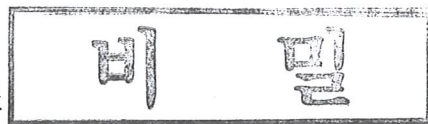


## MEMORANDUM OF UNDERSTANDING



### 1. Introduction:

Whereas, IPS Ltd. (IPS) and Samsung Electronics Co., Ltd. (SEC) have been engaged in discussions to consider a license under certain SEC intellectual properties for allowing IPS to build and sell machines for use in the manufacturing of semiconductor devices. The parties now desire to agree on the essential terms of such a license as follows.

### 2. Licensed Product:

"Licensed Product" in either singular or plural shall mean any commercial apparatus, machine, or equipment for use in a semiconductor device manufacturing process for depositing Al<sub>2</sub>O<sub>3</sub> and TiN layers, wherein such a deposition being performed by the Atomic Layer Deposition (ALD) technique which utilizes a sequential application of reaction vapour through multiple ports onto a layer of integrated circuit substrate.

### 3. Intellectual Property:

"Intellectual Property" shall mean (i) any SEC patents or applications for patents existing or filed during the Term of License (as defined herein below) which contain claims that would be infringed by making, using, or selling the Licensed Product by a non-licensed party, and (ii) SEC trade secrets including know-how, recipe, data or other proprietary information which are necessary for making, using, or selling the Licensed Product.

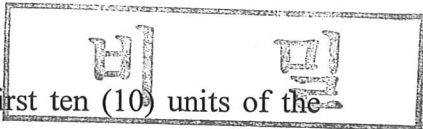
### 4. Grant of License by SEC:

In consideration of terms and conditions herein, including any fees or royalties as provided herein, SEC shall grant IPS a non-exclusive, non-transferrable, worldwide license under the Intellectual Property to make, have made, use, sell, and otherwise dispose of the Licensed Product.

### 5. Payment of Royalties by IPS:

In consideration of the license as shall be granted by SEC, IPS shall make:

- (i) an initial payment to SEC in the amount of US\$1,300,000 (one million and three hundred thousand U.S. Dollars) on or about the effective date of a formal License Agreement. The parties hereby agree that IPS may satisfy the initial payment obligations by delivering to SEC a Licensed Product in commercial form (i.e., model number CS-9801) having value of no less than US\$1,300,000 and the standard full warranty and support; and
- (ii) running royalty payments to SEC at the following rates of the net sales of all the Licensed Products sold worldwide during the Term of License to customers other than SEC:

- 
- (a) Four percent (4%) of the Net Sales for the first ten (10) units of the Licensed Products;
- (b) Three percent (3%) of the Net Sales for the 11<sup>th</sup> through 30<sup>th</sup> unit of the Licensed Product; and
- (c) Two percent (2%) of the Net Sales for all units beyond the 30<sup>th</sup> unit.

**6. Most Favourable Royalty:**

SEC hereby guarantees that the fees and royalties which IPS is obligated to pay hereunder shall be each less than any fees or royalties agreed by any other licensees of the Licensed Product provided that those other licensees are bound under the same essential terms and conditions, including those provided in Sections 2, 3, 4, 5, and 7 herein, of the present license.

**7. Term of License:**

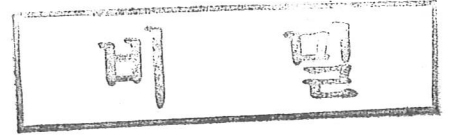
The Term of the License shall be five (5) years from the effective date of a formal License Agreement.

**8. Formal License Agreement:**

Unless otherwise agreed, the parties hereto shall put forth their best efforts to execute a formal License Agreement embodying the above essential terms by the end of June, 2000.

**9. No Legal Effect:**

Notwithstanding any provisions hereof, it is understood that the terms and conditions as described herein shall have no binding effect, and the parties hereto shall be under no legal obligations to perform for each other, except the confidentiality obligation contained herein, until such time as the formal License Agreement has been executed by the parties.



For and on behalf of IPS:

By: [Signature]

Typed Name: TAE SOO KIM

Position: General Manager

Date: Jun 23 '00

For and on behalf of SEC:

By: [Signature]

Typed Name: J. T. Moon

Position: Director

Date: June 23, 2000

**CONFIDENTIALITY:** Contents of this document are strictly CONFIDENTIAL and for negotiation purposes only.

[Signature]