers, PSI will provide Allegro with written notice of its intent to terminate such Wafer process and will cooperate with Allegro on a transition plan that allows Allegro to meet all of Allegro's contractual obligations with Allegro's customers that provides Allegro's customer with a maximum supply of [\*\*\*] of inventory.
  - 2.1.8 PSI may subcontract various wafer processes at an outside subcontractor subject to Allegro's prior written consent.
  - 2.1.9 PSI will not transfer Allegro product from one fabrication facility to another regardless of the process or technology being qualified at another fab without Allegro's written approval.
- 2.2 PSI will accept Allegro's purchase orders for Engineering Wafers for Device Types, based on qualified processes with the following conditions:
  - 2.2.1 Wafer lot sizes will be as specified in Appendix E;
  - 2.2.2 Split Wafer lots for Engineering Wafers will be mutually agreed upon by Allegro and PSI;
  - 2.2.3 Special instructions for Engineering Wafers will be documented in Allegro purchase orders;
  - 2.2.4 Engineering Wafers processed to PSI's standard process specifications will meet optical and electrical specification(s), as referenced in Appendix A
  - 2.2.5 Engineering Wafers not processed to standard conditions will meet optical and electrical specification(s), as referenced in Appendix A; and
  - 2.2.6 Allegro acknowledges that the purchase of all Engineering Wafers that meet agreed upon Process Control Module Specifications, according to the mutually agreed

upon process flow, will be made AS IS and with all faults and without warranties, either express or implied, except as provided in Section  $\frac{2}{2}$  5

- 2.3 PSI will accept Allegro's purchase orders for Risk Wafers with the following conditions:
  - 2.3.1 Wafer lot sizes will be as specified in Appendix E;
  - 2.3.2 Purchase orders for Risk Wafers must be accompanied by a Risk Wafer Production Authorization, as referenced in Appendix C;
  - 2.3.3 Risk Wafers will meet optical and electrical specification(s), as referenced in Appendix A;
  - 2.3.4 Allegro acknowledges that the purchase of such Risk Wafers will meet acceptance criteria, as set forth in Appendix A.
- 2.4 PSI will accept purchase orders for Production Wafers with the following conditions:
  - 2.4.1 Wafer lot sizes will be as specified in Appendix E; and
  - 2.4.2 Both Parties have determined that the Device Type has been successfully approved for Mass Production Wafers, as set forth in Appendix B.
- 2.5 Upon acceptance, PSI will fabricate Production Wafers ordered by Allegro with specifications listed in Appendix A. These specifications may be changed only upon mutual agreement in writing by both Parties. PSI will comply with all the requirements set forth in "Allegro's Quality Plan", as set forth in Appendix G.
- 2.6 PSI will make available PSI's wafer evaluation and electrical data, as set forth in Appendix A, to Allegro through electronic means for each lot of Wafers delivered to Allegro prior to the shipment of the Wafers. PSI will also supply relevant reliability, optical and process control information, as set forth in Appendix F and Appendix G by request.
- 2.7 PSI will follow Allegro's change procedures (as set forth in Appendix F and Appendix G) with respect to processes utilized to manufacture Allegro.
- 2.8 For any lots not meeting the relevant criteria, as specified above, PSI will provide a Non-Conforming Material Permission ("NMP") sheet electronically to the Director of Manufacturing Engineering, as set forth in Appendix G, along with all applicable data, for Allegro's review. If the material is determined by Allegro to be acceptable, Allegro will complete the NMP and PSI will deliver the acceptable Wafers to Allegro.

Section 3. Forecast, Purchase Orders, Deliveries, Delivery Performance, Expedited Delivery:

- 3.1 Allegro will provide, by the 15th of each calendar month, a six (6) month, rolling non-binding forecast, for months subsequent to the current month, of the total Production Wafers required, by process technology, as set forth in Appendix A. The forecast will also include Wafer quantity estimates for Engineering Wafer requirements. The forecast will be used for planning purposes only and does not represent a commitment by Allegro to make any purchases. The only commitment to purchase will arise from purchase orders or purchase requirements.
- 3.2 Allegro will issue purchase orders for each of the following: (1)
  Engineering Wafers, (2) Risk Wafers, (3) Production Wafers and (4) Process
  Qualification Wafers.
- 3.3 Allegro's purchase requirements, with requested delivery dates, will be submitted weekly via a purchase order, and/or a purchase order release, and will result in a binding purchase obligation by Allegro to PSI, subject to cancellation charges, as set for in Section 3.5. PSI will acknowledge and provide a scheduled ship date in writing for each purchase requirement

within [\*\*\*]. Cycle-time requirements will be as defined in Appendix H. Any changes to Appendix H will require mutual agreement in writing. PSI will commence Production Wafer starts within [\*\*\*] business days following the acknowledgment to the extent accepted. PSI will commence Engineering Wafer starts within [\*\*\*] business days following the acknowledgment to the extent accepted.

- 3.4 PSI will provide Allegro with real-time on-line access to Allegro WIP and delivery information. PSI will promptly notify Allegro of any delivery deviations beyond the tolerance specified in 3.9 and 3.10.
- 3.5 Purchase orders for Wafers are cancelable. Purchase Order cancellations for Wafers will incur charges (Wafer Termination Charges) for Work in Progress (WIP), according to the following schedule:

Be Pr St

	(Excluding [***])	[***]
efore Wafer Scribe	[***]% of Wafer Price	[***]% of Wafer Price
rior to Device Mask	[***]% of Wafer Price	[***]% of Wafer Price
ubsequent to Device Mask and Prior to Resistor Mask ubsequent to Resistor Mask and Prior	[***]% of Wafer Price	[***]% of Wafer Price
to Contact Mask ubsequent to Contact Mask	[***]% of Wafer Price [***]% of Wafer Price	[***]% of Wafer Price [***]% of Wafer Price

Process Technologies

All Wafer lots on hold, in excess of [\*\*\*], will be reviewed by Allegro and PSI. This review will result in a formal determination of whether the lots should be terminated, finished or remain on hold. After[\*\*\*] of a Wafer lot being placed on hold, and provided that PSI notifies Allegro's Director of Planning in writing within [\*\*\*] business days, Wafers can be terminated by PSI and termination charges, as set forth in this Section 3.5, are applied.

- 3.6 Within [\*\*\*] working days of receipt of Allegro's forecast, referred to in Section 3.1, PST will provide a [\*\*\*] rolling non-binding capacity view, covering [\*\*\*] subsequent to the current month, of the total capacity available, by process technology, as set forth in Appendix A.
- 3.7 PSI guarantees certain reserve capacity, as set forth in Appendix D of this Agreement.
- 3.8 PSI will accept all orders for quantities up to the applicable reserve (as set forth in Appendix D), with requested factory-exit dates consistent with Section 3.3. In the event that Allegro would like to request Wafers that exceed the applicable reserve, Allegro and PSI agree to negotiate in good faith a possible adjustment to the applicable reserve to accommodate Allegro's request for Wafers. Any adjustment will be subject to PSI's existing available capacity and other customer commitments.
- 3.9 Delivery Performance. Delivery performance goal is [\*\*\*]% of the total quantity of specific product ordered for a specified time period, as set forth in Allegro's purchase order and/or release (+5 days early, 0 day late to the specified delivery date). Failure to meet [\*\*\*]% on time delivery for [\*\*\*] consecutive weeks will require PSI to submit a corrective action plan and provide up to [\*\*\*] to Allegro at no charge until the delivery performance improves and meets [\*\*\*]% on time delivery for [\*\*\*] consecutive weeks.
- 3.10 Expedited Delivery. PSI agrees to provide expedited delivery of 6" and 8" Wafer lots at the prices listed in Appendix J, as follows:

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6" Hot Lots * - Up to [***] at any given time. 6" Nuclear Lots **- Up to [***] at any given time.
```

- \* 6" Hot Lots are defined as lots with a fab process technology lead time not to exceed a cycle time of [\*\*\*] day ([\*\*\*] hours) per mask level for the PSI interval (maximum of [\*\*\*] Wafers per lot).
- \*\* 6" Nuclear Lots are defined as lots with a fab process technology lead-time not to exceed a cycle time of [\*\*\*] day ([\*\*\*] hours) per mask level for the PSI interval (maximum of [\*\*\*] Wafers per lot).

```
8" Hot Lots ^* - Up to [^{***}] at any given time. 8" Nuclear Lots ^{**-} Up to [^{***}] at any given time.
```

- 8" Hot Lots are defined as lots with a fab process technology lead time not to exceed a cycle time of [\*\*\*] days ([\*\*\*] hours) per mask level for the PSI interval (maximum of [\*\*\*] Wafers per lot).
