

# PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	01/13/2006
<b>CONVEYING PARTY DATA</b>	
Name	Execution Date
Matrix Semiconductor, Inc.	01/13/2006
<b>RECEIVING PARTY DATA</b>	
Name:	SanDisk 3D LLC
Street Address:	601 McCarthy Boulevard
City:	Milpitas
State/Country:	CALIFORNIA
Postal Code:	95035
<b>PROPERTY NUMBERS Total: 1</b>	
Property Type	Number
Application Number:	12897696
<b>CORRESPONDENCE DATA</b>	
Fax Number:	(415)369-9665
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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Email:	hkim@vierramagen.com
Correspondent Name:	Ralph F. Hoppin
Address Line 1:	575 Market Street
Address Line 2:	Suite 2500
Address Line 4:	San Francisco, CALIFORNIA 94105
ATTORNEY DOCKET NUMBER:	SAND-01172US2 (SDUF
NAME OF SUBMITTER:	Ralph F. Hoppin
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# Delaware

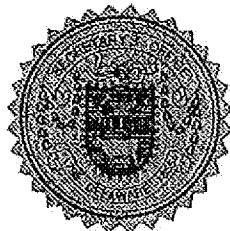
PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"MATRIX SEMICONDUCTOR, INC.", A DELAWARE CORPORATION,  
WITH AND INTO "MIKE ACQUISITION COMPANY LLC" UNDER THE NAME  
OF "SANDISK 3D LLC", A LIMITED LIABILITY COMPANY ORGANIZED AND  
EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED  
AND FILED IN THIS OFFICE THE THIRTEENTH DAY OF JANUARY, A.D.  
2006, AT 4:58 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE  
KENT COUNTY RECORDER OF DEEDS.



4048139 8100M

060038752

*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 4449134

DATE: 01-13-06

PATENT  
REEL: 025132 FRAME: 0632

CERTIFICATE OF MERGER  
OF  
MATRIX SEMICONDUCTOR, INC.,  
A DELAWARE CORPORATION,  
INTO  
MIKE ACQUISITION COMPANY LLC,  
A DELAWARE LIMITED LIABILITY COMPANY

January 13, 2005

Pursuant to Sections 18-206 and 18-209 of the Delaware Limited Liability Company Act (the "Act"), the undersigned entities DO HEREBY CERTIFY:

FIRST: That the name and state of organization or incorporation of each of the constituent entities of the merger is as follows:

Name of Entity	State of Organization or Incorporation
Mike Acquisition Company LLC	Delaware
Matrix Semiconductor, Inc.	Delaware

SECOND: An Agreement and Plan of Merger and Reorganization, dated as of October 20, 2005 (the "*Merger Agreement*"), by and among SanDisk Corporation, a Delaware corporation ("*SanDisk*"), Mike Acquisition Company LLC, a Delaware limited liability company and a direct wholly owned subsidiary of SanDisk ("*Mike Acquisition Company*"), Matrix Semiconductor, Inc., a Delaware corporation ("*Matrix*"), and Bruce Dunlevie as the representative of Matrix's stockholders, has been approved, adopted, certified, executed and acknowledged by each of the constituent entities in accordance with the Act and the requirements of Sections 264 and 228 of the Delaware General Corporation Law, as applicable.

THIRD: The surviving entity will be "Mike Acquisition Company LLC" (the "*Surviving Company*").

FOURTH: The Certificate of Formation of the Surviving Company will be that of Mike Acquisition Company LLC, as amended to provide that the name of the Surviving Company will be "SanDisk 3D LLC," and shall continue in full force and effect until amended and changed in the manner prescribed by the provisions of the Act

FIFTH: The executed Merger Agreement is on file at the principal place of business of the Surviving Company. The address of the principal place of business of the Surviving Company is 140 Caspian Court, Sunnyvale, CA 94089

SIXTH: A copy of the Merger Agreement will be furnished by the Surviving Company, on request and without cost, to any stockholder or member, as applicable, of any of the constituent entities.

SEVENTH: This Certificate of Merger shall be effective upon filing

MPI-29532v4

IN WITNESS WHEREOF, this Certificate of Merger has been executed by the undersigned as of the date first written above.

