

## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q

[X] QUARTERLY REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2001

OR

[ ] TRANSITION REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 000-29472

AMKOR TECHNOLOGY, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE 23-1722724  
(STATE OF INCORPORATION) (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

1345 ENTERPRISE DRIVE  
WEST CHESTER, PA 19380  
(610) 431-9600  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES AND ZIP CODE)

SECURITIES REGISTERED PURSUANT TO SECTION  
12(b) OF THE ACT: NONE SECURITIES  
REGISTERED PURSUANT TO SECTION 12(g) OF  
THE ACT:  
COMMON STOCK, \$0.001 PAR VALUE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes [ X ] No [ ]

The number of outstanding shares of the registrant's Common Stock as of August 7, 2001 was 161,368,048.

2

## PART I. FINANCIAL INFORMATION

## ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

AMKOR TECHNOLOGY, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000
	(UNAUDITED)		(UNAUDITED)	
Net revenues.....	\$ 350,169	\$ 547,036	\$ 830,792	\$ 1,101,847
Cost of revenues -- including purchases from ASI.....	342,158	407,441	740,996	847,221
Gross profit.....	8,011	139,595	89,796	254,626
Operating expenses:				
Selling, general and administrative.....	51,365	46,884	105,359	88,781
Research and development.....	8,135	4,872	18,637	8,243
Amortization of goodwill and acquired intangibles.....	20,573	15,440	42,485	21,802
Total operating expenses.....	80,073	67,196	166,481	118,826
Operating income (loss).....	(72,062)	72,399	(76,685)	135,800
Other expense (income):				

Interest expense, net.....	40,411	29,428	85,206	44,857
Foreign currency loss (gain).....	2,375	1,756	1,065	2,592
Other expense (income), net.....	(57)	(322)	111	2,038
Total other expense.....	42,729	30,862	86,382	49,487
Income (loss) before income taxes, equity in loss of investees and minority interest.....	(114,791)	41,537	(163,067)	86,313
Provision (benefit) for income taxes.....	(25,673)	6,230	(30,983)	15,186
Equity in loss of investees.....	(26,345)	(4,371)	(52,593)	(3,035)
Minority interest.....	(828)	--	(828)	--
Net income (loss).....	\$ (116,291)	\$ 30,936	\$ (185,505)	\$ 68,092
Per Share Data:				
Basic net income (loss) per common share.....	\$ (0.76)	\$ 0.21	\$ (1.21)	\$ 0.49
Diluted net income (loss) per common share.....	\$ (0.76)	\$ 0.20	\$ (1.21)	\$ 0.47
Shares used in computing basic net income (loss) per common share.....	153,950	148,530	153,068	139,701
Shares used in computing diluted net income (loss) per common share.....	153,950	157,617	153,068	148,078

The accompanying notes are an integral part of these statements.

2

3

AMKOR TECHNOLOGY, INC.  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS)

	JUNE 30, 2001	DECEMBER 31, 2000
	(UNAUDITED)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents.....	\$ 339,135	\$ 93,517
Accounts receivable:		
Trade, net of allowance for doubtful accounts of \$1,838 and \$2,426.....	229,192	301,915
Due from affiliates.....	2,504	1,634
Other.....	7,898	6,465
Inventories.....	83,801	108,613
Other current assets.....	46,437	36,873
Total current assets.....	708,967	549,017
Property, plant and equipment, net.....	1,453,275	1,478,510
Investments.....	448,822	501,254
Other assets:		
Due from affiliates.....	22,143	25,013
Goodwill and acquired intangibles, net.....	717,475	737,593
Other.....	106,080	101,897
Total assets.....	\$ 3,456,762	\$ 3,393,284
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Bank overdraft.....	\$ 13,784	\$ 25,731
Current portion of long-term debt.....	30,272	73,586
Trade accounts payable.....	142,375	133,047
Due to affiliates.....	8,829	32,534
Accrued expenses.....	123,606	129,301
Accrued income taxes.....	16,621	52,232
Total current liabilities.....	335,487	446,431
Long-term debt .....	1,876,219	1,585,536
Other noncurrent liabilities.....	58,246	46,483
Total liabilities.....	2,269,952	2,078,450
Commitments and contingencies		
Minority interest.....	2,406	--
Stockholders' equity:		
Preferred stock.....	--	--
Common stock.....	156	152
Additional paid-in capital.....	1,030,857	975,026
Retained earnings.....	158,381	343,886
Receivable from stockholder.....	(3,276)	(3,276)
Accumulated other comprehensive loss.....	(1,714)	(954)
Total stockholders' equity.....	1,184,404	1,314,834
Total liabilities and stockholders' equity.....	\$ 3,456,762	\$ 3,393,284

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(UNAUDITED)  
(IN THOUSANDS)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	RECEIVABLE FROM STOCKHOLDER
Balance at December 31, 1999.....	130,660	\$ 131	\$ 551,964	\$ 189,733	\$ (3,276)
Net income.....	--	--	--	68,092	--
Unrealized losses on investments, net of tax.....	--	--	--	--	--
Comprehensive income.....					
Issuance of 20.5 million common stock shares and 3.9 million common stock warrants.....	20,500	21	409,979	--	--
Issuance of stock through employee stock purchase plan and stock options.....	382	--	4,684	--	--
Debt conversion.....	248	--	3,460	--	--
Balance at June 30, 2000.....	151,790	\$ 152	\$ 970,087	\$ 257,825	\$ (3,276)
Balance at December 31, 2000.....	152,118	\$ 152	\$ 975,026	\$ 343,886	\$ (3,276)
Net income (loss).....	--	--	--	(185,505)	--
Unrealized gains on investments, net of tax.....	--	--	--	--	--
Cumulative translation adjustment.....	--	--	--	--	--
Comprehensive loss.....					
Issuance of stock through employee stock purchase plan and stock options.....	533	1	6,869	--	--
Debt conversion.....	3,716	3	48,962	--	--
Balance at June 30, 2001.....	156,367	\$ 156	\$ 1,030,857	\$ 158,381	\$ (3,276)

	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL	COMPREHENSIVE INCOME
Balance at December 31, 1999.....	\$ (811)	\$ 737,741	
Net income.....	--	68,092	\$ 68,092
Unrealized losses on investments, net of tax.....	(17)	(17)	(17)
Comprehensive income.....			\$ 68,075
Issuance of 20.5 million common stock shares and 3.9 million common stock warrants.....	--	410,000	
Issuance of stock through employee stock purchase plan and stock options.....	--	4,684	
Debt conversion.....	--	3,460	
Balance at June 30, 2000.....	\$ (828)	\$ 1,223,960	
Balance at December 31, 2000.....	\$ (954)	\$ 1,314,834	
Net income (loss).....	--	(185,505)	\$ (185,505)
Unrealized gains on investments, net of tax.....	--	--	--
Cumulative translation adjustment.....	(760)	(760)	(760)
Comprehensive loss.....			\$ (186,265)
Issuance of stock through employee stock purchase plan and stock options.....	--	6,870	
Debt conversion.....	--	48,965	
Balance at June 30, 2001.....	\$ (1,714)	\$ 1,184,404	

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)

	FOR THE SIX MONTHS ENDED	
	2001	2000
	-----	
	(UNAUDITED)	
Cash flows from operating activities:		
Net income (loss).....	\$ (185,505)	\$ 68,092
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization.....	216,586	130,629
Deferred debt issuance costs.....	14,124	2,626
Debt conversion expense.....	--	272
Provision for accounts receivable.....	(588)	--
Provision for excess and obsolete inventory.....	11,628	3,500
Deferred income taxes.....	(155)	1,935
Equity in (income) loss of investees.....	52,593	3,035
Loss on sale of fixed assets and investments.....	1,522	1,012
Minority interest.....	828	--
Changes in assets and liabilities excluding effects of acquisitions --		
Accounts receivable.....	73,369	(38,218)
Repurchase of accounts receivable under securitization agreement.....	--	(71,500)
Other receivables.....	(1,433)	2,363
Inventories.....	24,014	(2,585)
Due to/from affiliates, net.....	(21,705)	3,947
Other current assets.....	(6,054)	(13,129)
Other noncurrent assets.....	2,875	(10,372)
Accounts payable.....	9,300	62,089
Accrued expenses.....	(25,302)	8,353
Accrued income taxes.....	(35,611)	3,658
Other long-term liabilities.....	3,722	3,473
	-----	-----
Net cash provided by operating activities.....	134,208	159,180
	-----	-----
Cash flows from investing activities:		
Purchases of property, plant and equipment.....	(112,664)	(288,837)
Acquisition of Amkor Iwate.....	(7,338)	--
Acquisition of K1, K2 and K3, net of cash acquired.....	--	(924,548)
Investment in ASI.....	--	(339,000)
Cash held in escrow to fund ASI investment commitment.....	--	(120,000)
Acquisition of Integra Technologies, LLC.....	--	(7,580)
Proceeds from the sale of property, plant and equipment.....	793	--
Proceeds from the sale (purchase) of investments.....	(161)	136,988
	-----	-----
Net cash used in investing activities.....	(119,370)	(1,542,977)
	-----	-----
Cash flows from financing activities:		
Net change in bank overdrafts and short-term borrowings.....	764	8,574
Net proceeds from issuance of long-term debt.....	750,995	1,029,154
Payments of long-term debt.....	(527,440)	(30,386)
Net proceeds from the issuance of 20.5 million common shares in a private equity offering.....	--	410,000
Proceeds from issuance of stock through employee stock purchase plan and stock options.....	6,870	4,684
	-----	-----
Net cash provided by financing activities.....	231,189	1,422,026
	-----	-----
Effect of exchange rate fluctuations on cash and cash equivalents.....	(409)	--
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	245,618	38,229
Cash and cash equivalents, beginning of period.....	93,517	98,045
	-----	-----
Cash and cash equivalents, end of period.....	\$ 339,135	\$ 136,274
	=====	=====
Supplemental disclosures of cash flow information: Cash paid during the period for:		
Interest.....	\$ 68,899	\$ 41,531
Income taxes.....	\$ (158)	\$ 8,255

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM FINANCIAL STATEMENTS

The consolidated financial statements and related disclosures as of June 30, 2001 and for the three and six months ended June 30, 2001 and 2000 are unaudited, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the results for the interim periods. These financial statements should be read in conjunction with our latest annual report as of December 31, 2000 filed on Form 10-K with the Securities and Exchange Commission. The results of operations for the three and six months ended June 30, 2001 are not necessarily indicative of the results to be expected for the full year.

Certain previously reported amounts have been reclassified to conform with the current presentation.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 addresses financial accounting and reporting for business combinations and supercedes APB Opinion No. 16, "Business Combinations." SFAS No. 141 requires the purchase method of accounting be used for all business combinations initiated after June 30, 2001, and establishes specific criteria for the recognition of intangible assets separately from goodwill. These provisions are effective for business combinations for which the date of acquisition is subsequent to June 30, 2001. SFAS No. 142 addresses the accounting for goodwill and intangible assets subsequent to their acquisition and eliminates the requirement to amortize goodwill and long-lived assets with indefinite lives. SFAS No. 142 requires an annual impairment test be performed to evaluate the carrying value of such assets. The provisions for SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. We are currently evaluating the impact these pronouncements will have on our financial position or results of operations.

## 2. RISKS AND UNCERTAINTIES

Our future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from historical results include, but are not limited to, dependence on the highly cyclical nature of the semiconductor industry, uncertainty as to the demand from our customers over both the long-and short-term, competitive pricing and declines in average selling prices we experience, our dependence on our relationship with Anam Semiconductor, Inc. (ASI) for all of our wafer fabrication output, the timing and volume of orders relative to our production capacity, the absence of significant backlog in our business, availability of manufacturing capacity and fluctuations in manufacturing yields, the availability of financing, our high leverage and the restrictive covenants contained in the agreements governing our indebtedness, our competition, our dependence on international operations and sales, our dependence on raw material and equipment suppliers, exchange rate fluctuations, our dependence on key personnel, our difficulties managing our growth, the enforcement of intellectual property rights by or against us, our need to comply with existing and future environmental regulations and the results of ASI as it impacts our financial results.

## 3. ACQUISITIONS

In January 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services to Toshiba's Iwate factory under a long-term supply agreement. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. By January 2004 we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen. The results of Amkor Iwate have been included in the accompanying consolidated financial statements since the date of acquisition. Goodwill and acquired intangibles as of the acquisition date, based on preliminary estimates of fair value, were \$21.9 million and are being amortized on a straight-line basis over 5 to 10 years. Acquired intangibles include the value of acquired technology and of a workforce-in-place. We do not expect that the final purchase price allocation will differ significantly from the preliminary purchase price allocation.

On May 1, 2000 we completed our purchase of ASI's three remaining packaging and test factories, known as K1, K2 and K3, for a purchase price of \$950.0 million. In addition we made a commitment to make a \$459.0 million equity investment in ASI. Pursuant to that commitment we made an equity investment in ASI of \$309.0 million on May 1, 2000. We fulfilled the remaining equity investment

commitment of \$150.0 million in three installments of which \$30.0 million was invested on June 30, 2000, and \$60.0 million was invested on each of August 30,

2000 and October 27, 2000. We financed the acquisition and investment with the proceeds of a \$258.8 million convertible subordinated notes offering, a \$410.0 million private equity financing, \$750.0 million of secured bank debt and approximately \$103 million from cash on hand. As of June 30, 2001, we invested a total of \$500.6 million in ASI and owned 42% of the outstanding voting stock. We report ASI's results in our financial statements through the equity method of accounting.

The amount by which the cost of our investment exceeds our share of the underlying assets of ASI as of the date of our investment is being amortized on a straight-line basis over a five-year period. The amortization is included in our consolidated statement of income within equity in income of investees. As of June 30, 2001, the unamortized excess of the cost of our equity investment in ASI above our share of the underlying net assets is \$136.4 million.

The acquisition of K1, K2 and K3 was accounted for as a purchase. Accordingly, the results of K1, K2 and K3 have been included in the accompanying consolidated financial statements since the date of acquisition. Goodwill and acquired intangibles as of the acquisition date were \$555.8 million and are being amortized on a straight-line basis over a 10 year period. Acquired intangibles include the value of acquired patent rights and of a workforce-in-place. The fair value of the assets acquired and liabilities assumed was approximately \$394 million for fixed assets, \$9 million for inventory and other assets, and \$9 million for assumed liabilities.