- \*\* 8" Nuclear Lots are defined as lots with a fab process technology lead-time not to exceed a cycle time of [\*\*\*] days ([\*\*\*] hours) per mask level for the PSI interval (maximum of [\*\*\*] Wafers per lot)

Section 4. Facility Visits, Audits, and Operational Reviews:

4.1 Facility visits and audits (by customers and/or Allegro) are permitted, for any reason or purpose, on a reasonable basis and any such visits and audits will be conducted, upon Allegro providing reasonable notice to PSI, during PSI's regular business hours and without undue disruption of PSI's business. Allegro, at its discretion, will have the right to schedule operational reviews with PSI on a quarterly basis.

Section 5. Procedure for Wafer Return and Credit:

- 5.1 Allegro will notify PSI in writing by completing the PSI RMA Request Form, as set forth in Appendix I, of its reasons for rejection of Production Wafers and provide product information and engineering data within [\*\*\*] following Allegro's receipt of such Production Wafers. Such data will include, as applicable:
  - 5.1.1 Optical and electrical data from Production Wafers; and/or
  - 5.1.2 Yield data for Production Wafers failing to meet the probe yield target per device, as set forth in Appendix I.

Product information will include product name, lot number, quantity, purchase order number, and date of receipt at Allegro.

If any Production Wafers pass the acceptance criteria, specified in Sections 5.1.1 and 5.1.2, but are rejected by Allegro, or Allegro's customer, at a subsequent date still within the warranty period, as specified in Section 8, due to the fact that the failure is process related, Allegro will promptly notify in writing and provide a failure analysis report explaining why Allegro believes that the failure is process related.

5.2 Allegro will notify PSI in writing by completing the PSI RMA Request Form, as set forth in Appendix I, of its reasons for rejection of Risk and Engineering Wafers and provide product information and engineering data within [\*\*\*] following Allegro's receipt of such Risk and Engineering Wafers. Such data will include, as applicable:

- 5.2.1 Optical and electrical data product information will include product name, lot number, quantity, purchase order number, and date of receipt at Allegro.
- 5.3 The Parties will agree on whether the reasons for rejection are valid. PSI will respond in writing within [\*\*\*] following receipt of data and product, specified in Sections 5.1 and 5.2. If no written response is provided within [\*\*\*] of receipt of all data and product required to make a determination, Allegro and PSI will consider the rejection as valid. If valid, PSI will issue a Return Material Authorization ("RMA") Number. For Production Wafers failing to meet the probe yield target per device, as set forth in Appendix I, failures for which no design defect is identifiable, Allegro and PSI agree that the failure is valid and an RMA Number will be issued.
- 5.4 PSI, at Allegro's option, will [\*\*\*], or [\*\*\*], provided that the reasons for rejection are confirmed to be valid by PSI, or deemed to be confirmed, as described above in Section 5.3. If Wafers are replaced, PSI will pay all applicable shipping charge.

Section 6. Wafer/ Mask Price, Payment, and Invoices:

- 6.1 The prices of Production Wafers, Risk Wafers, Engineering Wafers and Masks will be set forth in Appendix J and will be established and fixed for [\*\*\*] periods. All prices are on a F.O.B. Bloomington, Minnesota basis for the term of this Agreement, except for replacement Wafers for which PSI will pay all applicable shipping charges. All prices stated in this Agreement are in U.S. Dollars. All prices stated in this Agreement are exclusive of all applicable state and local sales, use, and other similar taxes. Unless Allegro advises PSI in writing, reasonably acceptable to PSI that an exemption applies, Allegro will pay all applicable state and local sales, use and other similar taxes. Taxes payable by Allegro will be billed as separate items.
- 6.2 On a go-forwards basis, Allegro and PSI agree to establish the new fixed [\*\*\*] wafer and mask pricing no later than [\*\*\*] prior to start of the new fiscal half year period (April and October) and [\*\*\*].
- 6.3 PSI will issue an invoice with each shipment, and the date on this invoice will be no earlier than the shipment date, with the shipment date referenced on the invoice. The invoice will include the purchase order number, purchase order line number, purchase order line description, purchase order quantity, purchase order unit of measure, and purchase order unit price.
- 6.4 All payments due PSI under this Agreement will be delivered to PSI at the address shown on its invoice, net [\*\*\*], and Allegro reserves the right to any credit setoff. Notwithstanding the foregoing, Allegro will not be obligated to pay invoices for Wafers for which an RMA number has been issued or for which an RMA request is pending.
- 6.5 Allegro will bear all taxes, duties, levies and similar charges (and any related interest and penalties), however designated, in connection with the existence of this Agreement, or the transactions contemplated thereby, other than income taxes imposed upon PSI by any governmental authority in any jurisdiction.

Section 7. Title and Risk of Loss:

7.1 Title and risk of loss and damage to all Wafers purchased by Allegro will vest in Allegro when the Wafers are placed by PSI in the possession of a carrier at the F.O.B. point of origin, freight collect, with freight charges being billed directly by the carrier to Allegro. PSI will pack and ship Wafers, as set forth in Appendix  $\kappa$ 

#### Section 8. Warranty:

- 8.1 Warranties. PSI hereby warrants to Allegro that Production Wafers and Risk Wafers sold by PSI will be free from defects in material and workmanship for a period of [\*\*\*] from the date of delivery by PSI to Allegro, and that Production Wafers will conform to specifications, and Wafer and electrical specifications, as set forth in Appendix A and Appendix I.
- 8.2 Remedies. If any Risk or Production Wafers fail to conform to the applicable foregoing warranty during the relevant warranty period and PSI is notified promptly, in writing, following the discovery of such failure, PSI will, at Allegro's sole option, [\*\*\*], or provide to Allegro [\*\*\*]. The foregoing notice from Allegro will include a description of the basis for Allegro's warranty claim, lot number, and original date received by Allegro. To the extent practicable (for example, provided that the Wafers have not been shipped to a customer), Allegro will return such defective Risk or Production Wafers to PSI, and, if such defective Wafers have already been packaged, PSI will [\*\*\*] for such Wafers. PSI will return any Risk and Production Wafers replaced under this warranty to Allegro, transportation prepaid. The foregoing warranty constitutes PSI's exclusive liability, and the exclusive remedy of Allegro, for any breach of any warranty or other nonconformity of the Risk and/or Production Wafers, except as set forth in Appendix M.
- 8.3 LIMITATIONS. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY EXPRESSLY DISCLAIMED.

## Section 9. Intellectual Property:

- O.1 PSI will defend or settle, at its own option and expense, any and all suits against Allegro alleging: (a) infringement of any patent, trademark, copyright or other proprietary right, arising from adherence to process information, drawings, design, or other specifications, which Allegro is instructed by PSI to follow, and (b) infringement relating to the manufacture, use or sales of any of the circuits, either as individual units or in combination with another item not furnished by Allegro, provided that PSI (a) has had timely written notice of all allegations of such infringement and suits, and full opportunity and authority to assume the sole defense of and to settle such suit, and (b) have been furnished, upon PSI's request, all information and assistance available to Allegro for such defense.
- 9.2 Allegro will defend or settle, at its own option and expense, any and all suits against PSI alleging: (a) infringement of any patent, trademark, copyright or other proprietary right, arising from adherence to process information, drawings, design, or other specifications which PSI is instructed by Allegro to follow, and (b) infringement relating to the manufacture, use or sales of any of the circuits, either as individual units or in combination with another item not furnished by PSI, provided that Allegro (a) has had timely written notice of all allegations of such infringement and suits, and full opportunity and authority to assume the sole defense of and to settle such suit, and (b) have been furnished, upon Allegro's request, all information and assistance available to PSI for such defense.

9.3 The foregoing Sections 9.1 and 9.2 state the entire liability of the Parties for any patent, trademark, copyright, or other proprietary right infringement.

#### Section 10. Identification:

- 10.1 PSI will not, without Allegro's prior written consent, engage in advertising, promotion or publicity related to this Agreement, or make public use of any Identification (as hereinafter defined) in any circumstances related to this Agreement. As used in this Agreement, the term "Identification" means any copy or semblance of any trade name, trademark, service mark, insignia, symbol, logo, or any other product, service or organization designation, or any specification or drawing of Allegro or its respective affiliates, or evidence of inspection by or for any of them.
- 10.2 PSI will remove or destroy any Identification prior to any use or disposition of any Wafers rejected or not purchased by Allegro, and, will indemnify, defend (at Allegro's request) and save harmless Allegro and its respective affiliates and each of their officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) arising out of the PSI's failure to so remove or obliterate Identification.