MATRIX SEMICONDUCTOR, INC.



Name: Dennis Segers

Title: President and Chief Executive Officer

MIKE ACQUISITION COMPANY LLC  
by SanDisk Corporation, its sole member

Name: Judy Bruner

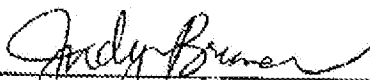
Title: Authorized Representative

IN WITNESS WHEREOF, this Certificate of Merger has been executed by the undersigned as of the date first written above.

MATRIX SEMICONDUCTOR, INC.

\_\_\_\_\_  
Name: Dennis Segers  
Title: President and Chief Executive Officer

MIKE ACQUISITION COMPANY LLC  
by SanDisk Corporation, its sole member

  
\_\_\_\_\_  
Name: Judy Bruner  
Title: Chief Financial Officer

**AGREEMENT AND PLAN OF MERGER AND REORGANIZATION**

**BY AND AMONG**

**SANDISK CORPORATION,**

**MIKE ACQUISITION COMPANY LLC,**

**MATRIX SEMICONDUCTOR, INC.**

**AND**

**BRUCE DUNLEVIE,**

**AS STOCKHOLDER REPRESENTATIVE**

**OCTOBER 20, 2005**

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 THE MERGER .....	1
1.1 The Merger.....	1
1.2 Closing .....	2
1.3 Effects of the Merger .....	2
1.4 Effects on Capital Stock and Membership Units .....	2
1.5 Exchange of Certificates .....	8
1.6 Fractional Shares.....	10
1.7 Dissenting Shares.....	10
ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF MATRIX.....	10
2.1 Organization, Standing and Power .....	11
2.2 Capital Structure .....	11
2.3 Authority; Noncontravention .....	12
2.4 Financial Statements .....	13
2.5 Absence of Certain Changes; Undisclosed Liabilities .....	13
2.6 Litigation.....	14
2.7 Restrictions on Business Activities.....	14
2.8 Intellectual Property.....	14
2.9 Taxes.....	19
2.10 Employee Benefit Plans.....	21
2.11 Employee Matters .....	22
2.12 Related Party Transactions .....	23
2.13 Insurance.....	23
2.14 Compliance With Laws.....	23
2.15 Minute Books .....	24
2.16 Brokers' and Finders' Fees .....	24
2.17 Vote Required .....	24
2.18 Board Approval.....	24
2.19 Material Customers .....	24
2.20 Material Contracts.....	24
2.21 Title of Properties; Absence of Encumbrances.....	26
2.22 Warranties; Indemnities .....	26
2.23 Representations Complete .....	26
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SANDISK AND MERGER SUB .....	26
3.1 Organization, Standing and Power .....	26
3.2 Capital Structure .....	27
3.3 Authority; Noncontravention .....	27
3.4 SEC Documents; Financial Statements .....	28
3.5 Compliance with Laws .....	28
3.6 Absence of Certain Changes.....	28

## TABLE OF CONTENTS

(cont'd)