Pro Forma Financial Information for Amkor

The pro forma information below assumes that the May 2000 acquisition of K1, K2 and K3 occurred at the beginning of 2000. The pro forma adjustments include a provision for amortization of goodwill and other identified intangibles, an adjustment of depreciation expense based on the fair market value of the acquired assets, interest expense on debt issued to finance the acquisitions and income taxes related to the pro forma adjustments. The pro forma results are not necessarily indicative of the results we would actually have achieved if the acquisition had been completed as of the beginning of 2000, nor are they necessarily indicative of future consolidated results.

	FOR THE SIX MONTHS ENDED June 30,	
	ACTUAL 2001	PRO FORMA 2000
	----- (IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	
Net revenues.....	\$ 830,792	\$ 1,112,068
Income before income taxes and equity in income		
(loss) of investees.....	(163,067)	104,788
Net income (loss).....	(185,505)	86,457
Earnings per share:		
Basic net income (loss) per common share.....	(1.21)	0.57
Diluted net income (loss) per common share.....	(1.21)	0.55

The pro forma adjustments exclude the effects of our investments in ASI. Had we included pro forma adjustments for the six months ended June 30, 2000 related to our investments in ASI, pro forma net income would have been \$83.0 million and pro forma earnings per share on a diluted basis would have been \$0.52.

Financial Information for ASI

The following summary consolidated financial information was derived from the consolidated financial statements of ASI. ASI's results of operation for the six months ended June 30, 2000, reflected their packaging and test operations as discontinued operations. Net income for the six months ended June 30, 2000 includes a \$436.8 million gain on sale of K1, K2 and K3, which was eliminated for purposes of calculating our equity in income of ASI.

	SIX MONTHS ENDED	
	JUNE 30, 2001	JUNE 30, 2000
	----- (IN THOUSANDS)	

SUMMARY INCOME STATEMENT INFORMATION FOR ASI

Net revenues.....	\$	70,449	\$	157,596
Gross profit (deficit).....		(49,662)		29,264
Loss from continuing operations.....		(84,335)		(19,254)
Net income (loss).....		(84,335)		459,310

7

8

	JUNE 30, 2001		DECEMBER 31, 2000
	(IN THOUSANDS)		
Cash, including restricted cash and bank deposits.....	124,475	\$	224,629
Property, plant and equipment, net.....	721,074		793,850
Current assets.....	171,643		303,486
Noncurrent assets (including property, plant and equipment).....	862,749		943,458
Current liabilities.....	131,784		158,910
Total debt and other long-term financing (including current portion).....	283,255		370,976
Noncurrent liabilities (including debt and other long-term financing).....	225,140		326,708
Total stockholders' equity.....	677,468		761,326

4. INVENTORIES

Inventories consist of raw materials and purchased components that are used in the semiconductor packaging process. Inventories are located at our facilities in the Philippines, Korea, Japan and China. Components of inventories follow:

	JUNE 30, 2001		DECEMBER 31, 2000
	(IN THOUSANDS)		
Raw materials and purchased components.....	\$ 75,031	\$	99,570
Work-in-process.....	8,770		9,043
	\$ 83,801	\$	108,613

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	JUNE 30, 2001		DECEMBER 31, 2000
	(IN THOUSANDS)		
Land .....	\$ 80,038	\$	80,048
Buildings and improvements.....	450,180		445,785
Machinery and equipment.....	1,607,217		1,506,774
Furniture, fixtures and other equipment.....	89,549		79,691
Construction in progress.....	95,002		70,753
	2,321,986		2,183,051
Less -- Accumulated depreciation and amortization.....	(868,711)		(704,541)
	\$ 1,453,275	\$	1,478,510

6. INVESTMENTS

Investments include equity investments in affiliated companies and noncurrent marketable securities as follows:

	JUNE 30, 2001	DECEMBER 31, 2000
(IN THOUSANDS)		
Equity investments under the equity method:		
ASI (ownership of 42%).....	\$ 425,802	\$ 478,943
Other equity investments (20% - 50% owned)		
Taiwan Semiconductor Technology Corporation.....	18,134	17,488
Other.....	787	664
	-----	-----
Total equity investments.....	444,723	497,095
Marketable securities classified as available for sale.....	4,099	4,159
	-----	-----
	\$ 448,822	\$ 501,254
	=====	=====

8

9  
7. DEBT

Following is a summary of short-term borrowings and long-term debt:

	JUNE 30, 2001	DECEMBER 31, 2000
(IN THOUSANDS)		
Secured bank facility:		
Term A loan, LIBOR plus 2.75% due March 2005.....	--	297,500
Term B loan, LIBOR plus 3% due September 2005.....	223,625	347,375
\$200.0 million revolving line of credit, LIBOR plus 2.75% due March 2005.....	--	80,000
9.25% Senior notes due May 2006.....	425,000	425,000
9.25% Senior notes due February 2008.....	500,000	--
10.5% Senior subordinated notes due May 2009.....	200,000	200,000
5.75% Convertible subordinated notes due May 2006.....	250,000	--
5.75% Convertible subordinated notes due May 2003.....	--	50,191
5% Convertible subordinated notes due March 2007.....	258,750	258,750
Other debt.....	49,116	306
	-----	-----
	1,906,491	1,659,122
Less -- Short-term borrowings and current portion of long-term debt.....	(30,272)	(73,586)
	-----	-----
	\$ 1,876,219	\$ 1,585,536
	=====	=====

In May 2001, we sold \$250.0 million principal amount of our 5.75% convertible subordinated notes due 2006 in a private placement. The notes are convertible into Amkor common stock at a conversion price of \$35.00 per share. We used \$122.0 million of the \$243.0 million of the net proceeds of that offering to repay amounts outstanding under the Term B loans of our secured bank facility, and the balance of the net proceeds was available to be used for general corporate and working capital purposes. In connection with the repayment in May 2001 of the Term B loans, we expensed \$2.3 million of unamortized deferred debt issuance costs.

In May 2001, we called for the redemption of all of the 5.75% convertible subordinated notes due May 2003. In anticipation of the redemption, substantially all of the holders of the convertible notes opted to convert their notes into Amkor common stock and, accordingly, \$50.2 million of the convertible notes were converted to 3.7 million of our common stock. In connection with the conversion of the 5.75% convertible subordinated notes due May 2003, \$1.2 million of unamortized deferred debt issuance costs was charged to additional paid-in capital.

In February 2001, we sold \$500.0 million principal amount of our 9.25% senior notes due 2008 in a private placement. We used \$387.5 million of the \$490.0 million of the net proceeds of that offering to repay amounts outstanding under the Term A loans and revolving line of credit of our secured bank facility, and the balance of the net proceeds was available to be used for general corporate and working capital purposes. In connection with the repayment in February 2001 of the Term A loans, we expensed \$7.1 million of unamortized deferred debt issuance costs.

Other debt as of June 30, 2001 included the financing related to Amkor Iwate's acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan.



In connection with our issuance of the 5.75% convertible subordinated notes due 2006 in May 2001, we incurred debt issuance costs of \$7.0 million. In connection with our issuance of the 9.25% senior notes due 2008 and the amendment to our secured bank facility in February 2001, we incurred debt issuance costs of \$11.0 million. The debt issuance costs have been deferred and are being amortized over the life of the associated debt. Deferred debt issuance costs are included, net of amortization, in other noncurrent assets in the consolidated balance sheet.

Interest expense related to short-term borrowings and long-term debt is presented net of interest income of \$5.4 million and \$8.3 million for the six months ended June 30, 2001 and 2000, respectively, in the accompanying consolidated statements of income.

10  
8. EARNINGS PER SHARE

SFAS No. 128, "Earnings Per Share," requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic EPS is computed using only the weighted average number of common shares outstanding for the period while diluted EPS is computed assuming conversion of all dilutive securities, such as options. As a result of the net loss for the three and six months ended June 30, 2001, potentially dilutive securities are excluded from the diluted weighted average shares calculation for the three and six months ended June 30, 2001 because the result would be antidilutive. The following table presents a reconciliation of basic and diluted earnings, weighted average shares and per share amounts for the three and six months ended June 30, 2000:

FOR THE THREE MONTHS ENDED JUNE 30, 2000			
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)			
Basic earnings per share.....	\$ 30,936	148,530	\$ 0.21
Impact of convertible notes.....	606	3,726	
Dilutive effect of options and warrants.....	--	5,361	
Diluted earnings per share.....	\$ 31,542	157,617	\$ 0.20

FOR THE SIX MONTHS ENDED JUNE 30, 2000			
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)			
Basic earnings per share.....	\$ 68,092	139,701	\$ 0.49
Impact of convertible notes.....	1,190	3,771	
Dilutive effect of options and warrants.....	--	4,606	
Diluted earnings per share.....	\$ 69,282	148,078	\$ 0.47

9. SEGMENT INFORMATION

In accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," we have two reportable segments, packaging and test services and wafer fabrication services. These segments are managed separately because the services provided by each segment require different technology and marketing strategies.

Packaging and Test Services. Through our factories located in the Philippines, Korea, Japan and China, we offer a complete and integrated set of packaging and test services including integrated circuit (IC) packaging design, leadframe and substrate design, IC package assembly, final testing, burn-in,

reliability testing and thermal and electrical characterization.

Wafer Fabrication Services. Through our wafer fabrication services division, we provide marketing, engineering and support services of ASI's wafer foundry, under a long-term supply agreement.

We derive a substantial portion of our wafer fabrication revenues from Texas Instruments (TI). Total net revenues derived from TI accounted for 7.5% and 15.4% of our consolidated net revenues for the six months ended June 30, 2001 and 2000, respectively. With the commencement of operations of Amkor Iwate and the acquisition of a packaging and test facility from Toshiba, total net revenues derived from Toshiba accounted for 14.6% of our consolidated net revenues for the six months ended June 30, 2001.

The accounting policies for segment reporting are the same as those for our consolidated financial statements. We evaluate our operating segments based on operating income. Summarized financial information concerning reportable segments is shown in the following table. The "Other" column includes the elimination of inter-segment balances and corporate assets which include cash and cash equivalents, non-operating balances due from affiliates, investment in ASI and Taiwan Semiconductor Technology Corporation and other investments.

10

11

	PACKAGING AND TEST	WAFER FABRICATION	OTHER	TOTAL
(IN THOUSANDS)				
Three Months Ended June 30, 2001				
Net Revenues.....	\$ 311,423	\$ 38,746	\$ --	\$ 350,169
Gross Profit.....	4,089	3,922	--	8,011
Operating Income (Loss).....	(73,770)	1,708	--	(72,062)
Three Months Ended June 30, 2000				
Net Revenues.....	\$ 462,677	\$ 84,359	\$ --	\$ 547,036
Gross Profit.....	131,130	8,465	--	139,595
Operating Income.....	67,621	4,778	--	72,399
Six Months Ended June 30, 2001				
Net Revenues.....	\$ 750,836	\$ 79,956	\$ --	\$ 830,792
Gross Profit.....	82,061	7,735	--	89,796
Operating Income.....	(79,867)	3,182	--	(76,685)
Six Months Ended June 30, 2000				
Net Revenues.....	\$ 931,612	\$ 170,235	\$ --	\$ 1,101,847
Gross Profit.....	237,658	16,968	--	254,626
Operating Income (Loss).....	125,439	10,361	--	135,800
Total Assets				
June 30, 2001.....	\$ 2,627,699	\$ 26,476	\$ 802,587	\$ 3,456,762
December 31, 2000.....	2,732,733	46,231	614,320	3,393,284

The following presents property, plant and equipment, net based on the location of the asset.

	JUNE 30, 2001	DECEMBER 31, 2000
(IN THOUSANDS)		
Property, Plant and Equipment, net		
United States.....	\$ 89,793	\$ 84,351
Philippines.....	539,022	579,619
Korea.....	780,260	813,983
Japan.....	36,310	174
China.....	7,350	--
Other foreign countries.....	540	383
	-----	-----
	1,453,275	\$ 1,478,510
	=====	=====

10. COMMITMENTS AND CONTINGENCIES

Amkor is involved in various claims incidental to the conduct of our

business. Based on consultation with legal counsel, we do not believe that any claims, either individually or in the aggregate, to which the company is a party will have a material adverse effect on our financial condition or results of operations.

We are disputing certain amounts due under a technology license agreement with a third party. To date, this dispute has not involved the judicial systems. We remit to the third party our estimate of amounts due under this agreement. Depending on the outcome of this dispute, the ultimate payable by us, as of June 30, 2001, could be up to an additional \$13.2 million. The third party is not actively pursuing resolution to this dispute and we have not accrued the potential additional amount.

#### 11. SUBSEQUENT EVENTS

In June 2001, we entered into definitive agreements to acquire, in separate transactions, Taiwan Semiconductor Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in Taiwan. The transactions were consummated in July 2001. The combined purchase

11

12

price of these acquisitions was principally paid with the issuance of 4.9 million shares of our common stock, the assumption of \$34.8 million of debt and approximately \$6.0 million of cash consideration, net of acquired cash. Both transactions have earn-out provisions based in part on the results of each of the acquisitions. Based on the earn-out provisions, we could be required to issue an additional 1.8 million shares in January 2002 and may pay additional cash consideration of approximately \$9.0 million in July 2002.

12

13

#### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

##### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) the condition of the industry in which we operate, including demand and selling prices for our services, (2) our anticipated capital expenditures and financing needs, (3) our belief as to our future operating performance, (4) statements regarding the future of our relationship with ASI and (5) other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the following discussion as well as in "Risk Factors that May Affect Future Operating Performance." The following discussion provides information and analysis of our results of operations for the three and six months ended June 30, 2001 and our liquidity and capital resources. You should read the following discussion in conjunction with our consolidated financial statements and the related notes, included elsewhere in this quarterly report as well as the reports we file with the Securities and Exchange Commission.

#### INDUSTRY AND BUSINESS OUTLOOK

Amkor is the world's largest independent provider of semiconductor packaging and test services. The company has built a leading position through: (i) one of the industry's broadest offerings of packaging and test services, (ii) expertise in the development and implementation of packaging and test technology, (iii) long-standing relationships with customers, and (iv) advanced manufacturing capabilities. We also market the wafer fabrication output provided by a foundry owned by Anam Semiconductor, Inc. (ASI). The semiconductors that we package and test for our customers are ultimately components in communications, computer, industrial, consumer, automotive and military systems.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Based on industry estimates, from 1978 through 2000, there were 10 years when semiconductor industry growth was 10% or less and 13 years when growth was 19% or greater. The strength of the semiconductor industry is dependent primarily upon the strength of the computer and communications systems markets. Since 1970, the semiconductor industry declined in 1975, 1985, 1996 and 1998. The semiconductor industry began to expand subsequent to the 1998 downturn with a growth rate in revenues of 19% and 36% in 1999 and 2000. The historical trends in the semiconductor industry are not necessarily indicative of the results of any future period. The semiconductor industry has weakened significantly beginning in the fourth quarter of 2000 into 2001. The expected continued weakness in the semiconductor industry is causing industry analysts to forecast a decline in the semiconductor industry for 2001 of an estimated 28%. Our customers have reduced their forecasts as a result of the broad weakness in the semiconductor industry, uncertainty about end market demand, and excess inventory across the semiconductor industry supply chain. The significant uncertainty throughout the industry is hindering the visibility throughout the supply chain and that lack of visibility makes it difficult to forecast the end of the weakness in the semiconductor industry. The weaker demand is expected to continue to adversely impact our results in 2001.