## Section 11. Protection of Proprietary Information:

- 11.1 The Non-Disclosure Agreement between PSI and Allegro having an effective date of October 25, 2005, is hereby incorporated in its entirety into this Agreement.
- Section 12. Term, Termination of Agreement and Bankruptcy:
- 12.1 Term; The term of this Agreement will commence on the date first written above and continue through March 31, 2012, unless terminated earlier, pursuant to Sections 12.2, 12.3, or 12.4.
- 12.2 Immediate Termination Events. Either Party may terminate or suspend this Agreement immediately and without liability upon written notice to the other Party, if any one of the following events occurs:
  - (a) The other Party files a voluntary petition in bankruptcy or otherwise seeks protection under any law for the protection of debtors;
  - (b) A proceeding is instituted against the other Party under any provision of any bankruptcy law, which is not dismissed within ninety (90) days;
  - (c) The other Party is adjudged bankrupt;
  - (d) A court assumes jurisdiction of all or a substantial portion of the assets of the other Party under a reorganization law;
  - (e) A trustee or receiver is appointed by a court for all or a substantial portion of the assets of the other Party;
  - (f) The other Party becomes insolvent or ceases or suspends all or substantially all of its business; or
  - (g) The other Party makes an assignment of the majority of its assets for the benefit of creditors.
- 12.3 Termination for Breach. In case either Party breaches or defaults in the effective performance of any of the terms, conditions, covenants, or agreements contained in this Agreement, then the Parties will first attempt in good faith to resolve such breach. [\*\*\*] after delivery of written notice to the breaching Party that a breach, described in this Section 12.3 has occurred, the non-breaching Party may terminate this Agreement without liability for such termination; provided, that if the breaching Party has begun substantial corrective action to remedy the breach, the non-breaching Party may only terminate this

Agreement without liability for such termination [\*\*\*] after delivery of its written notice to the breaching Party, if such breach remains uncured as of such date; provided, however, that if allowing [\*\*\*] for the breaching Party to cure the breach would cause irreparable harm to the business prospects of the non-breaching Party, notwithstanding any dispute resolution provisions herein to the contrary, temporary or preliminary injunctive relief in a court of competent jurisdiction will be appropriate to prevent either an initial or continuing breach in addition to any other relief to which the non-breaching Party may be entitled.

- 12.4 In case that PSI terminates this Agreement, pursuant to Section 12.3, Allegro will be liable for any and all Wafer finished goods and Work-in-Process held by PSI at the time of termination, and resulting from an order issued by Allegro hereunder. In case that Allegro terminates this Agreement, pursuant to Section 12.3, Allegro may cancel any or all orders without any liability to PSI.
- 12.5 Notwithstanding any provision of this Agreement, subject to its compliance with the following, PSI will have the right to terminate this Agreement in the event it ceases operations at its Bloomington, Minnesota facility:
  - 12.5.1 PSI will give Allegro at least twenty-four (24) months prior written notice prior to the date PSI ceases operations at its Bloomington, Minnesota foundry.
  - 12.5.2 In addition to its rights to purchase Wafers under this Agreement, Allegro will have the option during such twenty-four (24) month period, described in 12.5.1, to place, and PSI will fulfill regardless of any Wafer production capacity commitment, as set forth in Appendix D, a "life-time" purchase order for Wafers, provided that such "life time" purchase order is issued by Allegro at least [\*\*\*] prior to the closing of the facility, with deliveries not to extend beyond [\*\*\*] from planned closure.
  - 12.5.3 PSI will bear all costs (including all Allegro's costs) associated with the product and process qualification of, and the reticle transfer to, a new fabrication line (including within the Bloomington facility) for the manufacture of the Wafers where the transfer is a PSI initiated requirement.
- 12.6 In the event that PSI becomes the subject of voluntary, or involuntary, petition in bankruptcy, or any proceeding related to insolvency or composition for the benefit of creditors, and such proceeding is not dismissed within [\*\*\*], PSI agrees to grant Allegro the right to access the PSI Wafer Manufacturing Technology and a non-exclusive, worldwide, royalty-free license, with the right to grant sublicenses, to use the manufacturing processes comprising the PSI Wafer Manufacturing Technology in order to make, or have made, Wafers that PSI would have otherwise been obligated to manufacture and supply to Allegro in compliance with this Agreement, but for such bankruptcy, insolvency or composition for the benefit of creditors. Such license shall terminate upon the earlier of (i) such time that PSI emerges from any such bankruptcy or insolvency proceeding and (ii) such time that this Agreement would have otherwise terminated in accordance with its terms; upon any such termination, Allegro shall cease any further use of such manufacturing processes, other inventions and the PSI Wafer Manufacturing Technology. Such right of access to the PSI Wafer Manufacturing Technology and license shall be effected through PSI's prompt provision to Allegro of complete and full disclosure to Allegro of all PSI Wafer Manufacturing Technology used to manufacture and supply Wafers to Allegro, including, without limitation, the PSI WMT Documentation, and any

and all Allegro WMT Documentation then in the possession of PSI. Such full and complete disclosure of PSI's Wafer Manufacturing Technology and delivery of the Allegro WMT Documentation will be provided to Allegro without delay. In the event PSI emerges from any such bankruptcy, or insolvency proceeding, the PSI Wafer Manufacturing Technology (including, without limitation, the PSI WMT Documentation) will be returned to PSI, and PSI will resume manufacture and supply of Wafers to Allegro, in accordance with the terms and conditions of this Agreement.

12.7 Survival of Obligations. The following Sections will survive any expiration, termination or cancellation of this Agreement, and the Parties will continue to be bound by the terms and conditions thereof: 8, 9, 10, 11, 12.4, 12.6, 14, 16, 19, 20, 22, and 27.

#### Section 13. Force Majeure:

13.1 Neither Party will be held responsible for any delay or failure in performance of any part of this Agreement, to the extent such delay or failure, is caused by fire, flood, explosion, war, embargo, government requirement, civil or military authority, act of God, act or omission of carriers, or other similar causes beyond its control and without the fault or negligence of the delayed or nonperforming Party or its subcontractors ("force majeure conditions"). Notwithstanding the foregoing, PSI's liability for loss or damage to Allegro's material in PSI's possession or control will not be modified by this clause. If any force majeure condition occurs, the Party delayed or unable to perform will give immediate notice to the other Party, stating the nature of the force majeure condition and any action being taken to avoid or minimize its effect. The Party affected by the other's delay or inability to perform may elect to: (1) suspend this Agreement or an order for the duration of the force majeure condition and (i) at its option buy, sell, obtain or furnish elsewhere material or services to be bought, sold, obtained or furnished under this Agreement or an order (unless such sale or furnishing is prohibited under this Agreement) and deduct from any commitment the quantity bought, sold, obtained or furnished or for which commitments have been made elsewhere and (ii) once the force majeure condition ceases, resume performance under this Agreement or order with an option to the affected Party to extend the period of this Agreement or an order up to the length of time the force majeure condition endured and/or (2) when the delay or nonperformance continues for a period of at least [\*\*\*], terminate, at no charge, this Agreement or an order, or the part of it relating to material not already shipped, or services not already performed. Unless written notice is given within [\*\*\*] after the affected Party is notified of the force majeure condition, (1) will be deemed selected.

In the event that force majeure conditions prevent PSI from manufacturing and supplying Wafers to Allegro, in accordance with this Agreement, for a period of [\*\*\*], Allegro shall have the option to require PSI to promptly deliver to Allegro copies of all PSI WMT Documentation and Allegro WMT Documentation then in PSI's possession and to grant to Allegro a license to use the PSI Wafer Manufacturing Technology to the extent necessary and sufficient for Allegro to make or have made, use or have used, sell or have sold, import or have imported, and otherwise commercialize Wafers for a period of time equal to the duration of the Force Majeure event preventing PSI's performance.

# Section 14. Limitation of Liability:

14.1 In no event will either Party be liable, whether in contract, in tort (including negligence), under any warranty or otherwise for any special, punitive, indirect, incidental or consequential loss or damage or loss of profits or revenues.

## Section 15. Emergency Backup Plan:

15.1 Within [\*\*\*] of the execution of this Agreement, PSI will furnish to Allegro, a written plan of action (an "Emergency Backup Plan") that covers PSI's plans on how it will continue to perform its obligations under this Agreement in case of an unforeseen catastrophe, including a force majeure condition, or any other condition in which PSI will be unable to produce and ship Wafers for [\*\*\*]. The Emergency Backup Plan will identify PSI's secondary manufacturing location(s), if any, and include the estimated time for the implementation of such Emergency Backup Plan and production of Wafers.