	<u>Page</u>
3.7 Board Approval.....	28
3.8 Tax Matters .....	28
<b>ARTICLE 4 COVENANTS AND OTHER AGREEMENTS .....</b>	<b>29</b>
4.1 Conduct of Business of Matrix and Subsidiaries .....	29
4.2 Restrictions on Conduct of Business of Matrix and Subsidiaries .....	29
4.3 No Solicitation .....	32
4.4 Securities Laws Matters .....	34
4.5 Solicitation of Stockholders .....	38
4.6 Access to Information .....	38
4.7 Confidentiality .....	38
4.8 Public Disclosure .....	38
4.9 Consents; Cooperation .....	39
4.10 Legal Requirements .....	40
4.11 Treatment as Reorganization .....	40
4.12 Employees .....	40
4.13 Assumption of Options; Assignment of Repurchase Rights .....	42
4.14 Spreadsheet .....	43
4.15 Expenses .....	43
4.16 Section 280G Matters .....	43
4.17 Affiliate Agreements .....	44
4.18 Director and Officer Indemnification .....	44
4.19 Further Assurances .....	44
4.20 Restricted Stock Plan; Assumption of Restricted Stock Unit Grants .....	45
4.21 Cash Bonus Plan; Assumption of Cash Bonus Awards .....	46
<b>ARTICLE 5 CONDITIONS TO THE MERGER .....</b>	<b>46</b>
5.1 Conditions to Obligations of Each Party to Effect the Merger .....	46
5.2 Additional Conditions to Obligations of Matrix .....	47
5.3 Additional Conditions to the Obligations of SanDisk and Merger Sub .....	48
<b>ARTICLE 6 TERMINATION, AMENDMENT AND WAIVER .....</b>	<b>49</b>
6.1 Termination .....	49
6.2 Effect of Termination .....	50
6.3 Amendment .....	50
6.4 Extension; Waiver .....	51
<b>ARTICLE 7 ESCROW FUND AND INDEMNIFICATION .....</b>	<b>51</b>
7.1 Escrow Fund .....	51
7.2 Indemnification .....	51
7.3 Limitations on Liability; Exclusive Remedy .....	52

## TABLE OF CONTENTS

(cont'd)

	<u>Page</u>
7.4	Claim Period ..... 53
7.5	Claims upon Escrow Fund ..... 53
7.6	Objections to Claims ..... 53
7.7	Resolution of Objections to Claims ..... 54
7.8	Third-Party Claims ..... 54
7.9	Stockholder Representative ..... 55
7.10	Actions of the Stockholder Representative ..... 56
<b>ARTICLE 8</b>	<b>GENERAL PROVISIONS ..... 56</b>
8.1	Survival of Representations and Warranties ..... 56
8.2	Notices ..... 56
8.3	Interpretation ..... 58
8.4	Definitions ..... 59
8.5	Counterparts ..... 60
8.6	Entire Agreement; No Third Party Beneficiaries ..... 60
8.7	Assignment ..... 60
8.8	Severability ..... 61
8.9	Failure or Indulgence Not Waiver; Remedies Cumulative ..... 61
8.10	GOVERNING LAW ..... 61
8.11	Binding Arbitration ..... 61
8.12	IP Litigation; Jurisdiction; Venue ..... 62
8.13	WAIVER OF JURY TRIAL ..... 63
8.14	Enforcement ..... 63
<p style="text-align: center;">* * * * *</p>	
Exhibit A	Form of Certificate of Merger ..... A-1
Exhibit B	Form of Escrow Agreement ..... B-1
Exhibit C	Form of Affiliate Agreement ..... C-1
Exhibit D	Closing Deliveries ..... D-1
Exhibit E	Form of Non-Competition Agreement ..... E-1
Exhibit F	Form of Legal Opinion of Wilson Sonsini Goodrich & Rosati PC ..... F-1

## AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION, dated as of October 20, 2005 (this "**Agreement**"), by and among SanDisk Corporation, a Delaware corporation ("**SanDisk**"), Matrix Semiconductor, Inc., a Delaware corporation ("**Matrix**"), Mike Acquisition Company LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of SanDisk ("**Merger Sub**"), and Bruce Dunlevie, as a representative of Matrix's stockholders (the "**Stockholder Representative**").

### RECITALS

The board of directors of each of Matrix, SanDisk and Merger Sub have determined that the Merger (as defined in Section 1.1) would be advisable and in the best interests of the stockholders of their respective companies, and subject to the terms and conditions, set forth in this Agreement, and, in furtherance thereof, have approved this Agreement and the transactions contemplated by this Agreement.

In order to induce SanDisk to enter into this Agreement, certain stockholders of Matrix are executing and delivering binding Support Agreements concurrently with the execution and delivery of this Agreement.

Matrix and SanDisk intend that the Merger qualify as a "reorganization" under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"). This Agreement is adopted as a plan of reorganization within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a).