During the current industry downturn, our business strategy has been to move forward with geographic diversification, invest in next-generation technology, and enhance our financial flexibility. We commenced operations in Japan in connection with our joint venture with Toshiba, constructed an assembly and test facility in China and consummated two acquisitions in Taiwan. We continue to evaluate additional acquisition and investment opportunities. Although we have significantly reduced our capital expenditure plans, we are committed to investing in new technologies primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities. We raised \$500.0 million of 9.25% senior notes due 2008 and \$250.0 million of 5.75% convertible subordinated notes due 2006. Of the combined net proceeds of \$733.0 million, we used \$509.5 million to repay amortizing term loans. With the repayment of the term loans, we eliminated \$70.0 million in principal payments due in 2001. The balance of the net proceeds supports our expansion efforts and general corporate and working capital purposes. Our cash and cash equivalent balance as of June 30, 2001 was \$339.1 million.

During the second half of the year ended December 31, 2000, we had significantly increased our operating costs to service the demand we were experiencing and expecting. Beginning in 2001, we implemented numerous cost reduction initiatives as a significant part of our financial strategy to partially mitigate the impact of the industry downturn on our results of operations and cash flows. Our cost reduction efforts included reducing our worldwide headcount, reducing compensation levels, shortening work schedules, improving factory efficiencies, and negotiating cost reductions with our vendors.

13

14

We reduced our headcount in the Philippines and Korea by approximately 2,400 employees or 11% from the employment levels at December 31, 2000. Labor costs, excluding one-time severance costs, in the Philippines and Korea were reduced by \$16.6 million or 18% for the three months ended June 30, 2001 as compared with the three months ended December 31, 2000. We reduced our administrative headcount, excluding the effects of acquisitions, by 8% from the employment levels at December 31, 2000. General, selling and administrative salaries and compensation, excluding the effects of acquisitions, were reduced by \$3.1 million or 16% for the three months ended June 30, 2001 as compared with the three months ended December 31, 2000. We estimate that for the three months ended June 30, 2001 we reduced our factory operating costs and administrative costs, excluding depreciation, materials and the impact of acquisitions and expansions, by an estimated \$28 million and \$9 million, respectively, as compared with the three months ended December 31, 2000.

Prices for packaging and test services and wafer fabrication services have declined over time. Historically we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, negotiating lower prices with our material vendors, and driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. We cannot assure you that we will be able to offset any such price declines in the future.

The weakness in the semiconductor industry is also adversely affecting the demand for the wafer output from ASI's foundry. Beginning in the fourth quarter and continuing into 2001, demand for wafers deteriorated significantly. Historically we derived a substantial portion of our wafer fabrication service revenues from Texas Instruments. Wafers sales to Texas Instruments for the six months ended June 30, 2001 decreased 65.3% as compared with the six months ended June 30, 2000. We expect, as a result of the weaker demand for the wafer output from ASI's foundry, our wafer fabrication services results and ASI's operating results will continue to be adversely impacted in 2001. ASI's results impact us through our recording of our share of their results in accordance with the equity method of accounting.

#### OVERVIEW OF OUR HISTORICAL RESULTS

##### Financial Impact of Our Acquisition of K1, K2 and K3 and Investment in ASI on Our Results of Operations

Historically we performed packaging and test services at our factories in the Philippines and subcontracted for additional services with ASI which operated four packaging and test facilities in Korea. In May 1999, we acquired K4, one of ASI's packaging and test facilities, and in May 2000 we acquired ASI's remaining packaging and test facilities, K1, K2 and K3. With the completion of our acquisition of K1, K2 and K3, we no longer depend upon ASI for packaging or test services, but we continue to market ASI's wafer fabrication services.

There was not a significant change in our revenues as a result of the acquisition of K1, K2 and K3, because we historically sold substantially all of the output of those facilities. Our gross margins on sales of services performed by ASI were set in accordance with supply agreements with ASI and were generally lower than our gross margins of services performed by our factories in the Philippines. Effective with our May 2000 acquisition of K1, K2 and K3, we no longer pay service charges to ASI for packaging and test services. Our gross margins were favorably impacted by the termination of the supply agreement, but such favorable impact was partially offset by the additional operating costs that were previously borne by ASI for K1, K2 and K3 and the amortization of \$555.8 million of goodwill and acquired intangibles over a 10-year period.

Our interest expense increased due to the total debt we incurred to finance the \$950.0 million acquisition of K1, K2 and K3 and our \$459.0 million investment in ASI. Our overall effective tax rate decreased due to a 100% tax holiday for seven years, with an anticipated expiration in 2006, on K1, K2 and K3's results of operations. Upon the expiration of the 100% tax holiday, we will have a 50% tax holiday for three additional years. As of June 30, 2001, we owned 42% of ASI's outstanding voting stock and we report ASI's results in our financial statements through the equity method of accounting.

14

15

##### Financial Impact of Our Joint Venture with Toshiba Corporation

As of January 1, 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services to Toshiba's Iwate factory under a long-term supply agreement. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. Within three years we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen.

The results of Amkor Iwate have been included in the accompanying consolidated financial statements since January 2001. Our revenues increased as a result of the packaging and test services performed by Amkor Iwate for Toshiba under the supply agreement. Gross margins as a percentage of net revenues were negatively impacted given the terms of the supply agreement provide for gross margins lower than our historical gross margins on services performed by our other factories. Operating expenses increased as a result of the additional administrative expenses incurred by Amkor Iwate and the amortization of \$21.9 million of goodwill and acquired intangibles over 5 to 10 years. Interest expense increased as a result of the debt incurred to finance the purchase of

the packaging and test assets from Toshiba.

RESULTS OF OPERATIONS

The following table sets forth certain operating data as a percentage of net revenues for the periods indicated:

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000
	(UNAUDITED)		(UNAUDITED)	
Net revenues.....	100.0%	100.0%	100.0%	100.0%
Gross profit.....	2.3	25.5	10.8	23.1
Operating income (loss).....	(20.6)	13.2	(9.2)	12.3
Income (loss) before income taxes and equity in				
income (loss) of investees.....	(32.8)	7.6	(19.6)	7.8
Net income (loss).....	(33.2)	5.7	(22.3)	6.2

Three Months Ended June 30, 2001 Compared to Three Months Ended June 30, 2000

Net Revenues. Net revenues decreased \$196.8 million, or 36.0%, to \$350.2 million in the three months ended June 30, 2001 from \$547.0 million in the three months ended June 30, 2000. Packaging and test net revenues decreased 32.7% to \$311.4 million in the three months ended June 30, 2001 from \$462.7 million in the three months ended June 30, 2000. Wafer fabrication net revenues decreased 54.1% to \$38.7 million in the three months ended June 30, 2001 from \$84.4 million in the three months ended June 30, 2000.

The decrease in packaging and test net revenues, excluding the impact of acquisitions, was primarily attributable to a 40.3% decrease in overall unit volumes in the three months ended June 30, 2001 compared to the three months ended June 30, 2000. This overall unit volume decrease was driven by a 43.2% unit volume decrease for advanced leadframe and laminate packages and a 37.8% decrease in our traditional leadframe business as a result of a broad based decrease in demand for semiconductors. Average selling prices across all product lines eroded approximately 10% for the three months ended June 30, 2001 as compared to the three months ended June 30, 2000. Partially offsetting the decrease in overall unit volumes and average selling price erosion was the benefit of \$49.7 million in net revenues for the three months ended June 30, 2001 related to Amkor Iwate in Japan which commenced operations in January 2001.

The decrease in wafer fabrication net revenues was primarily attributed to a 59.6% decrease in sales to Texas Instruments in the three months ended June 30, 2001 as compared with the three months ended June 30, 2000.

Gross Profit. Gross profit decreased \$131.6 million, or 94.3%, to \$8.0 million, or 2.3% of net revenues, in the three months ended June 30, 2001 from \$139.6 million, or 25.5% of net revenues, in the three months ended June 30, 2000. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, significant increases or decreases in capacity utilization rates have a significant effect on our gross profit.

16

Gross margins as a percentage of net revenues were negatively impacted by:

- Decreasing unit volumes in 2001, which drove a higher manufacturing cost per unit as a result of our factories' substantial fixed costs;
- Average selling price erosion across our product lines; and
- Packaging and test services performed by Amkor Iwate under a long-term supply agreement with Toshiba that provides for gross margins lower than our historical gross margins on services performed by our other factories.

The negative impact on gross margins was partially offset by:

- The favorable impact of the termination of our supply agreement with ASI effective with our May 2000 acquisition of K1, K2 and K3. Such favorable impact was partially offset by the additional operating

costs that were previously borne by ASI for K1, K2 and K3; and

- Cost reduction initiatives implemented in the first and second quarter of 2001, the full effect of which will not benefit the company until the third quarter of 2001.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$4.5 million, or 9.6%, to \$51.4 million, or 14.7% of net revenues, in the three months ended June 30, 2001 from \$46.9 million, or 8.6% of net revenues, in the three months ended June 30, 2000. The increase in these costs was due to:

- Increased costs related to the commencement of operations of Amkor Iwate in Japan as well as our operations in China;
- Increased costs related to our Korean factories primarily as a result of the assumption of the general and administrative expenses of K1, K2 and K3 following our acquisition in May 2000; and
- Increased headcount and related personnel costs within our worldwide sales, engineering support and System-in-Package groups.

The increase in selling, general and administrative expenses was partially offset by:

- Reduced compensation related expenses; and
- Reduced administrative expenses as a result of cost reduction initiatives.

Research and Development. Research and development expenses increased \$3.2 million to \$8.1 million, or 2.3% of net revenues, in the three months ended June 30, 2001 from \$4.9 million, or 0.9% of net revenues, in the three months ended June 30, 2000. Increased research and development expenses resulted from the acquisition of the packaging and test research and development group within ASI related to the K1, K2 and K3 transaction. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources to continue the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

Amortization of Goodwill and Other Acquired Intangibles. Amortization of goodwill and other acquired intangibles increased \$5.2 million to \$20.6 million from \$15.4 million in the three months ended June 30, 2000 principally as a result of our May 2000 acquisition of K1, K2 and K3 and to our January 2001 acquisition of Amkor Iwate.

Other (Income) Expense. Other expenses increased \$11.8 million, to \$42.7 million, or 12.2% of net revenues, in the three months ended June 30, 2001 from \$30.9 million, or 5.6% of net revenues, in the three months ended June 30, 2000. The net increase in other expenses was primarily a result of an increase in net interest expense of \$11.0 million. The increased interest expense resulted from the financing related to our May 2000 acquisition of K1, K2 and K3 and our investment in ASI and our 2001 financing activities which are more fully detailed in our discussion of "Liquidity and Capital Resources." Net interest expense for the three months ended June 30, 2001 included \$2.3 million of unamortized deferred debt issuance costs expensed in connection with the repayment in May 2001 of term loans outstanding under our secured bank facility.

Income Taxes. Our effective tax rate in the three months ended June 30, 2001 and the three months ended June 30, 2000 was 22.4% and 15.0%, respectively. The increase in the effective tax rate in 2001 was due to operating losses in jurisdictions with higher corporate income tax rates. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future.

Equity in Loss of Investees. Our earnings included our share of losses in

our equity affiliates, principally ASI, in the three months ended June 30, 2001 of \$17.5 million and our share of their income in the three months ended June 30, 2000 of \$0.6 million. Our earnings also included the amortization of the excess of the cost of our investment above of our share of the underlying net assets of \$8.9 million and \$4.9 million in the three months ended June 30, 2001 and the three months ended June 30, 2000, respectively. Our investment in ASI increased to 42% as of October 2000 from 40% as of September 2000, 38% as of May 2000 and 18% as of October 1999.

Six months ended June 30, 2001 Compared to Six months ended June 30, 2000

Net Revenues. Net revenues decreased \$271.0 million, or 24.6%, to \$830.8 million in the six months ended June 30, 2001 from \$1,101.8 million in the six months ended June 30, 2000. Packaging and test net revenues decreased 19.4% to \$750.8 million in the six months ended June 30, 2001 from \$931.6 million in the six months ended June 30, 2000. Wafer fabrication net revenues decreased 53.0% to \$80.0 million in the six months ended June 30, 2001 from \$170.2 million in the six months ended June 30, 2000.

The decrease in packaging and test net revenues, excluding the impact of acquisitions, was primarily attributable to a 28.7% decrease in overall unit volumes in the six months ended June 30, 2001 compared to the six months ended June 30, 2000. This overall unit volume decrease was driven by a 31.4% unit volume decrease for advanced leadframe and laminate packages and a 26.5% decrease in our traditional leadframe business as a result of a broad based decrease in demand for semiconductors. Average selling prices across all product lines eroded approximately 10% for the six months ended June 30, 2001 as compared to the six months ended June 30, 2000. Partially offsetting the decrease in overall unit volumes and average selling price erosion was the benefit of \$108.8 million in net revenues related to the commencement of operations of Amkor Iwate in Japan in January 2001.

The decrease in wafer fabrication net revenues was primarily attributed to a 65.3% decrease in sales to Texas Instruments in the six months ended June 30, 2001 as compared with the six months ended June 30, 2000.

Gross Profit. Gross profit decreased \$164.8 million, or 64.7%, to \$89.8 million, or 10.8% of net revenues, in the six months ended June 30, 2001 from \$254.6 million, or 23.1% of net revenues, in the six months ended June 30, 2000. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, significant increases or decreases in capacity utilization rates have a significant effect on our gross profit.

Gross margins as a percentage of net revenues were negatively impacted by:

- Decreasing unit volumes in 2001, which drove a higher manufacturing cost per unit as a result of our factories' substantial fixed costs;
- Average selling price erosion across our product lines; and
- Packaging and test services performed by Amkor Iwate under a long-term supply agreement with Toshiba that provides for gross margins lower than our historical gross margins on services performed by our other factories.

The negative impact on gross margins was partially offset by:

- The favorable impact of the termination of our supply agreement with ASI effective with our May 2000 acquisition of K1, K2 and K3. Such favorable impact was partially offset by the additional operating costs that were previously borne by ASI for K1, K2 and K3; and
- Cost reduction initiatives implemented in the first and second quarter of 2001, the full effect of which will not benefit the company until the third quarter of 2001.