#### Section 16. Notices:

16.1 All notices, demands, or consents required or permitted hereunder will be in writing and will be delivered, delivered by e-mail, or sent by facsimile, or mailed to the respective Parties at the addresses set forth below, or at such other address as will have been given to the other Party, in writing for the purposes of this clause.

Such notices and other communications will be deemed effective upon the earliest to occur of:

- (a) Actual delivery (e-mail, facsimile, hard copy),
- (b) Five (5) days after mailing, addressed and postage prepaid, return receipt requested,

To Allegro: Allegro MicroSystems, Inc.

115 Northeast Cutoff

Worcester, MA 01606 Attention: Vice President of Operations Phone: 508-854-5240

With a copy to: Allegro MicroSystems, Inc.

115 Northeast Cutoff Worcester, MA 01606 Attention: General Counsel Phone: 508-854-5706

To PSI: Polar Semiconductor, Inc.

2800 East Old Shakopee Road Bloomington, MN 55425 Attn: Chief Operating Officer

Phone: 952-876-3290

## Section 17. Waiver and Amendment:

17.1 Failure by either Party, at any time, to require performance by the other Party, or to claim a breach of any provision of this Agreement, will not be construed as a waiver of any right accruing under this Agreement, nor will it affect any subsequent breach or the effectiveness of this Agreement, or any part hereof, or prejudice either Party with respect to any subsequent action. A waiver of any right accruing to either Party, pursuant to this Agreement, will not be effective unless given in writing.

# Section 18. Assignment:

18.1 Neither Party will assign, transfer, or otherwise dispose of this Agreement in whole or in part, without the prior consent of the other Party in writing, and such consent will not be

unreasonably withheld, provided, however, that this Agreement may be assigned by either Party to any successor entity, whether by merger, consolidation, or acquisition of all or substantially all of the assets of such Party related to the performance of this Agreement. Upon the completion of such assignment, the assigning Party will promptly provide a written notice to the other Party to this Agreement.

#### Section 19. Governing Law:

- 19.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Massachusetts.
- Section 20. Compliance with Laws; Environmental Compliance:
- 20.1 PSI, and all persons furnished by PSI, will comply at their own expense with all applicable federal, state and local laws, ordinances, regulations and codes, including those relating to the use of chlorofluorocarbons, and including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections in performance under this Agreement.
- 20.2 PSI agrees to meet the requirements associated with Environmental Compliance, as set forth in Appendix L, hereby attached and made part of this Agreement.

## Section 21. Severability:

21.1 In the event that any provision of this Agreement is found to be unlawful or otherwise unenforceable, such provision will be severed, and the entire Agreement will not fail on account thereof, the balance continuing in full force and effect, and the Parties will endeavor to replace the severed provision with a similar provision that is not unlawful or otherwise unenforceable.

# Section 22. Exports:

22.1 The Parties agree and stipulate that no Wafers, technical information, or other information furnished under this Agreement or any direct product thereof, will be exported or re-exported, directly or indirectly, to any destination restricted or prohibited by export regulations of the United States, without the authorization from the competent governmental authorities. This restriction applies to all parent, subsidiaries and affiliates of the Parties. Any successor provisions to the export regulations apply to all future export and re-export transactions and the requirements of this Section will survive indefinitely, including any termination of this Agreement. Should a Party to this Agreement be held to have breached any applicable export regulations, such Party will indemnify and hold harmless the other Party from any costs or damages actually incurred by the non-breaching Party, to the extent that such non-breaching Party is held not accountable for such breach by competent governmental authorities.

## Section 23. Headings:

23.1 The headings of the various sections of this Agreement have been inserted for convenience of reference only and will not be deemed to be a part of, or affect the interpretation of, any provision of this Agreement.

# Section 24. Counterparts:

24.1 This Agreement may be executed in any number of counterparts, and each such counterpart hereof will be deemed to be an original instrument, but all such counterparts together will constitute but one Agreement.

#### Section 25. Communication and Representatives:

25.1 Throughout the term hereof, each Party agrees to designate in writing one of its employees to represent it in connection with day-to-day operations under this Agreement.

Section 26. Rights of Non-Submitting Party to Comment (Public Disclosure):

26.1 The Parties to this Agreement shall consult with each other as to the form, substance and timing of any press release or other public disclosure related to this Agreement, or the transactions contemplated hereby, and no such press release or other public disclosure shall be made without the consent of the other Party hereto, which consent shall not be unreasonably withheld or delayed. Each Party shall determine in its sole discretion whether such Party is required to file or otherwise submit this Agreement with, or to, any governmental authorities, including, without limitation, the U.S. Securities and Exchange Commission. If a Party (as the Submitting Party) determines that this Agreement is required to be so filed or submitted, then such Submitting Party shall with respect to such proposed filing or submission: (i) provide a copy of such filing or submission to the other Party (as the Non-Submitting Party) reasonably prior to its filing or submission, (ii) identify to the extent that the Submitting Party intends to request confidential treatment for any portion or portions of this Agreement, (iii) provide a reasonable amount of time for the Non-Submitting Party's review of the filing or submission and such confidentiality request and any redactions comprising such intended request and (iv) give good faith consideration to the Non-Submitting Party's comments and requests for any additional or different redactions.

## Section 27 Integration:

27.1 This Agreement, and each Appendix, and each Exhibit attached, sets forth the entire Agreement and understanding between the Parties, as to the subject matter hereof, and merges all prior discussions between them, and none of the Parties will be bound by any conditions, definitions, warranties, modifications, understandings or representations with respect to such subject matter other than as expressly provided herein, or as duly set forth on or subsequent to the effective date hereof in writing and signed by a proper and duly authorized representative of the Party to be bound thereby. This Agreement supersedes and replaces in its entirety the Agreement between Allegro MicroSystems, Inc. and PolarFab (presently PSI) dated January 29, 2001. This Agreement may be modified or amended as set forth in writing and signed by a duly authorized representative of each Party.

# Section 28. Relationship Between Parties:

28.1 Neither Party to this Agreement will have the power to bind the other by any guarantee or representation that it may give, or to incur any debts or liabilities in the name of or on behalf of the other Party. The Parties acknowledge and agree that nothing contained in this Agreement will be deemed or construed to constitute or create between the Parties hereto a partnership, association, joint venture or other agency.

## Section 29. No Implied Licenses:

29.1 No licenses are granted hereunder by implication, estoppel or otherwise. Each Party may make reasonable references by name to any other Party in its advertising material relative to Wafers, provided that the advance written consent of an authorized representative of the other Party has been obtained.

Section 30. No Third-Party Beneficiaries:

30.1 No person not a Party to this Agreement will have any rights under this Agreement as a third-party beneficiary, or otherwise, other than persons entitled to indemnification as expressly set forth herein.

Section 31. Dispute Resolution:

31.1 In the event of any dispute, claim, question, or disagreement arising from, or relating to this Agreement, the Parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If they do not reach such solution within a period of [\*\*\*], then, upon notice by either Party to the other, all such disputes, claims, questions, or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules. The Party that initiates arbitration proceedings shall do so within the state, or city, of the other Party and that other Party's substantive laws shall apply and shall be the site of all arbitration proceedings. Judgment on the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the  ${\sf Effective}$  Date first above written.

Allegro MicroSystems, Inc.

By: /S/ Dennis Fitzgerald

Name: Dennis Fitzgerald

Title: President & Chief Executive Officer

Polar Semiconductor, Inc.