### AGREEMENT

In consideration of the representations, warranties, covenants and other agreements in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

#### ARTICLE 1 THE MERGER

1.1 **The Merger.** Upon the terms and subject to the conditions in this Agreement, and in accordance with the General Corporation Law of the State of Delaware (the "**DGCL**") and the Delaware Limited Liability Company Act (the "**LLC Act**"), Matrix shall be merged with and into Merger Sub (the "**Merger**") at the effective time of the Merger (the "**Effective Time**") which shall be the time of Closing (as defined in Section 1.2) unless otherwise agreed by both parties as set forth in the certificate of merger, substantially in the form of Exhibit A (the "**Certificate of Merger**"), to be filed if, as and when the Closing occurs with the Secretary of State of the State of Delaware (the "**Delaware Secretary**"). Merger Sub shall be the surviving company (sometimes referred to as the "**Surviving Company**") in the Merger. If Treasury Regulations Section 1.368-2T, or Treasury Regulations substantially to the same effect, are not effective at the time of Closing and the Merger cannot be consummated as a "reorganization" under the provisions of Section 368(a) of the Code, then (a) Merger Sub shall be converted under applicable law into a corporation, (b) the Merger shall be effected through the merger of the

individually or in the aggregate with any other changes, events and conditions, has resulted in, or would reasonably be expected to result in, a Material Adverse Effect on Matrix.

(b) Neither Matrix nor any of its Subsidiaries has any obligations or liabilities of any nature whether matured or unmatured, fixed or contingent (whether or not required to be reflected in the Financial Statements in accordance with GAAP) other than (i) those set forth or adequately provided for in the Balance Sheet included in the Financial Statements as of September 30, 2005 (the "**September 30 Balance Sheet**"), and (ii) those incurred in the conduct of Matrix's business since the date of the September 30 Balance Sheet (the "**September 30 Balance Sheet Date**") in the ordinary course and consistently with past practice, which, individually or in the aggregate, are not material in nature or amount and would not reasonably be expected to have a Material Adverse Effect on Matrix.

**2.6 Litigation.** There is no private or governmental action, suit, proceeding, claim or arbitration, or, to the Knowledge of Matrix, governmental investigation pending before any Governmental Entity or arbitrator to which Matrix is a party, or, to the Knowledge of Matrix, threatened against Matrix or any of its Subsidiaries or any of their respective assets or properties, including any Matrix IP Rights (as defined in Section 2.8(a)), or, to the Knowledge of Matrix, any of their respective officers or directors (in their capacities as such). Except as set forth in Section 2.6 of the Matrix Disclosure Letter, there is no judgment, decree or order against Matrix or any of its Subsidiaries, any of their respective assets or properties, or, to the Knowledge of Matrix, any of their respective directors or officers (in their capacities as such), that would reasonably be expected to prevent, enjoin, or materially alter or materially delay any of the transactions contemplated by this Agreement, or that, individually or in the aggregate with any such other judgments, decrees and orders, would reasonably be expected to have a Material Adverse Effect on Matrix.

**2.7 Restrictions on Business Activities.** There is no Contract (including covenants not to compete), judgment, injunction, order or decree binding upon Matrix or any of its Subsidiaries which has or would reasonably be expected to have, whether before or after consummation of the Merger, the effect of prohibiting or impairing any current or future business practice of Matrix or any of its Subsidiaries, any acquisition of property (tangible or intangible) by Matrix or any of its Subsidiaries or the conduct of business by Matrix or any of its Subsidiaries, or otherwise limiting the freedom of Matrix or any of its Subsidiaries to engage in any line of business or to compete with any Person. Without limiting the generality of the foregoing, neither Matrix nor any of its Subsidiaries has entered into any agreement under which Matrix or any of its Subsidiaries is restricted from selling, licensing or otherwise distributing any of their respective technology or products to, or from providing services to, customers or potential customers or any class of customers, in any geographic area, during any period of time or in any segment of the market.