17

18

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$16.6 million, or 18.7%, to \$105.4 million, or 12.7% of net revenues, in the six months ended June 30, 2001 from \$88.8 million, or 8.1% of net revenues, in the six months ended June 30, 2000. The increase in these costs was due to:



- Increased costs related to the commencement of operations of Amkor Iwate in Japan as well as our operations in China;
- Increased costs related to our Korean factories primarily as a result of the assumption of the general and administrative expenses of K1, K2 and K3 following our acquisition in May 2000; and
- Increased headcount and related personnel costs within our worldwide sales, engineering support and System-in-Package groups.

The increase in selling, general and administrative expenses was partially offset by:

- Reduced compensation related expenses; and
- Reduced administrative expenses as a result of cost reduction initiatives.

**Research and Development.** Research and development expenses increased \$10.4 million to \$18.6 million, or 2.2% of net revenues, in the six months ended June 30, 2001 from \$8.2 million, or 0.7% of net revenues, in the six months ended June 30, 2000. Increased research and development expenses resulted from the acquisition of the packaging and test research and development group within ASI related to the K1, K2 and K3 transaction. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources to continue the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

**Amortization of Goodwill and Other Acquired Intangibles.** Amortization of goodwill and other acquired intangibles increased \$20.7 million to \$42.5 million from \$21.8 million in the six months ended June 30, 2000 principally as a result of our May 2000 acquisition of K1, K2 and K3 and to a lesser extent our January 2001 acquisition of Amkor Iwate.

**Other (Income) Expense.** Other expenses increased \$36.9 million, to \$86.4 million, or 10.4% of net revenues, in the six months ended June 30, 2001 from \$49.5 million, or 4.5% of net revenues, in the six months ended June 30, 2000. The net increase in other expenses was primarily a result of an increase in interest expense of \$40.3 million. The increased interest expense resulted from the financing related to our May 2000 acquisition of K1, K2 and K3 and our investment in ASI and our 2001 financing activities which are more fully detailed in our discussion of "Liquidity and Capital Resources." Net interest expense for the six months ended June 30, 2001 also included \$9.4 million of unamortized deferred debt issuance costs expensed in connection with the repayment in February and May 2001 of term loans outstanding under our secured bank facility.

Other expenses were favorably impacted by a change in foreign currency gains and losses of \$1.5 million for the six months ended June 30, 2001 as compared with the corresponding period in the prior year. Other expenses were also favorably impacted by a savings of \$1.1 million in accounts receivable securitization charges as a result of the termination of a securitization agreement at the end of March 2000.

**Income Taxes.** Our effective tax rate in the six months ended June 30, 2001 and the six months ended June 30, 2000 was 19.0% and 17.6%, respectively. The increase in the effective tax rate in 2001 was due to operating losses in jurisdictions with higher corporate income tax rates. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future.

**Equity in Loss of Investees.** Our earnings included our share of losses in our equity affiliates, principally ASI, in the six months ended June 30, 2001 of \$34.9 million and our share of their income in the six months ended June 30, 2000 of \$5.5 million. Our earnings also included the amortization of the excess of the cost of our investment above of our share of the underlying net assets of \$17.7 million and \$8.5 million in the six months ended June 30, 2001 and the six months ended June 30, 2000, respectively. Our investment in ASI increased to 42% as of October 2000 from 40% as of September 2000, 38% as of May 2000 and 18% as

of October 1999.

18

19

#### LIQUIDITY AND CAPITAL RESOURCES

Our ongoing primary cash needs are for equipment purchases, factory expansions, interest and principal payments on our debt and working capital, in addition to acquisitions and investments.

In June 2001, we entered into definitive agreements to acquire, in separate transactions, Taiwan Semiconductor Corporation and Sampo Semiconductor Corporation in Taiwan. The transactions were consummated in July 2001. The combined purchase price of these acquisitions was principally paid with the issuance of 4.9 million shares of our common stock, the assumption of \$34.8 million of debt and approximately \$6.0 million of cash consideration, net of acquired cash. Both transactions have earn-out provisions based in part on the results of each of the acquisitions. Based on the earn-out provisions, we could be required to issue an additional 1.8 million shares in January 2002 and may pay additional cash consideration of approximately \$9.0 million in July 2002.

In May 2001, we sold \$250.0 million principal amount of our 5.75% convertible subordinated notes due 2006 in a private placement. The notes are convertible into Amkor common stock at a conversion price of \$35.00 per share. In February 2001, we sold \$500.0 million principal amount of our 9.25% senior notes due 2008 in a private placement. We used \$509.5 million of the combined net proceeds of \$733.0 million to repay amounts outstanding under our secured bank facilities, which accrued interest at LIBOR plus 2.75% - 3%. The balance of the net proceeds was available to be used for general corporate and working capital purposes. With the repayment of the term loans, we eliminated \$70.0 million in principal payments due in 2001.

In May 2001, we called for the redemption of all of the 5.75% convertible subordinated notes due May 2003. In anticipation of the redemption, substantially all of the holders of the convertible notes opted to convert their notes into Amkor common stock and, accordingly, \$50.2 million of the convertible notes were converted to 3.7 million of our common stock.

In March 2001 and June 2001, we amended the secured bank facilities to relax certain of the covenants and to provide us with additional operating flexibility. As of June 30, 2001, no amounts were drawn under the \$200.0 million revolving line of credit provided within the secured bank facility. As a result of limitations based on the outstanding accounts receivable, approximately \$130.0 million was available to be drawn under this revolving line of credit at June 30, 2001.

In January 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services to Toshiba's Iwate wafer foundry under a long-term supply agreement. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. Within three years we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen. The acquisition of the Toshiba packaging and test operations in Iwate, Japan by Amkor Iwate was financed by a short-term note payable to Toshiba of \$21.1 million and \$47.0 million in other financing from a Toshiba affiliated financing company.

In June 2001, we completed construction of an assembly and test facility in Shanghai, China. We continue to qualify several package technologies and expect to build revenues slowly during the second half of 2001 and more rapidly in 2002. We principally used underutilized equipment from the Philippines and Korea to equip the Shanghai facility. We do not expect our Chinese operations to contribute or utilize significant cash flow during the remainder of 2001.

In May 2000 we completed our purchase of ASI's remaining three packaging and test factories, known as K1, K2 and K3 for a purchase price of \$950.0 million. In connection with our acquisition of K1, K2 and K3 we made an additional equity investment in ASI of \$459.0 million and as of June 30, 2001 we owned 42% of ASI. We financed the acquisition and investment with the proceeds of a \$258.8 million convertible subordinated notes offering, a \$410.0 million

private equity financing, \$750.0 million of secured bank debt and approximately \$103 million of cash on hand. In conjunction with the private equity financing, we issued 20.5 million shares of our common stock in the private equity offering and granted warrants to purchase 3.9 million additional shares of our common stock at \$27.50 per share.

In connection with the secured bank debt, we terminated, during the second quarter of 2000, a trade receivables securitization agreement and repaid \$71.5 million due under this facility. The securitization agreement represented a commitment by a commercial financial institution to purchase, with limited recourse, all right, title and interest in up to \$100 million in eligible receivables. In addition, we repaid \$11.4 million of additional secured term loans.

19

20

We have invested significant amounts of capital to increase our packaging and test services capacity. During 2000 we constructed our P4 facility in the Philippines, added capacity in our other factories in the Philippines and Korea and constructed a new research and development facility in the U.S. During the six months ended June 30, 2001 and 2000, we made capital expenditures of \$112.7 million and \$288.8 million, respectively. During the year ended December 31, 2000 we made capital expenditures of \$480.1 million. As a result of the current business conditions, we have significantly reduced our capital expenditure plans. We expect to spend approximately \$150.0 million in total capital expenditures in 2001, excluding any capital requirements of the companies we have or expect to acquire in 2001, primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities.

Covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us. As a result of the continued weakness in the semiconductor industry, in June 2001 we amended our existing credit facility to relax certain of the financial covenants. However, if the weakness in the semiconductor industry and for our services continues, we can not give assurance that we will be able to remain in compliance with our financial covenants. In the event of default, we may not be able to cure the default or obtain a waiver, and our operations could be significantly disrupted and harmed.

Net cash provided by operating activities during the six months ended June 30, 2001 and 2000 was \$134.2 million and \$159.2 million, respectively. Net cash used in investing activities during the six months ended June 30, 2001 and 2000 was \$119.4 million and \$1,543.0 million, respectively. Net cash provided by financing activities during the six months ended June 30, 2001 and 2000 was \$231.2 million and \$1,422.0 million, respectively.

The continued weakness in demand expected in 2001 for packaging, test and wafer fabrication services will adversely affect our results and cash flows from operations. We have undertaken a variety of measures to reduce our operating costs including reducing our worldwide headcount, reducing compensation levels, shortening work schedules, improving factory efficiencies, and negotiating cost reductions with our vendors. We expect to continue to evaluate our existing operations and investments. Additionally, we are pursuing business combination opportunities to diversify our geographic operations and expand our customer base. We will continue to evaluate the recorded value of our investments and long-lived assets for potential impairment as a result of industry conditions or changes in our business strategy.

We believe that our existing cash balances, available credit lines, cash flow from operations and available equipment lease financing will be sufficient to meet our projected capital expenditures, debt service, working capital and other cash requirements for at least the next twelve months. We may require capital sooner than currently expected. We cannot assure you that additional financing will be available when we need it or, if available, that it will be available on satisfactory terms. In addition, the terms of the secured bank facility, senior notes and senior subordinated notes significantly reduce our

ability to incur additional debt. Failure to obtain any such required additional financing could have a material adverse effect on our company.

20

21

#### RISK FACTORS THAT MAY AFFECT FUTURE OPERATING PERFORMANCE

In addition to the factors discussed elsewhere in this form 10-Q and in our report on Form 10-K for the year ended December 31, 2000 and our other reports filed with the Securities and Exchange Commission, the following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of Amkor.

DEPENDENCE ON THE HIGHLY CYCLICAL SEMICONDUCTOR AND ELECTRONIC PRODUCTS INDUSTRIES -- WE OPERATE IN VOLATILE INDUSTRIES, AND INDUSTRY DOWNTURNS HARM OUR PERFORMANCE.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Because our business is, and will continue to be, dependent on the requirements of semiconductor companies for independent packaging, test and wafer fabrication services, any downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as the personal computer and telecommunication devices industries, could have a material adverse effect on our business.

CONDITIONS IN THE SEMICONDUCTOR INDUSTRY HAVE WEAKENED SIGNIFICANTLY AND COULD REMAIN WEAK OR WORSEN -- WE HAVE BEEN, AND MAY CONTINUE TO BE, AFFECTED BY THESE TRENDS.

The semiconductor industry has weakened significantly recently and conditions are expected to remain weak during 2001. The significant uncertainty throughout the industry related to market demand is hindering the visibility throughout the supply chain and that lack of visibility makes it difficult to forecast the end of the weakness in the semiconductor industry. There can be no assurance that overall industry conditions will not weaken further or last longer than we currently expect, or what impact such a further or prolonged weakening would have on our business.

FLUCTUATIONS IN OPERATING RESULTS -- OUR OPERATING RESULTS MAY VARY SIGNIFICANTLY AS A RESULT OF FACTORS THAT WE CANNOT CONTROL.

Our operating results have varied significantly from period to period. Many factors could materially and adversely affect our revenues, gross profit and operating income, or lead to significant variability of quarterly or annual operating results. These factors include, among others:

- the cyclical nature of both the semiconductor industry and the markets addressed by end-users of semiconductors,
- the short-term nature of our customers' commitments, timing and volume of orders relative to our production capacity,
- changes in our capacity utilization,
- evolutions in the life cycles of our customers' products,
- rescheduling and cancellation of large orders,
- erosion of packaging selling prices,
- fluctuations in wafer fabrication service charges paid to ASI,
- changes in costs, availability and delivery times of raw materials and components and changes in costs and availability of labor,
- fluctuations in manufacturing yields,
- changes in product mix,
- timing of expenditures in anticipation of future orders,
- availability and cost of financing for expansion,
- ability to develop and implement new technologies on a timely basis,
- competitive factors,
- changes in effective tax rates,
- loss of key personnel or the shortage of available skilled workers,
- international political or economic events,
- currency and interest rate fluctuations,
- environmental events, and
- intellectual property transactions and disputes.

21

DECLINING AVERAGE SELLING PRICES -- THE SEMICONDUCTOR INDUSTRY PLACES DOWNWARD PRESSURE ON THE PRICES OF OUR PRODUCTS.

Historically, prices for our packaging and test services and wafer fabrication services have declined over time. We expect that average selling prices for our packaging and test services will continue to decline in the future. If we cannot reduce the cost of our packaging and test services and wafer fabrication services to offset a decline in average selling prices, our future operating results could suffer.

RELATIONSHIP WITH ASI -- OUR BUSINESS PERFORMANCE CAN BE ADVERSELY AFFECTED BY ASI'S FINANCIAL PERFORMANCE OR A DISRUPTION IN THE WAFER FABRICATION SERVICES ASI PROVIDES TO US.

We report ASI's financial results in our financial statements, and if ASI encounters financial difficulties, our financial performance could suffer. As of June 30, 2001 we owned approximately 42% of ASI's outstanding voting stock. Accordingly, we report ASI's financial results in our financial statements through the equity method of accounting. If ASI's results of operations are adversely affected for any reason (including as a result of losses at its consolidated subsidiaries and equity investees), our results of operations will suffer as well. Financial or other problems affecting ASI could also lead to a complete loss of our investment in ASI. Our wafer fabrication business may suffer if ASI reduces its operations or if our relationship with ASI is disrupted.

Our wafer fabrication business depends on ASI providing wafer fabrication services on a timely basis. If ASI were to significantly reduce or curtail its operations for any reason, or if our relationship with ASI were to be disrupted for any reason, our wafer fabrication business would be harmed. We may not be able to identify and qualify alternate suppliers of wafer fabrication services quickly, if at all. In addition, we currently have no other qualified third party suppliers of wafer fabrication services and do not have any plans to qualify additional third party suppliers.

The weakness in the semiconductor industry is also adversely affecting the demand for the wafer output from ASI's foundry. Beginning in the fourth quarter and continuing into 2001, demand for wafers deteriorated significantly. We expect, as a result of the weaker demand for the wafer output from ASI's foundry, our wafer fabrication services results and ASI's operating results will continue to be adversely impacted in 2001.

