



January 11, 2019

SUBJ: NAND Flash Product Reclassification

Dear Valued Customer,

As part of the Cypress and SK hynix system ic Joint Venture, effective February 25, 2019, we will reclassify the NAND product as NCNR (Non-cancelable Non-Returnable). This change will affect any current on-hand inventory, inventory in-transit from Cypress, as well as current and any new orders that you will need to place.

Your respective Cypress Sales person and or the Cypress Pricing Team member we will in contact with you within 10 days to provide you with a final buy cost (exit cost). This final cost will allow you to revalue inventory as well as reprice backlog to the approved cost.

Final Buy Price (Exit Cost)

- January 31 - Finalized by Cypress pricing team and distributor.

Debits:

- February 20 - Cypress will update debits to reflect an expiration date of February 25.
- Continue to ship your inventory to end customers utilizing the ship and debit claims process until February 24.

Inventory you Elect to Return:

- February 14 - Deadline for distributor to submit any inventory into Cypress SFDC RMA system.
- Inventory not submitted into the SFDC RMA system by this deadline will not be eligible for return.

Inventory you Elect to Keep:

- March 4 - Submit Price Protection claims for Inventory & in-transit inventory to cypriceprotection@cypress.com.

Backlog:

- February 25 - Cypress will reprice any remaining backlog as of February 25, 2019 to the approved exit cost.
- February 25 - All new orders that you need to place will require a NCNR quote.

Thank you in advance for your understanding, and we ask for your support in making this a smooth and successful transition.

Sincerely
Troy Abercrombia