

70 : 01 02 03



SILICON VALLEY GROUP, INC.

Thermco Division

Jeffrey M. Kowalski

President

Direct Line: 714/771-9321

E-Mail: kowlskij@svg.com

1465 N. Batavia Street, Orange, CA 92867-3583

714/639-2340, Fax 714/288-0534

MEMORANDUM OF UNDERSTANDING

Silicon Valley Group with its principal office at 101 Metro Drive, Suite 400, San Jose, CA 95110 (the "SVG"), and Integrated Process Systems Ltd., with its principal office at 33 Jije-dong, Pyungtaek, Kyungki-do Korea (the "IPS"), have now engaged in negotiations to consider establishment of a strategic alliance in United States of America (the "Alliance") to develop, manufacture, and market IPS's ALD product. Both companies may be referred to hereinafter individually as a "Party" or collectively as the "Parties" to this memorandum, as the context may require. Now, therefore, the parties express herewith their intent to cooperate and assist each other in forming the alliance in accordance with the following essential terms and conditions:

1. Intellectual Properties (IP) & Company Proprietary (CP)

Mutual Non-Disclosure Agreement (NDA) shall be signed at the earliest opportunity. Both parties acknowledge that IP and company proprietary data shall include IPS's ALD technology, product and its business, and SVG's new orders, sales customer relations, customers lists, marketing or business projections and pricing pertaining to ALD. Both parties agree that during a period of five (5) years, they shall hold all such information in the strictest confidence. Both parties shall not disclose or otherwise make known to any third party, including parent, subsidiary or affiliation of both parties

2. Business Domain:

The Alliance shall be engaged in the business of developing, manufacturing and marketing ALD product.

3. Business territory:

SVG shall market and support ALD products worldwide except Korea.

4. Non-competitive provision:

SVG shall not develop and produce its own ALD technology and product within the next five years and also two years after termination of the agreements, only if agreement is terminated by SVG or expired and jointly decided not to be renewed. If agreement is terminated by IPS then SVG will have exclusive rights to develop and produce its own ALD technology.

al

bt

5. Company Trademarks

In order to market ALD product effectively, SVG shall be allowed to use a joint trademark and company name with IPS in any advertising or promotional materials. SVG-IPS name and product trademark shall also be affixed physically on ALD product.

6. Major Responsibilities:

- (a) IPS shall exercise its best efforts to develop, manufacture and market the ALD products. IPS shall transfer necessary technology and know-how document to SVG for the marketing and shall transfer technology and know-how to the SVG for manufacturing and assembling when Joint Venture is formed.
- (b) SVG shall exercise its best efforts to identify prospective customers, promote the sale of IPS's ALD product in the defined territory. SVG shall also transfer necessary CVD technology and experience to IPS in order to enhance ALD product's performance and quality.

7. Future Activities:

- (a) The parties hereto agree that each party shall do its best efforts to form a strategic alliance.
- (b) The details of the above sales and marketing agreement shall be discussed and agreed within thirty-day (30) days after the signing of this memorandum. However, the parties hereto agree and accept the following essential terms and conditions:
 - (i) The product of the above sales and marketing agreement shall be ALD.
 - (ii) The duration of the above sales and marketing agreement shall be from Sept 16, 2000 through Sept 16, 2001, otherwise agreed and/or changed by the parties.
 - (iii) The schedule of the commission from IPS shall be as follows: 10% of the total sales price for the sales commission, 2% of the total sales price for the installation, 2% of the total sales price for the field service to support warranty. The sales commission might be renegotiated if in the case of selling price become an issue. The minimum sales commission shall be at 4% of the total sales price.
 - (iv) SVG will purchase 2 demonstration units of ALD ("Demo Unit") from IPS for demonstration purposes and customer site in connection with SVG's marketing and solicitation activities. The provisions of the "Demo Unit" and purchasing details will be defined in a formal strategic alliance agreement.
 - (v) Based on sales and acceptance of total of 10 units at least two customer sites outside of Korea until the end of the one year sales and marketing agreement, SVG can purchase equity, license the IPS-ALD technology or form a Joint Venture with IPS for operation outside of Korea. SVG will place order 10 units ALD when there

are hard PO's from customers outside of Korea but delivery schedule and details will be defined in a formal strategic alliance agreement.

(VI) If section (V) is satisfied and there is sufficient sales volume then IPS will have the option to manufacture and assemble APNext, Xcelerate and AVP products of SVG in Korea for the Korean Semiconductor market.

SVG and IPS shall their best to make it happened and SVG will not exercise their assemble or manufacturing program for the Korean Semiconductor market with any other company in Korea.

8. Public Announcement:

Public announcement of this memorandum by any party shall be previously noticed to and approved by the other party.

9. Statement of Acceptance:

Parties hereby agree above, and shall put for the their best efforts to complete a formal strategic alliance agreement embodying the same

On behalf of SVG

Don Tran

Name: DON TRAN

Title: VP, MARKETING THERMAL SYSTEMS

Date: 8/29/00

On behalf of IPS

Name: [Signature]

Title: CEO & President.

Date: Aug 29, 2000