ABSENCE OF BACKLOG -- WE MAY NOT BE ABLE TO ADJUST COSTS QUICKLY IF OUR CUSTOMERS' DEMAND FALLS SUDDENLY.

Our packaging and test business does not typically operate with any material backlog. We expect that in the future our packaging and test net revenues in any quarter will continue to be substantially dependent upon our customers' demand in that quarter. None of our customers has committed to purchase any significant amount of packaging or test services or to provide us with binding forecasts of demand for packaging and test services for any future period. In addition, our customers could reduce, cancel or delay their purchases of packaging and test services. Because a large portion of our costs is fixed and our expense levels are based in part on our expectations of future revenues, we may be unable to adjust costs in a timely manner to compensate for any revenue shortfall.

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS -- WE DEPEND ON OUR FACTORIES IN THE PHILIPPINES, KOREA AND JAPAN. MANY OF OUR CUSTOMERS' OPERATIONS ARE ALSO LOCATED OUTSIDE OF THE U.S.

We provide packaging and test services through our factories located in the Philippines, Korea and Japan. We also source wafer fabrication services from ASI's wafer fabrication facility in Korea. In addition, we are beginning operations in China. Moreover, many of our customers' operations are located outside the U.S. The following are some of the risks inherent in doing business internationally:

- regulatory limitations imposed by foreign governments;
- fluctuations in currency exchange rates;
- political risks;
- disruptions or delays in shipments caused by customs brokers or government agencies;
- unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers;

- difficulties in staffing and managing foreign operations; and
- potentially adverse tax consequences resulting from changes in tax laws.

22

23

MANAGEMENT OF GROWTH -- WE FACE CHALLENGES AS WE INTEGRATE NEW AND DIVERSE OPERATIONS AND TRY TO ATTRACT QUALIFIED EMPLOYEES TO SUPPORT OUR EXPANSION PLANS.

We have experienced, and may continue to experience, growth in the scope and complexity of our operations and in the number of our employees. This growth has strained our managerial, financial, manufacturing and other resources. Future acquisitions may result in inefficiencies as we integrate new operations and manage geographically diverse operations.

In order to manage our growth, we must continue to implement additional operating and financial systems and controls. For example, we currently are in the process of implementing a new management enterprise resource planning system. If we fail to successfully implement such systems and controls in a timely and cost-effective manner as we grow, our business and financial performance could be materially adversely affected.

Our success depends to a significant extent upon the continued service of our key senior management and technical personnel, any of whom would be difficult to replace. In addition, in connection with our expansion plans, we will be required to increase the number of qualified engineers and other employees at our existing factories, as well as factories we may acquire. Competition for qualified employees is intense, and our business could be adversely affected by the loss of the services of any of our existing key personnel. We cannot assure you that we will continue to be successful in hiring and properly training sufficient numbers of qualified personnel and in effectively managing our growth. Our inability to attract, retain, motivate and train qualified new personnel could have a material adverse effect on our business.

RISKS ASSOCIATED WITH OUR WAFER FABRICATION BUSINESS -- OUR WAFER FABRICATION BUSINESS IS SUBSTANTIALLY DEPENDENT ON TEXAS INSTRUMENTS.

Our wafer fabrication business depends significantly upon Texas Instruments. An agreement with ASI and Texas Instruments requires Texas Instruments to purchase from us at least 40% of the capacity of ASI's wafer fabrication facility, and under certain circumstances, Texas Instruments has the right to purchase from us up to 70% of this capacity. From time to time, Texas Instruments has failed to meet its minimum purchase obligations, and we cannot assure you that Texas Instruments will meet its purchase obligations in the future. If Texas Instruments fails to meet its purchase obligations, our company's and ASI's businesses could be harmed. The capacity utilization of ASI's wafer foundry has decreased significantly in 2001 as a result of the weakness in the semiconductor industry. Texas Instruments as of the date of this filing was not meeting the minimum purchase commitment and we along with ASI negotiated a resolution of the shortfall with Texas Instruments to partially offset the decrease in demand.

Texas Instruments has transferred certain of its complementary metal oxide silicon ("CMOS") process technology to ASI, and ASI is dependent upon Texas Instruments' assistance for developing other state-of-the-art wafer manufacturing processes. In addition, ASI's technology agreements with Texas Instruments only cover 0.25 micron and 0.18 micron CMOS process technology. Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Moreover, Texas Instruments has no obligation to transfer any next-generation technology to ASI. Our company's and ASI's businesses could be harmed if ASI cannot obtain new technology on commercially reasonable terms or ASI's relationship with Texas Instruments is disrupted for any reason.

DEPENDENCE ON MATERIALS AND EQUIPMENT SUPPLIERS -- OUR BUSINESS MAY SUFFER IF THE COST OR SUPPLY OF MATERIALS OR EQUIPMENT CHANGES ADVERSELY.

We obtain from various vendors the materials and equipment required for the packaging and test services performed by our factories. We source most of our materials, including critical materials such as leadframes and laminate substrates, from a limited group of suppliers. Furthermore, we purchase all of our materials on a purchase order basis and have no long-term contracts with any of our suppliers. Our business may be harmed if we cannot obtain materials and

other supplies from our vendors: (1) in a timely manner, (2) in sufficient quantities, (3) in acceptable quality and (4) at competitive prices.

RAPID TECHNOLOGICAL CHANGE -- OUR BUSINESS WILL SUFFER IF WE CANNOT KEEP UP WITH TECHNOLOGICAL ADVANCES IN OUR INDUSTRY.

The complexity and breadth of both semiconductor packaging and test services and wafer fabrication are rapidly changing. As a result, we expect that we will need to offer more advanced package designs and new wafer fabrication technology in order to respond to competitive industry conditions and customer requirements. Our success depends upon the ability of our company and ASI to develop and implement new manufacturing processes and package design technologies. The need to develop and maintain advanced packaging

23

24

and wafer fabrication capabilities and equipment could require significant research and development and capital expenditures in future years. In addition, converting to new package designs or process methodologies could result in delays in producing new package types or advanced wafer designs that could adversely affect our ability to meet customer orders.

Technological advances also typically lead to rapid and significant price erosion and may make our existing products less competitive or our existing inventories obsolete. If we cannot achieve advances in package design and wafer fabrication technology or obtain access to advanced package designs and wafer fabrication technology developed by others, our business could suffer.

COMPETITION -- WE COMPETE AGAINST LARGE AND ESTABLISHED COMPETITORS IN BOTH THE PACKAGING AND TEST BUSINESS AND THE WAFER FABRICATION BUSINESS.

The independent semiconductor packaging and test market is very competitive. This sector is comprised of 13 principal companies. We face substantial competition from established packaging and test service providers primarily located in Asia, including companies with significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities. These companies also have established relationships with many large semiconductor companies that are current or potential customers of our company. On a larger scale, we also compete with the internal semiconductor packaging and test capabilities of many of our customers.

The independent wafer fabrication business is also highly competitive. Our wafer fabrication services compete primarily with independent semiconductor wafer foundries, including those of Chartered Semiconductor Manufacturing, Inc., Taiwan Semiconductor Manufacturing Company, Ltd. and United Microelectronics Corporation. Each of these companies has significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities and has been operating for some time. Many of these companies have also established relationships with many large semiconductor companies that are current or potential customers of our company. If we cannot compete successfully in the future against existing or potential competitors, our operating results would suffer.

ENVIRONMENTAL REGULATIONS -- FUTURE ENVIRONMENTAL REGULATIONS COULD PLACE ADDITIONAL BURDENS ON OUR MANUFACTURING OPERATIONS.

The semiconductor packaging process uses chemicals and gases and generates byproducts that are subject to extensive governmental regulations. For example, we produce liquid waste when silicon wafers are diced into chips with the aid of diamond saws, then cooled with running water. Federal, state and local regulations in the United States, as well as environmental regulations internationally, impose various controls on the storage, handling, discharge and disposal of chemicals used in our manufacturing processes and on the factories we occupy.

Increasingly, public attention has focused on the environmental impact of semiconductor manufacturing operations and the risk to neighbors of chemical releases from such operations. In the future, applicable land use and environmental regulations may: (1) impose upon us the need for additional capital equipment or other process requirements, (2) restrict our ability to expand our operations, (3) subject us to liability or (4) cause us to curtail our operations.

PROTECTION OF INTELLECTUAL PROPERTY -- WE MAY BECOME INVOLVED IN INTELLECTUAL PROPERTY LITIGATION.

As of July 31, 2001, we held 103 U.S. patents, we had 234 pending patents and we were preparing an additional 37 patent applications for filing. In addition to the U.S. patents, we held 516 patents in foreign jurisdictions. We expect to continue to file patent applications when appropriate to protect our proprietary technologies, but we cannot assure you that we will receive patents from pending or future applications. In addition, any patents we obtain may be challenged, invalidated or circumvented and may not provide meaningful protection or other commercial advantage to us.

We may need to enforce our patents or other intellectual property rights or to defend our company against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. If we fail to obtain necessary licenses or if we face litigation relating to patent infringement or other intellectual property matters, our business could suffer.

24

25

Although we are not currently a party to any material litigation, the semiconductor industry is characterized by frequent claims regarding patent and other intellectual property rights. If any third party makes a valid claim against us, we could be required to:

- discontinue the use of certain processes;
- cease the manufacture, use, import and sale of infringing products;
- pay substantial damages;
- develop non-infringing technologies; or
- acquire licenses to the technology we had allegedly infringed.

Our business, financial condition and results of operations could be materially and adversely affected by any of these negative developments.

In addition, Texas Instruments has granted ASI very limited licenses under certain technology agreements, including a license under Texas Instruments' trade secret rights to use Texas Instruments' technology in connection with ASI's provision of wafer fabrication services. However, Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Furthermore, Texas Instruments has reserved the right to bring infringement claims against our customers or customers of ASI with respect to semiconductor wafers purchased from us or ASI. Such customers and others could in turn subject us or ASI to litigation in connection with the sale of semiconductor wafers produced by ASI.

CONTINUED CONTROL BY EXISTING STOCKHOLDERS -- MR. JAMES KIM AND MEMBERS OF HIS FAMILY CAN DETERMINE THE OUTCOME OF ALL MATTERS REQUIRING STOCKHOLDER APPROVAL.

As of July 31, 2001, Mr. James Kim and members of his family beneficially owned approximately 48% of our outstanding common stock. Mr. James Kim's family, acting together, will substantially control all matters submitted for approval by our stockholders. These matters could include:

- the election of all of the members of our Board of Directors;
- proxy contests;
- approvals of transactions between our company and ASI or other entities in which Mr. James Kim and members of his family have an interest, including transactions which may involve a conflict of interest;
- mergers involving our company;
- tender offers; and
- open market purchase programs or other purchases of our common stock.

HIGH LEVERAGE AND RESTRICTIVE COVENANTS -- OUR SUBSTANTIAL INDEBTEDNESS COULD MATERIALLY RESTRICT OUR OPERATIONS AND ADVERSELY AFFECT OUR FINANCIAL CONDITION.

We now have, and for the foreseeable future will have, a significant amount of indebtedness. In addition, despite current debt levels, the terms of the indentures governing our indebtedness do not prohibit us or our subsidiaries from incurring substantially more debt. If new debt is added to our consolidated debt level, the related risks that we now face could intensify.



Covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us. Our substantial indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures, research and development and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service payments on our debt;
- limit our flexibility to react to changes in our business and the industry in which we operate;
- place us at a competitive disadvantage to any of our competitors that have less debt; and
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

25

26

#### STOCK PRICE VOLATILITY

The trading price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to factors such as:

- actual or anticipated quarter-to-quarter variations in operating results;
- announcements of technological innovations or new products and services by Amkor or our competitors;
- general conditions in the semiconductor industry;
- changes in earnings estimates or recommendations by analysts;
- developments affecting ASI; and
- or other events or factors, many of which are out of our control.

In addition, the stock market in general, and the Nasdaq National Market and the markets for technology companies in particular, have experienced extreme price and volume fluctuations. This volatility has affected the market prices of securities of companies like ours for that have often been unrelated or disproportionate to the operating performance. These broad market fluctuations may adversely affect the market price of our common stock.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our company is exposed to market risks, primarily related to foreign currency and interest rate fluctuations. In the normal course of business, we employ established policies and procedures to manage the exposure to fluctuations in foreign currency values and changes in interest rates.

##### Foreign Currency Risks

Our company's primary exposures to foreign currency fluctuations are associated with transactions and related assets and liabilities denominated in Philippine pesos, Korean won and Japanese yen. The objective in managing these foreign currency exposures is to minimize the risk through minimizing the level of activity and financial instruments denominated in pesos, won and yen.

At June 30, 2001, the peso-based financial instruments primarily consisted of cash, non-trade receivables, deferred tax assets and liabilities, non-trade payables, accrued payroll, taxes and other expenses. Based on the portfolio of peso-based assets and liabilities at June 30, 2001, a 20% increase in the Philippine peso to U.S. dollar exchange rate would result in a decrease of approximately \$3.5 million, in peso-based net assets.

At June 30, 2001, the won-based financial instruments primarily consisted of cash, non-trade receivables, non-trade payables, accrued payroll, taxes and

other expenses. Based on the portfolio of won-based assets and liabilities at June 30, 2001, a 20% increase in the Korean won to U.S. dollar exchange rate would result in a decrease of approximately \$3.5 million, in won-based net assets.

At June 30, 2001, the yen-based financial instruments primarily consisted of cash, non-trade receivables, accrued payroll taxes, debt and other expenses. Based on the portfolio of yen-based assets and liabilities at June 30, 2001, a 20% decrease in the Japanese yen to U.S. dollar exchange rate would result in an increase of approximately \$13.1 million, in yen-based net liabilities.

#### Interest Rate Risks

Our company has interest rate risk with respect to our long-term debt. As of June 30, 2001, we had a total of \$1,906.5 million debt of which 87.6% was fixed rate debt and 12.4% was variable rate debt. Our variable rate debt principally consisted of short-term borrowings and amounts outstanding under our secured bank facilities that included term loans and a \$200.0 million revolving line of credit of which no amounts were drawn as of June 30, 2001. The fixed rate debt consisted of senior notes, senior subordinated notes, convertible subordinated notes and foreign debt. Changes in interest rates have different impacts on our fixed and variable rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the fair value of the instrument but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows but does not impact the fair value of the instrument. The fair value of the convertible subordinated notes is also impacted by the market price of our common stock.

26

27

The table below presents the interest rates, maturities and fair value of our fixed and variable rate debt as of June 30, 2001.