## **2.8 Intellectual Property.**

(a) "**Matrix IP Rights**" means all Intellectual Property (as defined below) used or held for use by Matrix and each of its Subsidiaries in the conduct of their respective businesses. To the Knowledge of Matrix, such Matrix IP Rights are sufficient for such conduct of Matrix's and each of its Subsidiaries' respective businesses as currently conducted by Matrix

and such Subsidiaries. "**Intellectual Property**" means the rights associated with or arising out of any of the following: (i) domestic and foreign patents and patent applications, together with all reissuances, divisionals, continuations, continuations-in-part, revisions, renewals, extensions, and reexaminations thereof, and any identified invention disclosures ("**Patents**"); (ii) trade secret rights and corresponding rights in confidential information and other non-public information (whether or not patentable), including ideas, formulas, compositions, inventor's notes, discoveries and improvements, know-how, manufacturing and production processes and techniques, testing information, research and development information, inventions, invention disclosures, unpatented blueprints, drawings, specifications, designs, plans, proposals and technical data, business and marketing plans, market surveys, market know-how and customer lists and information ("**Trade Secrets**"); (iii) all copyrights, copyrightable works, rights in databases, data collections, "moral" rights, mask works, copyright registrations and applications therefor and corresponding rights in works of authorship ("**Copyrights**"); (iv) all trademarks, service marks, logos, trade dress and trade names and domain names indicating the source of goods or services, and other indicia of commercial source or origin (whether registered, common law, statutory or otherwise), all registrations and applications to register the foregoing anywhere in the world and all goodwill associated therewith ("**Trademarks**"); (v) all computer software and code, including assemblers, applets, compilers, source code, object code, development tools, design tools and user interfaces, in any form or format, however fixed ("**Software**"); (vi) all Internet electronic addresses, uniform resource locators and alphanumeric designations associated therewith and all registrations for any of the foregoing ("**Domain Names**"); and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world. "**Matrix-Owned IP Rights**" means Matrix IP Rights that are owned by or Patents that are exclusively licensed to Matrix or any of its Subsidiaries; and "**Matrix-Licensed IP Rights**" means Matrix IP Rights that are not Matrix-Owned IP Rights.

(b) Neither the execution, delivery and performance of this Agreement nor the consummation of the Merger and the other transactions contemplated by this Agreement will: (i) materially impair the right of the Surviving Company to use, possess, sell or license any Matrix IP Right or portion thereof as Matrix or any of its Subsidiaries currently uses, possesses, sells or licenses such Matrix IP Right or portion thereof immediately prior to the execution, delivery and performance of this Agreement or consummation of the Merger; or (ii) cause any royalties, honoraria, fees or other payments to be payable by Matrix or any of its Subsidiaries to any Person (other than salaries payable to employees and independent contractors not contingent on or related to use of their work product) as a result of the ownership, use, possession, license-in, sale, marketing, advertising or disposition of any Matrix IP Rights by Matrix or any of its Subsidiaries to the extent necessary for the conduct of Matrix's and its Subsidiaries' respective businesses as currently conducted by Matrix and its Subsidiaries, except for those royalties, honoraria, fees or payments that would be payable in the absence of this Agreement and the consummation of the transactions contemplated by this Agreement. After the Closing, all Matrix-Owned IP Rights will be fully transferable, alienable or licensable by the Surviving Company without restriction and without payment of any kind to any third party.

(c) Section 2.8(c) of the Matrix Disclosure Letter sets forth a list (by name and product SKU or version number) of each of the products and services currently produced, manufactured, marketed, licensed, sold, furnished or distributed by Matrix or any of its Subsidiaries (excluding third-party products or services resold or distributed by Matrix or its

Subsidiaries) (each a "*Matrix Product or Service*"). To the Knowledge of Matrix, neither the operation of Matrix's or any of its Subsidiaries' businesses as currently conducted by Matrix and its Subsidiaries nor the use, development, manufacture, marketing, license, sale or furnishing of any Matrix Product or Service currently licensed, used, sold, provided or furnished by Matrix or any of its Subsidiaries (i) violates any Contract between Matrix or any of its Subsidiaries and any Person, or (ii) infringes or misappropriates any Intellectual Property right of any Person. To the Knowledge of Matrix, the development of any Matrix Product or Service, as currently being conducted by Matrix or any of its Subsidiaries, does not (i) violate any Contract between Matrix or any of its Subsidiaries and any Person, or (ii) infringe or misappropriate, any Intellectual Property rights of any Person. Neither Matrix nor any of its Subsidiaries has received any notice asserting that any Matrix IP Right or the proposed use, sale, license or disposition of any Matrix Product or Service conflicts with or infringes the Intellectual Property or other rights of any Person, nor to the Knowledge of Matrix, is there any reasonable basis for any such assertion, and neither Matrix nor any of its Subsidiaries has received any notice from any Person offering a license under any Intellectual Property or other right to avoid litigation or other claims.