By: /S/ Yoshihiro Suzuki

Name: Yoshihiro Suzuki

Title: President & Chief Executive Officer

# APPENDIX A

APPLICABLE SPECIFICATIONS AND WAFER EVAL ACCEPTANCE CRITERIA

[\*\*\*]

[\*\*\*]

APPENDIX B

MASS PRODUCTION WAFER APPROVAL REQUIREMENTS AND PROCEDURES

[\*\*\*]

APPENDIX C

RISK WAFER AUTHORIZATION

[\*\*\*]

RESERVE WAFER OUTS PER QUARTER - SHIPPED (in terms of wafer outs - shipped per fiscal quarter)

[\*\*\*]

APPENDIX D

[\*\*\*]

APPENDIX E

WAFER LOT SIZES

[\*\*\*]

APPENDIX F

RELIABILITY AND PROCESS CONTROL INFORMATION

[\*\*\*]

ALLEGRO MICROSYSTEMS' QUALITY PLAN

[\*\*\*]

APPENDIX G

[\*\*\*]

[\*\*\*]

APPENDIX G

[\*\*\*]

APPENDIX H

PSI CYCLE TIME BY WAFER TECHNOLOGY

[\*\*\*]

PROBE SCRAP LIMITS AND MINIMUM DIE YIELD BASELINE

[\*\*\*]

[\*\*\*]

[\*\*\*]

[\*\*\*]

Wafer Pricing & Mask Pricing

[\*\*\*]

Wafer Pricing & Mask Pricing (continued)

[\*\*\*]

[\*\*\*]

[\*\*\*]

### APPENDIX K

#### SHIPPING CRITERIA

All Wafers to be delivered to Allegro under this Agreement will be packed, marked, and shipped by PSI, [\*\*\*], as outlined in the Quality Manual, and care for transportation of Wafers of a similar type. All Wafers will be accompanied by the following information, as appropriate: (i) purchase order number, (ii) Device Type, (iii) Allegro lot number, (iv) lot quantity and (v) any process information, to be mutually agreed upon in writing by both Parties. Items (i), (ii), (iii), and (iv) will be clearly marked on the outside of each Wafer cassette, shipping carton and reflected on the Packing Slip by PSI. Shipments are [\*\*\*].

APPENDIX L

ENVIRONMENTAL COMPLIANCE

[\*\*\*]

APPENDIX M

[\*\*\*]

APPENDIX N

# ALLEGRO WAFER MANUFACTURING TECHNOLOGY AND PSI WAFER MANUFACTURING TECHNOLOGY

[\*\*\*]

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

# JOINT TECHNOLOGY DEVELOPMENT AGREEMENT AMONG POLAR SEMICONDUCTOR, INC., SANKEN ELECTRIC COMPANY, LTD. AND ALLEGRO MICROSYSTEMS, INC.

This joint technology development agreement (this "Agreement") is an amendment and restatement, effective as of September 13, 2007, of the Agreement originally effective as of February 15, 2006 by and among Polar Semiconductor, Inc., a Delaware corporation ("PSI"), Sanken Electric Company, Ltd. of Japan ("Sanken") and Allegro MicroSystems, Inc., a Delaware corporation ("Allegro").

WHEREAS, PSI desires to assist Sanken and Allegro in the joint development of new technology (initially so-called "SG5 technology"), which would be used in the manufacture of products at PSI for Sanken and Allegro; and

WHEREAS, Sanken and Allegro wish to join in such joint development with PSI and each other; and

**WHEREAS**, the Agreement effective as of February 15, 2006 has been the subject of three addenda, and the parties wish to incorporate such addenda and additional amendments effective September 13, 2007 into a single restated Agreement.

NOW, THEREFORE, in consideration of the rights and responsibilities set forth herein, these three parties agree as follows:

1. Sanken and Allegro will jointly own the SG5 technology subject to the terms and conditions herein and will each pay the following amounts to PSI, according to the following schedule, for its assistance in developing the SG5 technology:

Date	Monthly Amount to be Paid by Each Party
April 1, 2006	[***]
May 1, 2006	
June 1, 2006	[***]
July 1, 2006	[***]
August 1, 2006	[***]
September 1,2006	[***]
October 1, 2006	[***]
November 1, 2006	[***]
December 1, 2006	[***]
January 1, 2007	[***]
February 1, 2007	[***]
March 1, 2007	[***]
April 1, 2007	[***]
May 1, 2007	[***]
June 1, 2007	[***]
July 1, 2007	[***]
August 1, 2007	[***]
September 1, 2007	[***]
October 1, 2007	[***]
November 1, 2007	[***]
December 1, 2007	[***]

Date	Monthly Amount to be Paid by Each Party
January 1, 2008	[***]
February 1, 2008	[***]
March 1, 2008	[***]
Total:	[***]

The parties acknowledge that these amounts are considered research and development expenses necessary to develop the SG5 technology and that PSI will incur costs associated with this development beyond the amounts paid by Sanken and Allegro.

The parties will sign addenda containing payment for additional development services provided by PSI for SG5 and derivative technology beyond 3/08.

- 2. Any costs in the development of SG5 not covered by the above referenced payments from Sanken and Allegro will be incurred by PSI. PSI's return on capital invested will come from purchases of products for Sanken and Allegro manufactured by PSI using the SG5 technology.
- 3. PSI will retain ownership to any intellectual property it owns before the commencement of any new technology development project with Allegro and Sanken. In addition to other amounts that Sanken and Allegro will pay to PSI pursuant to this Agreement, Sanken and Allegro will each pay to PSI [\*\*\*] in compensation for a nonexclusive license for a portion of the so-called Polar 35 technology, which will be one of the technologies upon which the SG5 technology will be based. The duration of this license will be for as long as Allegro and/or Sanken use (either directly or by transfer permitted herein) the SG5 technology or any derivative thereof.
- 4. Sanken and Allegro on the one-hand and PSI on the other-hand will agree on reasonable prices for the product to be manufactured by PSI using the SG5 technology, which pricing should incorporate the benefits of yield improvements and cost reductions. Sanken and Allegro will each provide good faith quarterly and long-range forecasts of products to be purchased from PSI, and PSI will reserve, and/or install, such capacity for Sanken and Allegro.
- 5. PSI will jointly own with Sanken and Allegro the unit processes and process modules for the SG5 technology. Further, as a result of this SG5 technology development, or jointly developed derivatives thereof, or as part of a separate project with Sanken and/or Allegro, PSI may develop, but will not own intellectual property (such as [\*\*\*]) for certain technology (e.g. [\*\*\*]). Such intellectual property developed but not owned by PSI may be ported by PSI across technology platforms in a modular way. Therefore, PSI may use all of such intellectual property as part of its manufacturing for others, [\*\*\*]. Sanken and Allegro shall have the right to access the details of unit processes, process modules and intellectual property referenced in this paragraph. Pursuant to paragraph 6 below, Sanken and Allegro will be restricted from disclosing (except pursuant to the terms of a separate NDA) or selling these items a.) to another Sanken or Allegro subcontractor for manufacture even if only for Sanken or Allegro and b.) to another partner of Sanken or Allegro in connection with the development of future generations of technology.
- 6. Sanken's and Allegro's right to transfer the SG5 technology developed with PSI will be limited to the following specific situations:
  - a. Sanken's and Allegro's reasonably projected requirements exceed PSI's capacity plans and/or allocations to Sanken and Allegro.
  - b. Material quality or delivery nonperformance with respect to products using the SG5 technology. (Some reasonable early warning triggers of material nonperformance will be developed.)
  - c. An option by Sanken, and/or Allegro, to move to a second source for security of supply, provided that a negotiated volume of substantial production is, and would continue to be, purchased from PSI.

- d. Transfer to a new owner of Sanken or Allegro.
- Except d.) above, any such transfer from PSI of the SG5 technology may only be done, pursuant to a strict non-disclosure agreement with respect to the SG5 technology.
- 7. Under no circumstances may Sanken or Allegro disclose the SG5 technology to anyone else, except to specific Sanken and Allegro customers in commercial situations for marketing and qualification purposes. Neither Sanken nor Allegro will apply for any patent in any country in connection with the new SG5 technology or derivatives thereof without obtaining the permission of, and only jointly with, the other party. PSI may not disclose the SG5 technology to any third party, except as necessary in connection with the limited rights to use certain elements of the technology, as contained in paragraph #5 above.
- 8. Certain simple improvements after the SG5 technology has been qualified should be considered as part of continuous improvement activities, without charge to Sanken or Allegro. Examples of such simple improvements are:
  - a.) [\*\*\*].
  - b.) [\*\*\*].
- 9. It remains an open issue as to what, if any, costs associated with the transfer and qualification of SG5 and/or derivative technologies from one wafer size to another or to a new manufacturing site would be allocated to Sanken and Allegro.
- 10. Although the parties hereto will refer to the technology being jointly developed hereunder as "SG5", Sanken may refer to it as "BCD5" in discussions with its customers, potential customers and others and Allegro may refer to it as "ABCD5" in discussions with its customers, potential customers and others.
- 11. This Agreement applies only to technology developed jointly among PSI, Sanken and Allegro. Technology developed with PSI, pursuant to request of only Sanken or only Allegro, is outside the scope of this Agreement.
- 12. Sanken and Allegro have agreed that the relative future value of this technology to each company is equal.
- 13. This Agreement completely replaces any other Agreements among the parties regarding the development of SG5 technology.