	YEAR ENDING DECEMBER 31,				
	2001	2002	2003	2004	2005
Long-term debt:					
Fixed rate debt	\$ 6,842	\$ 14,103	\$ 15,224	--	--
Average interest rate	4.0%	4.0%	4.0%		
Variable rate debt	\$ 14,527	\$ 3,500	\$ 3,556	\$ 106,676	\$ 108,313
Average interest rate	1.7%	7.0%	7.1%	7.0%	7.0%

	THEREAFTER	TOTAL	FAIR VALUE
Long-term debt:			
Fixed rate debt	\$ 1,633,750	\$ 1,669,919	\$ 1,545,892
Average interest rate	8.2%	8.1%	
Variable rate debt	--	\$ 236,572	\$ 236,572
Average interest rate		6.7%	

#### Equity Price Risks

Our outstanding 5.75% convertible subordinated notes due 2006 and 5% convertible subordinated notes due 2007 are convertible into common stock at \$35.00 per share and \$57.34 per share, respectively. We intend to repay our

convertible subordinated notes upon maturity, unless converted. If investors were to decide to convert their notes to common stock, our future earnings would benefit from a reduction in interest expense. If we induced such conversion, our earnings could include an additional charge.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On May 18, 2001, we issued \$250.0 million of principal of 5.75% convertible subordinated notes due 2006 (the "Notes") to a group of initial purchasers. The Notes were issued in reliance on Rule 144A promulgated under the Securities Act of 1933, as amended. The Notes are convertible into our common stock at the option of the holder at any time prior to maturity at a conversion price of \$35.00 per share. The Notes are subordinated in right of payment to all of our existing and future senior debt. We used \$122.0 million of the \$243.0 million of the net proceeds of the offering to repay amounts outstanding under the Term B loans of our secured bank facility, and the balance of the net proceeds was available to be used for general corporate and working capital purposes.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

At Amkor Technology, Inc.'s Annual Meeting of Stockholders held on June 25, 2001 the following proposals were adopted by the margins indicated.

1. To elect a Board of Directors to hold office until the next Annual Meeting of Stockholders or until their respective successors have been elected or appointed.

	NUMBER OF SHARES	
	VOTED FOR -----	WITHHELD -----
James J. Kim.....	132,890,911	2,066,835
John N. Boruch.....	132,885,662	2,072,084
Winston J. Churchill.....	134,885,362	72,384
Thomas D. George.....	134,885,512	72,234
George K. Hinckley.....	134,885,222	72,524
Juergen Knorr.....	134,881,836	75,910
John B. Neff.....	134,882,106	75,640

2. To ratify the appointment of the accounting firm of PricewaterhouseCoopers LLP as independent auditors for the company for the current year. Votes totaled 134,910,733 for, 21,679 against and 25,334 abstain.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) The following exhibits are filed as part of this report:

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
4.1	Convertible Subordinated Notes Indenture dated as of May 25, 2001 between the Registrant and State Street Bank and Trust Company, as trustee, including the form of the 5.75% Convertible Subordinated Notes due 2006.
4.2	Registration Rights Agreement between the Registrant and Initial Purchasers named therein dated as of May 25, 2001.
4.3	Amended and restated credit agreement dated as of March 30, 2001 between the Registrant and the Initial Lenders and Initial Issuing Banks and Salomon Smith Barney Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.
4.4	Amendment No. 1 to the Amended and restated credit agreement dated as of March 30, 2001 between the Registrant and the Initial Lenders and

Initial Issuing Banks and Salomon Smith Barney Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.

12.1 Computation of Ratio of Earnings to Fixed Charges

(b) REPORTS ON FORM 8-K

We filed with the Securities and Exchange Commission the following reports on Form 8-K during the quarterly period ended June 30, 2001:

Current Report on Form 8-K dated March 30, 2001 (filed April 2, 2001) related to the consolidated financial statements of Anam Semiconductor, Inc. and its subsidiaries as of and for each of the three years ended December 31, 2000 filed pursuant to rule 3-09 of Regulation S-X

Current Report on Form 8-K dated April 26, 2001 (filed May 3, 2001) related to a press release dated April 26, 2001 announcing our financial results for the first quarter ended March 31, 2001.

Current Report on Form 8-K dated May 11, 2001 (filed May 11, 2001) related to a press release dated May 11, 2001 announcing our intent to redeem all of our company's 5.75% convertible subordinated notes due 2003.

28

29

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

AMKOR TECHNOLOGY, INC.

By: /s/ KENNETH T. JOYCE

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Kenneth T. Joyce  
Chief Financial Officer  
(Principal Financial, Chief  
Accounting Officer and Duly  
Authorized Officer)

Date: August 14, 2001

29

AMKOR TECHNOLOGY, INC.

AND

-----

STATE STREET BANK AND TRUST COMPANY

AS TRUSTEE

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\$250,000,000

5.75% Convertible Subordinated Notes due 2006\*

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INDENTURE

Dated as of May 25, 2001

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\* Plus an over-allotment option to purchase up to \$50,000,000 principal amount of 5.75% Convertible Subordinated Notes due 2006.

THIS INDENTURE, dated as of May 25, 2001, is between Amkor Technology, Inc., a Delaware corporation (the "Company"), and State Street Bank and Trust Company, a trust company duly organized and existing under laws of the Commonwealth of Massachusetts (the "Trustee"). The Company has duly authorized the creation of its 5.75% Convertible Subordinated Notes due 2006 (the "Convertible Subordinated Notes") and to provide therefor the Company and the Trustee have duly authorized the execution and delivery of this Indenture. Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the holders from time to time of the Convertible Subordinated Notes:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

"Acquiring Person" means any "person" (as defined in Section 13(d)(3) of the Exchange Act) who or which, together with all affiliates and associates (each as defined in Rule 12b-2 under the Exchange Act), becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act and as further defined below) of shares of Common Stock or other voting securities of the Company having more than 50% of the total voting power of the Voting Stock of the Company; provided, however, that an Acquiring Person shall not include (i) the Company, (ii) any Subsidiary of the Company, (iii) any Permitted

Holder, (iv) an underwriter engaged in a firm commitment underwriting in connection with a public offering of the Voting Stock of the Company or (v) any current or future employee or director benefit plan of the Company or any Subsidiary of the Company or any entity holding Common Stock of the Company for or pursuant to the terms of any such plan. For purposes hereof, a person shall not be deemed to be the beneficial owner of (A) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such person or any of such person's affiliates until such tendered securities are accepted for purchase or exchange thereunder, or (B) any securities if such beneficial ownership (1) arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act, and (2) is not also then reportable on Schedule 13D (or any successor schedule) under the Exchange Act.

"Affiliate" means, when used with reference to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control of, the referent Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of management or policies of the referent Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Agent" means any Registrar, Paying Agent, Conversion Agent or co-registrar.

3

"Agent Member" means any member of, or participant in, the Depositary.

"Applicable Procedures" means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, the rules and procedures of the Depositary for such Global Security to the extent applicable to such transaction and as in effect from time to time.

"Board of Directors" means (i) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of the board of directors, (ii) with respect to a partnership, the general partner or the board of directors of the general partner, as applicable, of the partnership and (iii) with respect to any other entity, the board or committee of that entity serving a similar function.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, but excluding any debt securities convertible into such equity.

"Change of Control" means the occurrence of one or more of the following events: (a) any Person has become an Acquiring Person, (b) the Company consolidates with or merges into any other corporation, or conveys, transfers or leases all or substantially all of its assets to any Person, or any other corporation merges into the Company, and, in the case of any such transaction, the outstanding Common Stock of the Company is changed or exchanged as a result, unless the stockholders of the Company immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same proportion as their ownership of the Voting Stock of the Company immediately before such transaction, or (c) any time the Continuing Directors do not constitute a majority of the Board of Directors of the Company (or, if applicable, a successor corporation to the Company); provided, that a Change of Control shall not be deemed to have occurred if either (y) the last sale price of the Common Stock for any five trading days during the ten trading days immediately preceding the Change of Control is at least equal to 105% of the Conversion Price in effect on the date of such Change of Control or (z) at least 90% of the consideration (excluding cash payments for fractional shares) in the transaction or transactions constituting the Change of Control consists of shares of common stock that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States.

"Clearstream" means Clearstream Banking, S.A. and its

successors.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means any stock of any class of the Company which has no preference in respect of dividends or of amounts payable in the event of any voluntary

2

4

or involuntary liquidation, dissolution or winding up of the Company and which is not subject to redemption by the Company. Subject to the provisions of Section 12.06, however, shares issuable on conversion of Convertible Subordinated Notes shall include only shares of the class designated as Common Stock of the Company at the Issue Date or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which are not subject to redemption by the Company; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Company" means the party named as such above until a successor replaces it in accordance with Article V and thereafter means the successor.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the Issue Date or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"Convertible Subordinated Notes" means the 5.75% Convertible Subordinated Notes due 2006 issued, authenticated and delivered under this Indenture.

"Conversion Price" means the initial conversion price specified in the form of Convertible Subordinated Note in Paragraph 16 of such form, as adjusted in accordance with the provisions of Article XII.

"Corporate Trust Office" means the corporate trust office of the Trustee at which at any particular time the trust created by this Indenture shall principally be administered; as of the Issue Date, the Corporate Trust Office is located at 2 Avenue de Lafayette, 6th Floor, Boston, MA 02111.

"Credit Agreement" means the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, supplemented or otherwise modified from time to time, this "Agreement") among the Company, the banks, financial institutions and other institutional lenders listed on the signature pages thereof as the Lenders, the banks listed on the signature pages thereof as the Issuing Banks, Salomon Smith Barney Inc. ("SSBI"), as sole book manager, Citicorp USA, Inc., as administrative agent for the lender parties and as collateral agent, Deutsche Banc Alex. Brown Inc. ("DBAB"), as syndication agent, and SSBI and DBAB, as arrangers, as such agreement may be amended, restated, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time.

3

5

"Default" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"Depository" means, with respect to any Global Securities, a clearing agency that is registered as such under the Exchange Act and is designated by the Company to act as Depository for such Global Securities (or

any successor securities clearing agency so registered), which shall initially be DTC.

"Designated Event" means the occurrence of a Change of Control or a Termination of Trading.

"Designated Senior Debt" means (i) any Senior Debt outstanding under the Credit Agreement, (ii) Senior Debt outstanding under the Company's 9.25% Senior Notes due May 1, 2006, the 10.50% Senior Subordinated Notes due May 1, 2009 and its 9.25% Senior Notes due February 15, 2008, as such notes or the related indentures may be amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced, in whole or in part, from time to time, and (iii) any particular Senior Debt if the instrument creating or evidencing the same or the assumption or guarantee thereof (or related agreements or documents to which the Company is a party) expressly provides that such Indebtedness shall be "Designated Senior Debt" for purposes of the Indenture (provided that such instrument, agreement or other document may place limitations and conditions on the right of such Senior Debt to exercise the rights of Designated Senior Debt).

"DTC" means The Depository Trust Company, a New York corporation.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system, and its successors.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Convertible Subordinated Notes" means all of the Company's outstanding indebtedness under its 5% Convertible Subordinated Notes due 2007 and its 5 3/4% Convertible Subordinated Notes due 2003.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect from time to time.

"Global Security" means a Convertible Subordinated Note that is registered in the Register.

"Global Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

"Indebtedness" means, with respect to any Person, all obligations, whether or not contingent, of such Person (i) (a) for borrowed money (including, but not limited to, any indebtedness secured by a security interest, mortgage or other lien on the assets of that Person that is (1) given to secure all or part of the purchase price of property subject thereto, whether given to the vendor of such property or to another, or (2) existing on property at the time of acquisition thereof), (b) evidenced by a note, debenture, bond or other written instrument, (c) under a lease required to be capitalized on the balance sheet of the lessee under GAAP or under any lease or related document (including a purchase agreement) that provides that such Person is contractually obligated to purchase or cause a third party to purchase and thereby guarantee a minimum residual value of the lease property to the lessor and the obligations of the Company under such lease or related document to purchase or to cause a third party to purchase such leased property, (d) in respect of letters of credit, bank guarantees or bankers' acceptances (including reimbursement obligations with respect to any of the foregoing), (e) with respect to Indebtedness secured by a mortgage, pledge, lien, encumbrance, charge or adverse claim affecting title or resulting in an encumbrance to which the property or assets of such Person are subject, whether or not the obligation secured thereby shall have been assumed by or shall otherwise be such Person's legal liability, (f) in respect of the balance of deferred and unpaid purchase price of any property or assets, (g) under interest rate or currency swap agreements, cap,



floor and collar agreements, spot and forward contracts and similar agreements and arrangements; (ii) with respect to any obligation of others of the type described in the preceding clause (i) or under clause (iii) below assumed by or guaranteed in any manner by such Person through an agreement to purchase (including, without limitation, "take or pay" and similar arrangements), contingent or otherwise (and the obligations of such Person under any such assumptions, guarantees or other such arrangements); and (iii) any and all deferrals, renewals, extensions, refinancings and refundings of, or amendments, modifications or supplements to, any of the foregoing.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Initial Purchasers" means Salomon Smith Barney Inc., SG Cowen Securities Corporation, Robertson Stephens, Inc., CIBC World Markets Corp. and Thomas Weisel Partners LLC.

"Interest Payment Date" means June 1 and December 1 of each year, commencing December 1, 2001.

"Issue Date" means May 25, 2001.

5

7

"Liquidated Damages" has the meaning specified in paragraph 17 of the form of Convertible Subordinated Note which is attached as Exhibit A hereto, which is incorporated in and expressly made part of this Indenture.

"Material Subsidiary" means any Subsidiary of the Company which at the date of determination is a "significant Subsidiary" as defined in Rule 1-02(w) of Regulation S-X under the Securities Act and the Exchange Act.

"Maturity Date" means June 1, 2006.

"Note Custodian" means State Street Bank and Trust Company, as custodian with respect to any Global Security, or any successor entity thereto.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Accounting Officer, any Executive Vice President, Senior Vice President or Vice President (whether or not designated by a number or numbers or word or words before or after the title "Vice President"), the Treasurer, any other executive officer, the Secretary and any Assistant Treasurer or any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed by the principal executive officer, principal financial officer or principal accounting officer of the Company.

"Opinion of Counsel" means a written opinion from legal counsel who may be an employee of or counsel to the Company or the Trustee except to the extent otherwise indicated in this Indenture.

"Permitted Holders" means James J. Kim and his estates, spouses, ancestors and lineal descendants (and spouses thereof), the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are the sole beneficiaries or the grantors, or any Person of which any of the foregoing, individually or collectively, beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) voting securities representing at least a majority of the total voting power of all classes of Capital Stock of such Person (exclusive of any matters as to which class voting rights exist).

"Person" means any individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, limited liability company or government or any agency or political subdivision thereof.