(d) No current or former employee, consultant or independent contractor (who provides services to Matrix or any of its Subsidiaries on a fee for service basis) of Matrix or any of its Subsidiaries: (i) is, to the Knowledge of Matrix, in material violation of any term or covenant of any employment contract, patent disclosure agreement, invention assignment agreement, nondisclosure agreement, noncompetition agreement or any other Contract with any third party by virtue of such employee's, consultant's or independent contractor's being employed by, or performing services for, Matrix or any of its Subsidiaries or using Trade Secrets or other Intellectual Property of others without permission; (ii) has, to the Knowledge of Matrix, developed any technology, Software or other copyrightable, patentable or otherwise proprietary work for Matrix or any of its Subsidiaries that is subject to any Contract under which such employee, consultant or independent contractor has assigned or otherwise granted to any third party any Intellectual Property or other right in or to such technology, Software or other copyrightable, patentable or otherwise proprietary work; (iii) has failed to execute and deliver to Matrix or one of its Subsidiaries an enforceable Contract regarding the protection of Matrix's or its Subsidiaries' Trade Secrets and other Intellectual Property rights (and in the case of Trade Secrets and other Intellectual Property rights of Matrix's and its Subsidiaries' customers and business partners, to the extent required by such customers and business partners); or (iv) has failed to deliver an enforceable written Contract assigning to Matrix or one of its Subsidiaries the rights to such employee's, consultant's or independent contractor's contributions to the Matrix IP Rights arising out of services performed by such Person for Matrix or any of its Subsidiaries that may be owned by such Persons or that Matrix or one of its Subsidiaries does not otherwise own by operation of law. To the Knowledge of Matrix, neither the employment of any employee of Matrix or any of its Subsidiaries, nor the use by Matrix or any of its Subsidiaries of the services of any consultant or independent contractor subjects Matrix or any of its Subsidiaries to any obligation to any third party for improperly soliciting such employee, consultant or independent contractor to work for Matrix or any of its Subsidiaries, whether such obligation is contractual or otherwise.

(e) Matrix and each of its Subsidiaries has taken all necessary and appropriate steps to protect, preserve and maintain the secrecy and confidentiality of material Matrix-Owned IP Rights and to preserve and maintain all Matrix's and its Subsidiaries' interests, proprietary

rights and material Trade Secrets included among Matrix-Owned IP Rights. No current or former employee, officer, director, consultant or independent contractor of Matrix or any of its Subsidiaries has any right, license, claim or interest whatsoever in or with respect to any Matrix-Owned IP Rights. To the extent that any Intellectual Property developed or otherwise owned by a third party is incorporated into, integrated or bundled with, or used by Matrix or any of its Subsidiaries in the development, manufacture or compilation of any of Matrix Products or Services ("*Third Party Product Technology*"), Matrix or one of its Subsidiaries has a written agreement with such third party with respect thereto under which Matrix or one of its Subsidiaries either (i) has obtained complete, unencumbered (except as set forth in Section 2.8(g)(1) of the Matrix Disclosure Letter) and unrestricted ownership of, and is the exclusive owner of, or (ii) has obtained perpetual, irrevocable, non terminable licenses (sufficient for the conduct of Matrix's and each of its Subsidiaries' respective businesses and the use, manufacture, marketing, license, sale, furnishing or intended or contemplated use of any Matrix Product or Service) to, all such third party's Intellectual Property in such Third Party Product Technology by operation of law or by valid Contract. Section 2.8(e) of the Matrix Disclosure Letter sets forth a list and description of all Third Party Product Technology.