- 14. <u>Miscellaneous Provisions.</u>
  - 14.1 Entire Agreement, This Agreement, and the attached Exhibits, constitutes the entire understanding between the parties with respect to the development of SG5, superseding the Agreement executed as of February 15, 2006; an Addendum dated August 16, 2006; an Addendum Number 2 executed in 2006; and a Third Addendum executed in 2007.
  - 14.2 <u>Amendments</u>. No amendment or modification of this Agreement shall he effective unless set forth in writing arid signed by a duly authorized representative of each patty.
  - 14.3 Assignment. Neither party shall assign any or all of its rights and obligations under this Agreement without the prior written consent of the other party.
  - 14.4 <u>Waiver</u>. Any failure by a party to exercise or enforce any right under this Agreement

shall not be deemed a waiver of such party's right thereafter to enforce each and every term and condition of this Agreement.

- 14.5 Force Majeure. The obligations of a party under this Agreement will be suspended during the period and to the extent that such party is prevented or hindered from complying therewith by any cause beyond its reasonable control including (insofar as such cause is beyond such party's control but without prejudice to the generality of the foregoing expression); strikes, lockouts, labor disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm. In the event of either party being so hindered or prevented such party will give notice of suspension as soon as reasonably possible to the other party stating the date and extent of such suspension and the cause thereof and the omission to give such notice will forfeit the rights of such party to claim such suspension. Any party whose obligations have been suspended as aforesaid will not be deemed to be in default of its contractual obligations nor will any penalties or damages be payable. Any such party will resume the performance of such obligations as soon as reasonably possible after the removal of the cause and will so notify the other parties. In the event that such cause continues for more than three (3) months either party may terminate this Agreement on fourteen (14) days written notice.
- 14.6 <u>Language</u>. This Agreement was drafted and executed in the English language.
- 14.7 <u>Severability.</u> The invalidity or unenforceability of any portion of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement.
- 14.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- 14.9 <u>Dispute Resolution</u>. The parties shall make best efforts to try to resolve any and all claims, controversies or difficulties between the parties ("Claims") by mutual discussions in good faith. Should the parties be unable to reach resolution themselves, Claims shall be finally settled by arbitration held in Minneapolis, Minnesota, pursuant to the Commercial Arbitration Rules of the American Arbitration Association

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

# POLAR SEMICONDUCTOR, INC.

By: /s/ Yoshihiro Suzuki Yoshihiro Suzuki, CEO

Date: 9/13/07

# SANKEN ELECTRIC COMPANY, LTD.

By: /s/ Kiyoshi Imaizumi
Kiyoshi Imaizumi, Executive Vice President

Date: 12/20/07

# ALLEGRO MICROSYSTEMS, INC.

By: /s/ Dennis Fitzgerald
Dennis Fitzgerald, CEO

Date: 9/13/07

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

#### TECHNOLOGY DEVELOPMENT AGREEMENT

11/6/01

# BETWEEN POLARFAB AND ALLEGRO MICROSYSTEMS, INC.

WHEREAS, the two parties have entered into a so called Foundry Agreement on May 25th, 2001; and

WHEREAS, the parties desire to enter into a Technology Development Agreement; and  $% \left( 1\right) =\left( 1\right) \left( 1\right)$ 

WHEREAS, the parties desire to first agree to be bound by the principal terms of a Technology Development Agreement, and subsequently agree to a more detailed Technology Development Agreement;

NOW THEREFORE, the parties hereby agree to be bound by the following principal terms of a Technology Development Agreement. It is expected that the more detailed Technology Development Agreement will be agreed to within two weeks of the signing of this principal terms agreement.

PolarFab will help Allegro develop Allegro's new technology described below, and using that new technology PolarFab will manufacture wafers for Allegro.

The new technology to be developed will be so called ABCD4. The term ABCD4 will include derivative technologies (including, but not limited to, DABIC6 and [\*\*\*] Volt ABCD4). ABCD4 is essentially a shrink of Allegro's ABCD3 technology and is targeted at a minimum feature size of [\*\*\*] microns.

### 1. EXPECTED WAFER VOLUME PER WEEK OF ABCD4

During the production phase (i.e., after qualification):

Year 1: Up to Approximately [\*\*\*] Wafers Per Week Year 2: Up to Approximately [\*\*\*] Wafers Per Week Year 3: Up to Approximately [\*\*\*] Wafers Per Week

Allegro will provide PolarFab with a 12-month rolling forecast of requirements. PolarFab will guarantee manufacturing capacity to Allegro based on Allegro's Expected Wafer Volume Per Week as stated above, [\*\*\*]. However, PolarFab will not be obligated to increase its production for Allegro by more than [\*\*\*] wafers per week in a time period shorter than [\*\*\*], and PolarFab will not be

obligated to increase its production for Allegro by [\*\*\*] wafers per week in a time period of less than [\*\*\*], and PolarFab will have a time period of no less than [\*\*\*] to increase its production for Allegro by more than [\*\*\*] wafers per week to [\*\*\*] wafers per week.

Allegro's minimum volume commitment is an average of [\*\*\*] wafers per week, calculated in calendar quarters, in year 2 and in year 3. In the event that Allegro does not purchase [\*\*\*] wafers in any calendar quarter in years 2 and 3, Allegro will pay to PolarFab [\*\*\*]% of the sale price of each wafer not purchased below [\*\*\*]. However, payments for wafers not purchased will not exceed [\*\*\*] in any calendar year.

#### 2. POLARFAB'S AFFIRMATIVE OBLIGATION AND CAPACITY ALLOCATION

PolarFab recognizes that by this Agreement PolarFab will become a critical supplier to Allegro, and therefore PolarFab agrees that it will allocate sufficient technical human resources and capacity and give Allegro's needs sufficient priority in order to meet PolarFab's commitment to Allegro hereunder. Allegro also recognizes the critical nature of this Agreement and agrees to allocate sufficient technical human resources so that it will not impede successful completion of the objectives of this Agreement.

Allegro's 12 month rolling forecast of requirements will include wafer outs, updated every eight weeks. Allegro will forecast total wafer volume (ABC3/ABCD3/ABCD4), and Allegro can use the capacity allocation under this Technology Development Agreement and the Foundry Agreement interchangeably, e.g. if Allegro's ABCD4 volume needs increase beyond forecasted levels in the 12 month rolling forecast, PolarFab is obligated to meet those higher volume needs in the event that Allegro provides a corresponding reduction for its need for ABCD3 products.

#### PRICING/RESTRICTIONS ON USE

Pricing for all foundry wafers being processed by PolarFab under this Technology Development Agreement will be as defined in the Foundry Agreement and will be in effect for [\*\*\*]. Price breaks will be calculated by combining all wafer types (ABC3/ABCD3/ABCD4) being shipped in any given week.

In the event that any lower price is charged by PolarFab to any third party for wafers using ABCD3 technology, Allegro for the next two years will receive that lower price provided to such third party for wafers using ABCD3 and ABCD4 technology and all orders for ABCD3 and/or ABCD4 products for Allegro not yet delivered will be reduced to that lower price.

PolarFab's right to use Allegro's ABCD3 technology will be subject to the following limitations:

A. Except as provided in paragraphs 3B and 3C, PolarFab may use any portion of Allegro's ABCD3 technology in the manufacturing of any product for any customer upon (but not before) the occurrence of the following two events:
i.) the expiration of [\*\*\*] after PolarFab has shipped [\*\*\*] qualified ABCD3 wafers to Allegro, and ii.) ABCD4 technology is qualified at PolarFab. Since PolarFab's total back-end process is not part of Allegro's ABCD3 technology, PolarFab is free to use its own back-end process any

- B. At no time will PolarFab, irrespective of the technology used, sell products into Hall Effect applications.
- C. After the selling restrictions set forth in paragraph 3A are no longer applicable, PolarFab is prohibited from selling, directly or indirectly, any products using any part of Allegro's technology to the competitors of Allegro as set forth on "Exhibit A" attached.
- D. In the event PolarFab is purchased by one of the Allegro's competitors, as set forth on "Exhibit A" attached, these selling restrictions will continue to apply regarding inter-company transactions between PolarFab and that purchaser.
- E. The selling restrictions contained in the immediately preceding three paragraphs will remain in effect for [\*\*\*] after the termination of this Agreement.
- F. All selling restrictions on PolarFab contained in this paragraph 3 will continue irrespective of whether any Allegro technology transferred hereunder is modified, including but not limited to modifications to wafer size or geometry.
- ${\tt G.}$  The parties agree that Allegro will have access to injunctive relief in the event that any of these selling restrictions are breached.