"Redemption Date" when used with respect to any of the Convertible Subordinated Notes to be redeemed, means the date fixed by the Company for such redemption pursuant to Article III of this Indenture and the Convertible Subordinated Notes.

"Redemption Price" when used with respect to any of the Convertible Subordinated Notes to be redeemed, means the price fixed for such redemption pursuant to Article III of this Indenture and the Convertible Subordinated Notes.

"Registration Agreement" means the Registration Agreement relating to the Convertible Subordinated Notes and Common Stock issuable upon conversion of such Convertible Subordinated Notes dated May 25, 2001, between the Company and the Initial Purchasers, as such agreement may be amended, modified or supplemented from time to time.

"Regular Record Date" means the May 15 or November 15 immediately preceding each Interest Payment Date.

"Representative" means (a) the indenture trustee or other trustee, agent or representative for any Senior Debt or (b) with respect to any Senior Debt that does not have any such trustee, agent or other representative, (i) in the case of such Senior Debt issued pursuant to an agreement providing for voting arrangements as among the holders or owners of such Senior Debt, any holder or owner of such Senior Debt acting with the consent of the required Persons necessary to bind such holders or owners of such Senior Debt and (ii) in the case of all other such Senior Debt, the holder or owner of such Senior Debt.

"Restricted Common Stock Legend" means the legend labeled as such and that is set forth in Exhibit D hereto, which is incorporated in and expressly made a part of this Indenture.

"Restricted Securities Legend" means the legend labeled as such and that is set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Senior Debt" means the principal of, premium, if any, and interest on, rent under, and any other amounts payable on or in respect of any Indebtedness of the Company (including, without limitation, any Obligations in respect of such Indebtedness and, in the case of Designated Senior Debt, any interest accruing after the filing of a petition by or against the Company under any bankruptcy law, whether or not allowed as a claim after such filing in any proceeding under such bankruptcy law), whether outstanding on the Issue Date or thereafter created, incurred, assumed, guaranteed or in effect guaranteed by the Company (including all deferrals, renewals, extensions or

refundings of, or amendments, modifications or supplements to the foregoing); provided, however, that Senior Debt does not include (v) Indebtedness evidenced by the Convertible Subordinated Notes, (w) any liability for federal, state, local or other taxes owed or owing by the Company, (x) Indebtedness of the Company to any Subsidiary of the Company except to the extent such Indebtedness is of a type described in clause (ii) of the definition of Indebtedness, (y) trade payables of the Company for goods, services or materials purchased in the ordinary course of business (other than, to the extent they may otherwise constitute trade payables, any obligations of the type described in clause (ii) of the definition of Indebtedness), and (z) any particular Indebtedness in which the instrument creating or evidencing the same expressly provides that such Indebtedness shall not be senior in right of payment to, or is pari passu with, or is subordinated or junior to, the Convertible Subordinated Notes.

"Shelf Registration Statement" shall have the meaning set forth in the Registration Agreement.

"Subsidiary" means, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person (or a combination thereof) and (ii) any partnership (a) the sole general partner or managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or of one or more Subsidiaries of such Person (or any combination thereof).

"Termination of Trading" will be deemed to have occurred if the Common Stock (or other common stock into which the Convertible Subordinated Notes are then convertible) is neither listed for trading on a United States national securities exchange nor approved for trading on an established automated over-the-counter trading market in the United States.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the Issue Date, except as provided in Sections 9.03 and 12.06.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor.

"Trust Officer" means an officer in the Corporate Trust Office of the Trustee.

"U.S. Government Obligations" means direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged. In order to have money available on a payment date to pay

principal or interest on the Convertible Subordinated Notes, the U.S. Government Obligations shall be payable as to principal or interest on or before such payment date in such amounts as will provide the necessary money. U.S. Government Obligations shall not be callable at the issuer's option.

"Voting Stock" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

SECTION 1.02. Other Definitions.

DEFINED IN SECTION

"Bankruptcy Law".....	SECTION 6.01
"Business Day".....	SECTION 10.07
"Current Market Price".....	SECTION 12.05
"Clearstream".....	SECTION 2.01
"Closing Price".....	SECTION 12.05
"Conversion Agent".....	SECTION 2.03
"Custodian".....	SECTION 6.01
"Definitive Securities".....	SECTION 2.01
"Designated Event Date".....	SECTION 4.06
"Designated Event Offer".....	SECTION 4.06
"Designated Event Offer Termination Date".....	SECTION 4.06
"Designated Event Payment".....	SECTION 4.06
"Designated Event Payment Date".....	SECTION 4.06
"Event of Default".....	SECTION 6.01
"Expiration Time".....	SECTION 12.05

"fair market value".....	SECTION 12.05
"Global Security".....	SECTION 2.01
"Legal Holiday".....	SECTION 10.07
"New Rights Plan".....	SECTION 12.05
"non-electing share".....	SECTION 12.06
"Paying Agent".....	SECTION 2.03
"Payment Blockage Notice".....	SECTION 10.04
"Purchase Agreement".....	SECTION 2.01
"Purchased Shares".....	SECTION 12.05
"QIBs".....	SECTION 2.01
"Record Date".....	SECTION 12.05
"Register".....	SECTION 2.03
"Registrar".....	SECTION 2.03
"Regulation S".....	SECTION 2.01
"Rule 144A".....	SECTION 2.01
"Securities".....	SECTION 12.05
"trading day".....	SECTION 12.05

"Trigger Event".....	SECTION 12.05
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SECTION 1.03. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

- "Commission" means the Commission;
- "indenture securities" means the Convertible Subordinated Notes;
- "indenture security holder" means a holder of a Convertible Subordinated Note;
- "indenture to be qualified" means this Indenture;
- "indenture trustee" or "institutional trustee" means the Trustee; and
- "obligor" on the Convertible Subordinated Notes means the Company or any other obligor on the Convertible Subordinated Notes.

All other terms in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule under the TIA have the meanings so assigned to them.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) "or" is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular; and
- (5) the male, female and neuter genders include one another.

The terms and provisions contained in the Convertible Subordinated Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery

of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Convertible Subordinated Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

10

12

## ARTICLE II

### THE CONVERTIBLE SUBORDINATED NOTES

#### SECTION 2.01. Form and Dating.

(a) Global Securities. The Convertible Subordinated Notes are being offered and sold by the Company pursuant to a Purchase Agreement relating to the Convertible Subordinated Notes, dated May 18, 2001, among the Company and the Initial Purchasers (the "Purchase Agreement").

Convertible Subordinated Notes offered and sold (i) in reliance on Regulation S under the Securities Act ("Regulation S") or (ii) to "qualified institutional buyers" as defined in Rule 144A ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A"), each as provided in the Purchase Agreement, shall be issued in the form of one or more permanent global securities in definitive, fully registered form without interest coupons with the Global Securities Legend and Restricted Securities Legend set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture (each, a "Global Security"). Any Global Security shall be deposited on behalf of the purchasers of the Convertible Subordinated Notes represented thereby with the Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary for the accounts of participants in the Depositary (and, in the case of Convertible Subordinated Notes held in accordance with Regulation S, registered with the Depositary for the accounts of designated agents holding on behalf of the Euroclear System ("Euroclear") or Clearstream Banking, societe anonyme ("Clearstream")), duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of a Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee as hereinafter provided.

(b) Book-Entry Provisions. This Section 2.01(b) shall apply only to a Global Security deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.01(b) and the written order of the Company, authenticate and deliver initially one or more Global Securities that (i) shall be registered in the name of Cede & Co. or other nominee of such Depositary and (ii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instructions or held by the Trustee as custodian for the Depositary pursuant to a FAST Balance Certificate Agreement between the Depositary and the Trustee.

Agent Members shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary or by the Trustee as the custodian of the Depositary or under such Global Security, and the Depositary may be

11

13

treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of such Depositary governing the exercise of the rights of a

holder of a beneficial interest in any Global Security.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "Management Regulations and Instructions to Participants" of Clearstream shall be applicable to interests in any Global Securities that are held by participants through Euroclear or Clearstream. The Trustee shall have no obligation to notify holders of any such procedures or to monitor or enforce compliance with the same.

(c) Definitive Securities. Except as provided in Section 2.06 and 2.10, owners of beneficial interests in Global Securities will not be entitled to receive physical delivery of certificated Convertible Subordinated Notes in definitive form. Purchasers of Securities who are not QIBs and did not purchase Convertible Subordinated Notes sold in reliance on Regulation S under the Securities Act (referred to herein as the "Non-Global Purchasers") will receive certificated Convertible Subordinated Notes in definitive form bearing the Restricted Securities Legend set forth in Exhibit A hereto, which is incorporated in and expressly made a part of this Indenture. ("Definitive Securities"). Definitive Securities will bear the Restricted Securities Legend set forth on Exhibit A unless removed in accordance with Section 2.06(b).

SECTION 2.02. Execution and Authentication. One Officer shall sign the Convertible Subordinated Notes for the Company by manual or facsimile signature. The Company's seal may be reproduced on the Convertible Subordinated Notes.

If an Officer whose signature is on a Convertible Subordinated Note no longer holds that office at the time the Convertible Subordinated Note is authenticated, the Convertible Subordinated Note shall nevertheless be valid.

A Convertible Subordinated Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Convertible Subordinated Note has been authenticated under this Indenture.

Upon a written order of the Company signed by an Officer of the Company, the Trustee shall authenticate Convertible Subordinated Notes for original issue up to an aggregate principal amount of \$250,000,000 (plus up to \$50,000,000 aggregate principal amount of Convertible Subordinated Notes that may be sold by the Company pursuant to the over-allotment option granted pursuant to the Purchase Agreement). The aggregate principal amount of Convertible Subordinated Notes outstanding at any time may not exceed that amount except as provided in Section 2.07.

12

14

The Convertible Subordinated Notes shall be issuable only in registered form without coupons and only in denominations of \$1,000 or any integral multiple thereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Convertible Subordinated Notes. An authenticating agent may authenticate Convertible Subordinated Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same right as an Agent to deal with the Company or an Affiliate of the Company.

SECTION 2.03. The Trustee Registrar, Paying Agent and Conversion Agent. The Company shall maintain or cause to be maintained in such locations as it shall determine, which may be the Corporate Trust Office, an office or agency: (i) where securities may be presented for registration of transfer or for exchange ("Registrar"); (ii) where Convertible Subordinated Notes may be presented for payment ("Paying Agent"); (iii) an office or agency where Convertible Subordinated Notes may be presented for conversion (the "Conversion Agent"); and (iv) where notices and demands to or upon the Company in respect of Convertible Subordinated Notes and this Indenture may be served by the holders of the Convertible Subordinated Notes. The Registrar shall keep a Register ("Register") of the Convertible Subordinated Notes and of their transfer and exchange. The Company may appoint one or more co-registrars, one or more additional paying agents and one or more additional conversion agents. The term "Paying Agent" includes any additional paying agent and the term "Conversion

Agent" includes any additional Conversion Agent. The Company may change any Paying Agent, Registrar, Conversion Agent or co-registrar without prior notice. The Company shall notify the Trustee of the name and address of any Agent not a party to this Indenture and shall enter into an appropriate agency agreement with any Registrar, Paying Agent, Conversion Agent or co-registrar not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company or any of its subsidiaries may act as Paying Agent, Registrar, Conversion Agent or co-registrar, except that for purposes of Articles III and VIII and Section 4.06, neither the Company nor any of its subsidiaries shall act as Paying Agent. If the Company fails to appoint or maintain another entity as Registrar, or Paying Agent or Conversion Agent, the Trustee shall act as such, and the Trustee shall initially act as such.

SECTION 2.04. Paying Agent To Hold Money in Trust. The Company shall require each Paying Agent (other than the Trustee, who hereby so agrees), to agree in writing that the Paying Agent will hold in trust for the benefit of holders of the Convertible Subordinated Notes or the Trustee all money held by the Paying Agent for the payment of principal or interest (including Liquidated Damages) on the Convertible Subordinated Notes, and will notify the Trustee of any default by the Company in respect of making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary of the

13

15

Company) shall have no further liability for the money. If the Company or a Subsidiary of the Company acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the holders of the Convertible Subordinated Notes all money held by it as Paying Agent.

SECTION 2.05. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of holders of Convertible Subordinated Notes and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each Interest Payment Date, and as the Trustee may request in writing within fifteen (15) days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder), a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of holders of Convertible Subordinated Notes.

SECTION 2.06. Transfer and Exchange. When Convertible Subordinated Notes are presented to the Registrar or a co-registrar with a request to register a transfer or to exchange them for an equal principal amount of Convertible Subordinated Notes for other denominations, the Registrar shall register the transfer or make the exchange if its requirements for such transactions are met. To permit registrations of transfers and exchanges, the Company shall issue and the Trustee shall authenticate Convertible Subordinated Notes at the Registrar's request, bearing registration numbers not contemporaneously outstanding. No service charge shall be made to a holder for any registration of transfer or exchange (except as otherwise expressly permitted herein), but the Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable upon exchanges pursuant to Sections 2.10, 3.07, 9.05 or 12.02.

The Company or the Registrar shall not be required (i) to issue, register the transfer of or exchange Convertible Subordinated Notes during a period beginning at the opening of business fifteen (15) days before the day of any selection of Convertible Subordinated Notes for redemption under Section 3.03 and ending at the close of business on the day of selection, (ii) to register the transfer or exchange of any Convertible Subordinated Note so selected for redemption in whole or in part, except the unredeemed portion of any Convertible Subordinated Note being redeemed in part or (iii) to register the transfer of any Convertible Subordinated Notes surrendered for repurchase pursuant to Section 4.06.

All Convertible Subordinated Notes issued upon any transfer or

exchange of Convertible Subordinated Notes in accordance with this Indenture shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Convertible Subordinated Notes surrendered upon such registration of transfer or exchange.

14

16

(a) Notwithstanding any provision to the contrary herein, so long as a Global Security remains outstanding and is held by or on behalf of the Depository, transfers of a Global Security, in whole or in part, or of any beneficial interest therein, shall only be made in accordance with Sections 2.01(b) and 2.10 and this Section 2.06(a); provided, however, that beneficial interests in a Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the Global Security in accordance with the transfer restrictions set forth under the heading "Notice to Investors" in the Offering Memorandum and, if applicable, in the Restricted Securities Legend.

Except for transfers or exchanges made in accordance with paragraphs (i) through (iv) of this Section 2.06(a) and Section 2.10, transfers of a Global Security shall be limited to transfers of such Global Security in whole, but not in part, to nominees of the Depository or to a successor of the Depository or such successor's nominee.