(f) Section 2.8(f) of the Matrix Disclosure Letter contains a true and complete list of (i) all worldwide registrations made by or on behalf of Matrix or any of its Subsidiaries of any Patents, Copyrights, Trademarks or Domain Names with any Governmental Entity, including Domain Name registries, (ii) all applications, registrations and filings made with any Governmental Entity in accordance with applicable law by Matrix or any of its Subsidiaries to secure, perfect or protect its interest in Matrix-Owned IP Rights, including all Patents, Copyrights and Trademarks, and where applicable the jurisdiction in which each of the items of Matrix IP Rights has been applied for, filed, issued or registered, and (iii) all inter parties proceedings or actions to which Matrix or any of its Subsidiaries is a party and, to the Knowledge of Matrix, ex parte proceedings or actions before any court or tribunal (including the United States Patent and Trademark Office or equivalent authority anywhere else in the world) related to any of Matrix-Owned IP Rights. All registered Patents, Copyrights, Trademarks and Domain Names held by Matrix or any of its Subsidiaries are in force and subsisting, and, to Matrix's Knowledge, valid and enforceable, and Matrix or one of its Subsidiaries is the record owner thereof. Matrix or one of its Subsidiaries is the exclusive owner of all Trademarks used in connection with the sale, licensing, distribution or provision of any Matrix Products or Services by Matrix or any of its Subsidiaries. Matrix or one of its Subsidiaries owns exclusively, and has good title to, all Copyrights that are included or incorporated into Matrix Products or Services.

(g) Matrix or one of its Subsidiaries owns all right, title and interest in and to all Matrix-Owned IP Rights free and clear of any and all liens, claims, charges, security interests, mortgages, easements, covenants, pledges, licenses, options, preemptive rights, rights of first refusal or first offer, proxies, levies, voting trusts or agreements, or other adverse claims or restrictions on title or transfer of any nature whatsoever ("*Encumbrances*"), other than those Encumbrances listed in Section 2.8(g)(1) of Matrix Disclosure Letter. The rights, licenses and interests of Matrix and each of its Subsidiaries in and to all Matrix-Licensed IP Rights are free and clear of all Encumbrances, other than licenses listed in Section 2.8(g)(2) of the Matrix Disclosure Letter.



(h) Neither Matrix nor any of its Subsidiaries has transferred ownership of any Intellectual Property that is or was owned by Matrix or any of its Subsidiaries, to any third party, or knowingly permitted Matrix's or any of its Subsidiaries' rights in such Intellectual Property to lapse or enter the public domain (other than through the expiration of registered Intellectual Property at the end of its statutory term or the publication of applications or registrations relating to Intellectual Property as required by applicable law).

(i) Except as set forth in Section 2.8(i) of the Matrix Disclosure Letter, none of Matrix, any of its Subsidiaries or any other party acting on behalf of Matrix or any of its Subsidiaries has disclosed or delivered to any third party, or permitted the disclosure or delivery to any escrow agent or other party of, any Matrix Source Code (as defined below). No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) shall, or would reasonably be expected to, result in the disclosure or delivery by Matrix, any of its Subsidiaries or any other party acting on behalf of Matrix or any of its Subsidiaries to any third party of any Matrix Source Code. Section 2.8(i) of the Matrix Disclosure Letter identifies each Contract under which Matrix or any of its Subsidiaries has deposited, or is or may be required to deposit, with an escrow agent or other third party, any Matrix Source Code. "**Matrix Source Code**" means, collectively, any human readable software source code, or any material portion or aspect of the software source code, or any material proprietary information or algorithm contained in or embedded in or combined with, in any manner, any software source code, in each case that is included among the Matrix-Owned IP Rights.

(j) To the Knowledge of Matrix, there is no unauthorized use, disclosure, infringement or misappropriation of any Matrix IP Rights by any Person, including any unauthorized use by any employee or former employee of Matrix or any of its Subsidiaries. Except in connection with the sale or licensing of any Matrix Product or Service or pursuant to those Contracts set forth in Section 2.20(i) of the Matrix Disclosure Letter, neither Matrix nor any of its Subsidiaries has agreed to indemnify any Person for any infringement of any Intellectual Property of any Person by any Matrix Product or Service that has been sold, licensed to third parties, leased to third parties, supplied, marketed, distributed or provided by Matrix or any of its Subsidiaries.