The royalty to be paid by PolarFab to Allegro for each wafer sold to third parties using Allegro's ABCD3 technology is [\*\*\*]% of PolarFab's selling price to its customers, to be paid monthly.

#### DELIVERABLES

In order to help PolarFab market the ABCD3 process, Allegro will deliver the following to PolarFab:

- a.) [\*\*\*].
- b.) [\*\*\*].
- c.) [\*\*\*].
- d.) [\*\*\*].
- e.) [\*\*\*].

### 5. EXCLUSIVITY

PolarFab will use ABCD4 only to manufacture wafers for Allegro, and not for anyone else. Any purchaser of a portion or all of PolarFab will have the same restriction on the use of ABCD4. In addition, PolarFab is restricted from disclosing, selling or transferring ABCD3 or ABCD4 technology to any third party.

#### 6. LIST OF COMPONENTS INCLUDED IN TECHNOLOGY

Set forth on "Exhibit B" attached.

#### 7. CONTRIBUTION OF EACH PARTY TO TECHNOLOGY DEVELOPMENT

As part of the development, PolarFab will supply to Allegro complete documentation of each ABCD4 unit process step as implemented at PolarFab and will provide engineering assistance to Allegro as reasonably required to put the technology into Allegro's fabrication facility. The technologies (ABCD4 and its derivatives) will be specified, and the process architecture and components defined, by Allegro and fabricated and qualified initially at PolarFab and all this information will be provided to Allegro as implemented by PolarFab. Once qualified, PolarFab will act as a foundry for these technologies using its own internal fabrication facility and Allegro reserves the right to transfer these technologies to its own internal fabrication facility and reserves the right to transfer these technologies to a third party facility, provided that such alternate third party can only use these technologies to manufacture for Allegro. ABCD4 and its derivatives, including process architecture, component architecture, simulation and characterization files are not to be used by PolarFab except in manufacturing for Allegro.

[\*\*\*]

### 3. GOOD FAITH MILESTONE CHART FOR ABCD4 AND ITS DERIVATIVES

Set forth on "Exhibit C" attached is a Good Faith Milestone Chart for the development of ABCD4 and its derivatives.

The initial three months of this schedule are primarily driven by items that require Allegro to produce work product for PolarFab to review. Allegro will be requesting PolarFab's involvement in periodic reviews over that timeframe to insure that the technology definition and evolution is consistent with PolarFab's expectations in terms of manufacturing capability. It is agreed by both parties that activities associated with ABCD3 qualifications take priority if resource conflicts arise.

#### DEVELOPMENT LOT PRICING (Includes NRE)

Based on a 10 Piece Wafer Lot (Starts):

First [\*\*\*] Lots: \$[\*\*\*] Per Lot

Next [\*\*\*] Lots: \$[\*\*\*] Per Lot

Over [\*\*\*] Lots: \$[\*\*\*] Per Lot

In addition to lot pricing, Allegro will be responsible for short loop costs at  $^{**}$  per layer.

#### 10. POLARFAB'S VIABILITY

POLARFAB

PolarFab and Allegro will agree to have some reasonable sort of last time buy wording.

Allegro would be able to speak and negotiate with PolarFab's equipment lessor (if equipment is leased) or PolarFab's bank (if equipment is on loan). Allegro would attempt to negotiate a deal that in the event PolarFab went into bankruptcy, Allegro would have an option to purchase the equipment at a prenegotiated price. PolarFab should consider this as a positive option. In the event PolarFab were to go bankrupt, rather than the equipment leasing company taking the equipment to auction, Allegro would have the option to buy the equipment and, if appropriate, leave it in PolarFab's facility for production for Allegro. The equipment lessor may consider this attractive, in that Allegro might in effect guarantee the equipment lease. PolarFab supports Allegro having such arrangements with the equipment lessor and/or bank, and PolarFab will urge the equipment lessors/banks to enter into such arrangements with Allegro.

In the event that Allegro is not successful negotiating this option with the equipment lessors or banks, PolarFab agrees to have wording in the contract that PolarFab will not give anyone else the right to purchase the equipment (including rights by Agere to purchase beyond Agere's current rights).

ALLEGRO MICROSYSTEMS, INC.

By: /s/ Dennis Gaetano	By: /s/ Edward Lenard
Title: VP Sales & Marketing, PolarFab	Title: Purchasing Manager
Date: 11/9/01	Date: 11/8/01

[\*\*\*]

EXHIBIT B

List of Components Included in Technology

[\*\*\*]

EXHIBIT C

[\*\*\*]

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*]

#### TECHNOLOGY TRANSFER AGREEMENT

THIS TECHNOLOGY TRANSFER AGREEMENT ("Agreement") is made as of November 30, 2002, between Allegro MicroSystems, Inc., a Delaware corporation with its principal offices at 115 Northeast Cutoff, Worcester, Massachusetts 01615 ("Allegro"); and Sanken Electric Co., Ltd., a Japanese corporation with its principal offices at 3-6-3 Niiza-shi, Saitama, Japan ("Sanken").

WHEREAS, Allegro provided Sanken access to certain technology developed by Allegro for the purpose of assisting Sanken in the development of SBCD3 technology, and Sanken provided Allegro access to certain technology developed by Sanken for the purpose of assisting Allegro in the development of ABCD3 technology, and the parties now wish to provide for payment in consideration of access to the technology that the parties have granted each other pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

# Background History.

In July of 1997, Allegro and its parent company, Sanken, were in the process of developing similar technologies as part of their product development efforts. These technologies were to be derived from [\*\*\*] BCD technology for applications in the automotive and office automation industries. Pursuant to a management decision, Allegro and Sanken shared information and cooperated in planning the development of the new technologies. The parties ultimately decided to build the new technologies from the starting point of certain technology developed by Allegro and Sanken prior

to July of 1997. Thereafter, development proceeded along two separate paths as each party intended to have different applications specific to their market. In the case of Allegro, the new technology was known as ABCD3 and was intended for [\*\*\*] capability, whereas Sanken's new technology was known as SBCD3 and was intended for [\*\*\*] capability.

After July of 1997, Allegro and Sanken coordinated their research and development activities. Their relevant new technologies of ABCD3 and SBCD3 were developed by cross-exploitation of each party's know-how, information, and assistance; however, the parties separately paid for their respective development costs. It was ultimately determined, by way of an independent valuation, that at the time of such technology exchange the value of Allegro's technology was approximately \$[\*\*\*] and the value of Sanken's technology was approximately \$[\*\*\*] to be compensated to Allegro.

The parties now wish to memorialize their understanding concerning this matter, and provide for a transfer of the applicable technology in exchange for a monetary payment.

### 2. Transfer of Technology.

It is hereby confirmed that, effective as of July of 1997, Allegro conveyed to Sanken, and Sanken conveyed to Allegro, a permanent, worldwide, nonexclusive, royalty-free license to utilize the "Technology" as defined below, without restriction as to the use or transferability of the Technology. In conformance with standard commercial practice, unrestricted use and transferability shall mean that either party may use or transfer the technology providing that, consistent with traditional commercial practice, such use or transfer is not for or to a competitor of either party.

For purposes of this Agreement, the term "Technology" means the know-how and expertise of Allegro/Sanken with respect to in-process BCD technology that was made available to, or utilized by, Sanken/Allegro in the development efforts that are the subject of this Agreement, including any concepts, designs, drawings, specifications, formulations or other technical information inherent therein.

### 3. Payment for Transfer.

In exchange for the conveyance of the Technology, Sanken agrees pay Allegro the amount of [\*\*\*], calculated as the sum of the following:

- (a) The Technology value of \$[\*\*\*] as of July of 1997 as stipulated in Section 1 of this Agreement.
- (b) Interest from August 1, 1997 through November 30, 2002, compounded annually at a rate of [\*\*\*]%, [\*\*\*], which rate is equal to the [\*\*\*] commencing August 1, 1997.

In the event that payment is made after November 30, 2002, Allegro shall be entitled to additional interest of [\*\*\*]% per annum on the payment amount described above from December 1, 2002 until the date of payment.

### 4. Disclaimer of Warranty.

The Technology conveyed pursuant to this Agreement was made available by each party on an "as is" basis. Sanken and Allegro each acknowledge that neither party makes any warranty regarding the Technology.

### Ownership of Subsequent Technologies.

Allegro and Sanken shall independently own any advancements or improvements of ABCD3 or SBCD3 technology that they may respectively develop, as well as any new technologies based on ABCD3 that Allegro may develop or any new technologies based on SBCD3 that Sanken may develop. Notwithstanding the foregoing, in the event that either party desires to utilize technology owned by the other party (other than the Technology licensed hereunder), the parties shall cooperate to determine the appropriate terms of a technology license and royalty arrangement.

### 6. Further Actions.

The parties agree to cooperate and take such further actions as may be reasonably necessary in order to effectuate the intent of this Agreement, including execution of documents to convey the Technology.

### 7. Language.

This Agreement was drafted and executed in English. Any translation into Japanese or another language shall not impact the interpretation of this  $\,$ Agreement.

# Choice of Law.

This Agreement shall be construed in accordance with Massachusetts law.

### 9. Entire Agreement; Amendment.

This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes any prior agreements or communications. This Agreement may be amended only by a written document signed by an authorized representative of each party.

IN WITNESS WHEREOF, the parties hereto have caused this Technology Transfer Agreement to be executed as of the date set forth in the first paragraph hereof.

ALLEGRO MICROSYSTEMS, INC.

SANKEN ELECTRIC CO., LTD.

/s/ Dennis Fitzgerald

Dennis Fitzgerald

/s/ Hirohito Sekine

President

Senior Managing Director

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

#### Agreement

Sharp Corporation, with its head office located at 22-22 Nagaike-cho, Abeno-ku, Osaka-shi, Osaka-fu, Japan (hereinafter "Sharp");

Sanken Electric Co., Ltd., with its head office located at 6-3, Kitano 3-chome, Niiza-shi, Saitama-ken, Japan (hereinafter "Sanken"); and

Allegro MicroSystems, Inc., with its head office located at 115 Northeast Cutoff, Worcester, Massachusetts 01606, U.S.A. (hereinafter "Allegro") have concluded this Agreement as follows, as of December 28, 2006.

#### WITNESSETH

Sharp is the right holder of the Japan registered trademark No. 2155108 "ALLEGRO" (hereinafter, the "Trademark").

Sharp and Sanken have entered into an agreement dated October 1, 1991, and a memorandum dated October 31, 2001 on Sanken's undertaking of a license for the use of the Trademark.

Sanken and Allegro desire to obtain the right to use the Trademark on semiconductors (hereinafter, the "Products") within Japan.

In addition, Allegro desires to legalize the Japanese registered trademark application No. 2004-83807 "Allegro MicroSystems Inc." (hereinafter, the "Pending Trademark").

Accordingly, each of the parties hereby agrees as follows.

#### Article 1. (Definitions)

- 1. "Trademark" means the following
  - Japan registered trademark No. 2155108 "ALLEGRO"
- 2. "Pending Trademark" means the following
  - Japanese registered trademark application No. 2004-83807 "Allegro MicroSystems Inc."
- 3. "Products" means "semiconductors".

#### Article 2. (License)

- Sharp shall grant to Sanken and Allegro an ordinary use license with regard to the Products out of the specified products of the Trademark, within Japan.
- 2. As a condition of the receipt of the license to the Trademark based on the above Paragraph, Allegro shall consent to the changing of the applicants name for the Pending Trademark applied for by Allegro to Sharp; provided however, that Allegro shall bear the processing costs with regard to the interim procedures and registration fees until the name change and legalization, and Sharp shall cooperate with such procedures.
- Sharp shall not make any assertion of its rights based on the Trademark with regard to Sanken and Allegro's use of the Pending Trademark on the Products.
- 4. When the Pending Trademark with the applicant name changed to Sharp has become legalized based on Paragraph 2 of this Article, Sharp shall grant an ordinary use license to Sanken and Allegro for the use of the Pending Trademark on the Products, within Japan.
- Sanken and Allegro may, at their own expense, register the establishment of the licenses in Paragraph 1 and Paragraph 4, and Sharp shall cooperate with the same.
- 6. Sharp agrees that [\*\*\*].
- Sharp agrees that after the Pending Trademark with the applicant name changed to Sharp has become legalized based on Paragraph 2 of this Article, [\*\*\*].

#### Article 3. (Consideration)

- 1. As consideration for this Agreement, Sanken shall pay a lump sum of  $[\ ^{***}]$  after conclusion of this Agreement.
- Sharp shall not return the consideration paid by Sanken for any reason.
- Conditional upon the payment of the consideration in Paragraph 1 of this Article, Sharp shall not assert any rights with regard to Sanken or Allegro's use of the Pending Trademark on the Products.

#### Article 4. (Provision of Documents)

If Sanken or Allegro is requested by Sharp, they agree to send to Sharp documents such as catalogues, etc. that show their use of the Trademark or the Pending Trademark in accordance with Article 2.

## Article 5. (No Warranty)

- Sharp shall not bear any obligation to Sanken or Allegro, nor does it
  make any warranty, to maintain the trademark rights or eliminate
  infringements by third parties with regard to the Trademark (including
  the "Pending Trademark" where it has been legalized based on Article 2
  Paragraph 4. The same to apply in the following Paragraphs).
- If the Trademark is infringed by a third party, and Sharp is requested for cooperation by Sanken or Allegro, if Sharp decides that some kind of action is necessary and desirable, it may take necessary actions, at the cost of Sanken or Allegro, within the

scope desired by Sanken or Allegro, and based on agreement between Sharp, Sanken and Allegro.  $\,$ 

3. If Sanken or Allegro makes an appeal for cancellation due to lack of use, or other application, demand or claim to the disadvantage of Sharp against the Trademark, the Pending Trademark or any similar trademark, Sharp may terminate this Agreement.

Article 6. (Assignment)

### [\*\*\*]

# Article 7. (Term)

- The term of this Agreement shall be for 10 years from October 1, 2006; provided however, that the agreement term may be extended on conditions to be separately discussed if, by 6 months prior to the expiry of the term, Sanken proposes to extend the agreement.
- This Agreement shall replace the Agreement dated October 1, 1991 and the Memorandum dated October 31, 2001 between Sharp and Sanken.

### Article 8. (Consultation)

If any doubts arise regarding matters for which there is no provision in this Agreement or regarding the interpretation hereof, Sharp, Sanken and Allegro shall consult and resolve them in good faith.

#### Article 9. (Dispute Resolution)

Where a dispute that has arisen with regard to this Agreement cannot be resolved in accordance with Article 8, it shall be resolved by a court. In this case, the Osaka District Court shall be the court with jurisdiction in the first instance.

# Article 10. (Governing Law)

The governing law of this Agreement shall be Japanese law.

In witness whereof, this Agreement has been prepared in three parts, and Sharp, Sanken and Allegro shall each retain one part.

December 28, 2006

Sharp:

22-22 Nagaike-cho, Abeno-ku, Osaka-shi, Osaka-fu Sharp Corporation Intellectual Property Headquarters General Manager Shigeo Terajima [seal affixed]

Sanken:

6-3, Kitano 3-chome, Niiza-shi, Saitama-ken Sanken Electric Co., Ltd. Director, Executive Vice President General Manager of Engineering Headquarters Hirohito Sekine

[seal affixed]

Allegro: 115 Northeast Cutoff, Worcester, Massachusetts 01606 Allegro MicroSystems, Inc. Vice President and General Counsel Fred Windover

/s/ Fred Windover

CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. THE LOCATIONS OF THE OMITTED MATERIALS ARE INDICATED BY THE FOLLOWING NOTATION: [\*\*\*].

### Agreement

Sanken Electric Co., Ltd. ("Sanken") and Allegro MicroSystems, Inc. ("Allegro") agreed as follows concerning the certain terms of the Licensing Agreement for "Allegro Trademark" dated on December 28, 2006.

#### WITNESSETH

- 1. Sanken and Allegro shall share the consideration for this agreement in Article 3 ([\*\*\*]) by splitting fifty-fifty.
- 2. Allegro shall reimburse to Sanken the Allegro's portion of the consideration in the preceding paragraph ([\*\*\*]), of which Sanken shall pay to Sharp on behalf of Allegro, in the way to be discussed and agreed with Sanken.

In witness whereof, this Agreement has been prepared by Sanken and Allegro, the both party shall each retain one part.

December 28, 2006

3-6-3, Kitano, Niza-shi, Saitama Sanken

Sanken Electric Co., Ltd.

/s/ Hirohito Sekine

Hirohito Sekine

Director and Executive Vice President

115 Northeast Cutoff, Worcester, Massachusetts 01606 Allegro

Allegro MicroSystems, Inc.

/s/ Fred Windover

Vice President and General Counsel

Fred Windover