(k) No Matrix Products or Services or Software owned by Matrix or any of its Subsidiaries were developed by or on behalf of, or using grants or any other subsidies of, any Governmental Entity or any university, college, or other educational institution or research center, and no government funding, facilities, then-faculty or then-students of a university, college, other educational institution or research center was used in the development of any Matrix Products or Services or Software owned by Matrix or any of its Subsidiaries.

(l) No Software included among the Matrix-Owned IP Rights or incorporated or used in any Matrix Product or Service has been distributed, in whole or in part, or used, or is being used, in conjunction with any Public Software (as defined below) in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge. "**Public Software**" means any Software that (i) is or is required to be distributed as free Software or open source Software (e.g., Linux) or (ii) requires as a condition of its use, modification or distribution that it be disclosed or distributed in source code form or made available at no charge. Public Software includes, without limitation, software licensed

under the GNU General Public License (GPL) or GNU Library or "Lesser" General Public License (LGPL), the Mozilla Public License (MPL), the Netscape Public License (NPL), the Sun Community Source License (SCSL), the Sun Industry Standards License (SISSL), the New BSD license, the Apache License and any license approved by the Open Source Initiative.

(m) Matrix has provided in writing to SanDisk all information relating to any problem or issue with respect to any Matrix Product or Service, which does materially and adversely affect the value, functionality or fitness for the intended purposes of the same. Notwithstanding the foregoing, to the Knowledge of Matrix, there have not been and there are no defects in any Matrix Product or Service, and there are no errors in any technical documentation, specifications, manuals, user guides, promotional materials, drawings, flow charts, diagrams, benchmark test results, and other written materials associated with or used with any Matrix Product or Service, which defects or errors would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Matrix's or any of its Subsidiaries' businesses as currently conducted by Matrix and such Subsidiaries.

(n) Matrix has obtained the consents set forth in Section 2.8(n) of the Matrix Disclosure Letter.

(o) The "Launch Date" (as such term is defined in each respective Contract) has occurred under each of the Contracts set forth in Section 2.8(o) of the Matrix Disclosure Letter, which further sets forth the Launch Date for each such Contract.

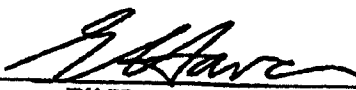
## 2.9 Taxes.

(a) "**Tax**" means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value-added, consumption, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Entity responsible for the imposition of any such tax (domestic or foreign) (each, a "**Tax Authority**"), (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an Affiliated, consolidated, combined, unitary or aggregate group for any Taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any obligation to indemnify any other Person. "**Tax Return**" means any return, statement, report or form (including estimated tax returns and reports, withholding tax returns and reports and information returns and reports) required to be filed with respect to Taxes.


(b) Matrix and each of its Subsidiaries have properly completed and timely filed all Tax Returns required to be filed by them. All such Tax Returns are true and correct in all material respects and have been completed in accordance with applicable law, and Matrix and each of its Subsidiaries have paid or withheld and paid to the appropriate Tax Authority all Taxes they are required to pay (whether or not shown to be due on such Tax Returns).

Each of Sierra, Merger Sub, Mike and the Stockholders' Representative have caused this Agreement to be executed and delivered as of the date first written above.

SANDISK CORPORATION

  
Name: Eli Harari  
Title: President and Chief Executive Officer

MIKE ACQUISITION COMPANY LLC  
by SanDisk Corporation, its sole member

  
Name: Judy Bruner  
Title: Authorized Representative

MATRIX SEMICONDUCTOR, INC.

Name: Dennis Segers  
Title: President and Chief Executive Officer

Bruce Dunlevie, as  
Stockholders Representative

Name: Bruce Dunlevie

Merger Agreement

Each of Sierra, Merger Sub, Mike and the Stockholders' Representative have caused this Agreement to be executed and delivered as of the date first written above.

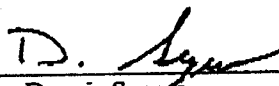
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Bruce Dunlevie, as  
Stockholders Representative

\_\_\_\_\_  
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Bruce Dunlevie  
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Merger Agreement