(i) Global Security To Definitive Security. If an owner of a beneficial interest in a Global Security deposited with the Depository or with the Trustee as custodian for the Depository wishes at any time to transfer its interest in such Global Security to a Person who is required to take delivery thereof in the form of a Definitive Security, such owner may, subject to the rules and procedures of Euroclear or Clearstream, if applicable, and the Depository, cause the exchange of such interest for one or more Definitive Securities of any authorized denomination or denominations and of the same aggregate principal amount. Upon receipt by the Registrar of (1) instructions from Euroclear or Clearstream, if applicable, and the Depository directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the beneficial interest in the Global Security to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions, (2) a certificate substantially in the form of Exhibit B attached hereto given by the owner of such beneficial interest, (3) a certificate substantially in the form of Exhibit C attached hereto given by the Person acquiring the Definitive Securities for which such interest is being exchanged, to the effect set forth therein, and (4) such other certifications or other information and, in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then Euroclear or Clearstream, if applicable, or the Registrar, as the case may be, will instruct the Depository to reduce or cause to be reduced such Global Security by the aggregate principal amount of the beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the Person making such transfer the beneficial interest in the Global Security that is being transferred, and concurrently with such reduction and debit the Company shall execute, and the Trustee shall authenticate and deliver, one or more

15

17

Definitive Securities of the same aggregate principal amount in accordance with the instructions referred to above.

(ii) Definitive Security to Definitive Security. If a holder of a Definitive Security wishes at any time to transfer such



Definitive Security (or portion thereof) to a Person who is required to take delivery thereof in the form of a Definitive Security, such holder may, subject to the restrictions on transfer set forth herein and in such Definitive Security, cause the transfer of such Definitive Security (or any portion thereof in a principal amount equal to an authorized denomination) to such transferee. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such holder directing the Trustee to authenticate and deliver one or more Definitive Securities of the same aggregate principal amount as the Definitive Security (or portion thereof) to be transferred, such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Definitive Securities to be so issued and appropriate delivery instructions, (3) a certificate from the holder of the Definitive Security to be transferred in substantially the form of Exhibit B attached hereto, (4) a certificate substantially in the form of Exhibit C attached hereto given by the Person acquiring the Definitive Securities (or portion thereof), to the effect set forth therein, and (5) such other certifications or other information and, in the case of transfers pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Registrar, shall cancel or cause to be canceled such Definitive Security and concurrently therewith, the Company shall execute, and the Trustee shall authenticate and deliver, one or more Definitive Securities in the appropriate aggregate principal amount, in accordance with the instructions referred to above and, if only a portion of a Definitive Security is transferred as aforesaid, concurrently therewith Company shall execute and the Trustee shall authenticate and deliver to the transferor a Definitive Security in a principal amount equal to the principal amount which has not been transferred. A holder of a Definitive Security may at any time exchange such Definitive Security for one or more Definitive Securities of other authorized denominations and in the same aggregate principal amount and registered in the same name by delivering such Definitive Security, duly endorsed as provided herein, to the Trustee together with instructions directing the Trustee to authenticate and deliver one or more Definitive Securities in the same aggregate principal amount and registered in the same name as the Definitive Security to be exchanged, and the Registrar thereupon shall cancel or caused to be canceled such Definitive Security and concurrently therewith the Company shall execute and Trustee shall authenticate and deliver, one or more Definitive Securities in the same aggregate principal amount and registered in the same name as the Definitive Security being exchanged.

(iii) Definitive Security to Global Security. If a holder of a Definitive Security wishes at any time to transfer such Definitive Security (or portion thereof) to a Person who is not required to take delivery thereof in the form of a Definitive Security, such holder shall, subject to the restrictions on transfer set forth herein and in such Definitive Security and the rules of the Depository and Euroclear and Clearstream, as applicable, cause the exchange of such Definitive Security for a beneficial interest in the Global Security. Upon receipt by the Registrar of (1) such Definitive Security, duly endorsed as provided herein, (2) instructions from such holder directing the Trustee to increase the aggregate principal amount of the Global Security deposited with the Depository or with the Trustee as custodian for the Depository by the same aggregate principal amount at maturity as the Definitive Security to be exchanged, such instructions to contain the name or names of a member of, or participant in, the Depository that is designated as the transferee, the account of such member or participant and other appropriate delivery instructions, (3) the assignment form on the back of the Definitive Security completed in full (certifying in effect that such transfer complies with Rule 144A or Regulation S under the Securities Act or is otherwise being made to a Person who is not required to take delivery of the Convertible Subordinated Notes in the form of a Definitive Security) and (4) such other certifications or other information and, in the case of transfers

pursuant to Rule 144 under the Securities Act, legal opinions as the Company may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, then the Trustee shall cancel or cause to be canceled such Definitive Security and concurrently therewith shall increase the aggregate principal amount of the Global Security by the same aggregate principal amount as the Definitive Security canceled.

(iv) Other Exchanges. In the event that a Global Security is exchanged for Convertible Subordinated Notes in definitive registered form pursuant to Section 2.10 prior to the effectiveness of a Shelf Registration Statement with respect to such Convertible Subordinated Notes, such Convertible Subordinated Notes may be exchanged only in accordance with such procedures as are substantially consistent with the provisions of clauses (ii) and (iii) above (including the certification requirements intended to ensure that such transfers comply with Rule 144A or Regulation S under the Securities Act, as the case may be) and such other procedures as may from time to time be adopted by the Company.

(b) Except in connection with a Shelf Registration Statement contemplated by and in accordance with the terms of the Registration Agreement, if Convertible Subordinated Notes are issued upon the registration of transfer, exchange or replacement of Convertible Subordinated Notes bearing a Restricted Securities Legend, or if a request is made to remove such a Restrictive Securities Legend on Convertible Subordinated Notes, the Convertible Subordinated Notes so issued shall bear the

17

19

Restricted Securities Legend, or a Restricted Securities Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel given in accordance with the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such Convertible Subordinated Notes are not "restricted" within the meaning of Rule 144 under the Securities Act. Upon provision to the Company of such satisfactory evidence, the Trustee, at the written direction of the Company, shall authenticate and deliver Convertible Subordinated Notes that do not bear the legend. The Company shall not otherwise be entitled to require the delivery of a legal opinion in connection with any transfer or exchange of Securities.

(c) Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depositary.

(d) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Convertible Subordinated Notes (including any transfers between or among Depositary's participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation as is expressly required by, and to do so if and when expressly required by, the terms of this Indenture and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 2.07. Replacement Convertible Subordinated Notes. If the holder of a Convertible Subordinated Note claims that the Convertible Subordinated Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Convertible Subordinated Note if the Trustee's requirements are met. If required by the Trustee or the Company as a condition of receiving a replacement Convertible Subordinated Note, the holder of a Convertible Subordinated Note must provide a certificate of loss and an indemnity and/or an indemnity bond sufficient, in the judgment of both the Company and the Trustee, to fully protect the Company, the Trustee, any Agent and any authenticating agent from any loss, liability, cost or expense which any of them may suffer or incur if the Convertible Subordinated Note is replaced. The Company and the Trustee may charge the relevant holder for their expenses in

replacing any Convertible Subordinated Note.

The Trustee or any authenticating agent may authenticate any such substituted Convertible Subordinated Note, and deliver the same upon the receipt of such security or indemnity as the Trustee, the Company and, if applicable, such authenticating agent may require. Upon the issuance of any substituted Convertible Subordinated Note, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Convertible Subordinated Note which has matured or is

18

20

about to mature, or has been called for redemption pursuant to Article III, submitted for repurchase pursuant to Section 4.06 or is about to be converted into Common Stock pursuant to Article XII, shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Convertible Subordinated Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Convertible Subordinated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company, to the Trustee and, if applicable, to the authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in case of destruction, loss or theft, evidence satisfactory to the Company, the Trustee and, if applicable, any paying agent or conversion agent of the destruction, loss or theft of such Convertible Subordinated Note and of the ownership thereof.

Every replacement Convertible Subordinated Note is an additional obligation of the Company and shall be entitled to all the benefits provided under this Indenture equally and proportionately with all other Convertible Subordinated Notes duly issued, authenticated and delivered hereunder.

SECTION 2.08. Outstanding Convertible Subordinated Notes. The Convertible Subordinated Notes outstanding at any time are all the Convertible Subordinated Notes properly authenticated by the Trustee except for those canceled by the Trustee, those delivered to it for cancellation, and those described in this Section as not outstanding.

If a Convertible Subordinated Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Convertible Subordinated Note is held by a bona fide purchaser.

If Convertible Subordinated Notes are considered paid under Section 4.01 or converted under Article XII, they cease to be outstanding and interest (and Liquidated Damages, if any) on them ceases to accrue.

Subject to Section 2.09 hereof, a Convertible Subordinated Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Convertible Subordinated Note.

SECTION 2.09. When Treasury Convertible Subordinated Notes Disregarded. In determining whether the holders of the required principal amount of Convertible Subordinated Notes have concurred in any direction, waiver or consent, Convertible Subordinated Notes owned by the Company or an Affiliate of the Company shall be considered as though they are not outstanding except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Convertible Subordinated Notes which the Trustee knows are so owned shall be so disregarded.

SECTION 2.10. Temporary Convertible Subordinated Notes.

19

21

(a) Until definitive Convertible Subordinated Notes are ready

for delivery, the Company may prepare and the Trustee shall authenticate temporary Convertible Subordinated Notes. Temporary Convertible Subordinated Notes shall be substantially in the form of definitive Convertible Subordinated Notes but may have variations that the Company considers appropriate for temporary Convertible Subordinated Notes and shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Convertible Subordinated Notes in exchange for temporary Convertible Subordinated Notes.

(b) Except for transfers made in accordance with Section 2.06(a), a Global Security deposited with the Depository or with the Trustee as custodian for the Depository pursuant to Section 2.01 shall be transferred to the beneficial owners thereof in the form of certificated Convertible Subordinated Notes in definitive form only if such transfer complies with Section 2.06 and (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for such Global Security or if at any time such Depository ceases to be a "clearing agency" registered under the Exchange Act and a successor Depository is not appointed by the Company within 90 days of such notice, or (ii) an Event of Default has occurred and is continuing.

(c) Any Global Security or interest thereon that is transferable to the beneficial owners thereof in the form of certificated Convertible Subordinated Notes in definitive form shall, if held by the Depository, be surrendered by the Depository to the Trustee, without charge, and the Trustee shall authenticate and deliver, upon such transfer of each portion of such Global Security, an equal aggregate principal amount of Convertible Subordinated Notes of authorized denominations in the form of certificated Convertible Subordinated Notes in definitive form. Any portion of a Global Security transferred pursuant to this Section shall be executed, authenticated and delivered only in denominations of \$1,000 and any integral multiple thereof and registered in such names as the Depository shall direct. Any Convertible Subordinated Notes in the form of certificated Convertible Subordinated Notes in definitive form delivered in exchange for an interest in the Global Security shall, except as otherwise provided by Section 2.06(b), bear the Restricted Securities Legend set forth in Exhibit A hereto.

(d) Prior to any transfer pursuant to Section 2.10(b), the registered holder of a Global Security may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Convertible Subordinated Notes.

(e) The Company will make available to the Trustee a reasonable supply of certificated Convertible Subordinated Notes in definitive form without interest coupons.

SECTION 2.11. Cancellation. The Company at any time may deliver Convertible Subordinated Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Convertible Subordinated Notes

surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else may cancel Convertible Subordinated Notes surrendered for registration of transfer, exchange, payment, replacement, conversion, redemption, repurchase or cancellation. Upon written instructions of the Company, the Trustee shall destroy and dispose of canceled Convertible Subordinated Notes as the Company directs and, after such destruction, shall deliver a certificate of destruction to the Company. The Company may not issue new Convertible Subordinated Notes to replace Convertible Subordinated Notes that it has paid, redeemed or repurchased or that have been delivered to the Trustee for cancellation or that any holder has (i) converted pursuant to Article XII hereof, (ii) submitted for redemption pursuant to Article III hereof or (iii) submitted for repurchase pursuant to Section 4.06 hereof (unless revoked).

SECTION 2.12. Defaulted Interest. If the Company fails to make a payment of interest on the Convertible Subordinated Notes, it shall pay such defaulted interest plus, to the extent lawful, any interest payable on the defaulted interest. It may pay such defaulted interest, plus any such interest payable on

it, to the Persons who are holders of Convertible Subordinated Notes on a subsequent special record date. The Company shall fix any such special record date and payment date. At least 15 days before any such special record date, the Company shall mail to holders of the Convertible Subordinated Notes a notice that states the special record date, payment date and amount of such interest to be paid.

SECTION 2.13. CUSIP Number. The Company in issuing the Convertible Subordinated Notes may use a "CUSIP" number, and if so, such CUSIP number shall be included in notices of redemption, repurchase or exchange as a convenience to holders of Convertible Subordinated Notes; provided, however, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Convertible Subordinated Notes and that reliance may be placed only on the other identification numbers printed on the Convertible Subordinated Notes. The Company will promptly notify the Trustee of any change in the CUSIP number.

SECTION 2.14. Regulation S. The Company agrees that it will refuse to register any transfer of Convertible Subordinated Notes or any shares of Common Stock issued upon conversion of Convertible Subordinated Notes that is not made in accordance with the provisions of Regulation S under the Securities Act, pursuant to a registration statement which has been declared effective under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; provided that the provisions of this paragraph shall not be applicable to any Convertible Subordinated Notes which do not bear a Restricted Securities Legend or to any shares of Common Stock evidenced by certificates which do not bear a Restricted Common Stock Legend.

### ARTICLE III

#### REDEMPTION

21

23

SECTION 3.01. Optional Redemption. The Company may redeem all or any portion of the Convertible Subordinated Notes upon the terms and at the Redemption Prices set forth in each of the Convertible Subordinated Notes. Any redemption shall be made pursuant to Paragraph 5 of the Convertible Subordinated Notes and this Article III.

SECTION 3.02. Notices to Trustee. If the Company elects to redeem Convertible Subordinated Notes pursuant to the optional redemption provisions of paragraph 5 of the Convertible Subordinated Notes, it shall furnish to the Trustee, at least 15 (20 if less than all of the then outstanding Convertible Subordinated Notes are to be redeemed or if the Company requests the Trustee to give notice of redemption pursuant to Section 3.04) days but not more than 60 days before a Redemption Date (unless a shorter period shall be satisfactory to the Trustee), an Officers' Certificate setting forth (i) the Section of this Indenture pursuant to which the redemption shall occur, (ii) the Redemption Date, (iii) the principal amount of Convertible Subordinated Notes (if less than all) to be redeemed, (iv) the Redemption Price and (v) the CUSIP number of the Convertible Subordinated Notes being redeemed.

SECTION 3.03. Selection of Convertible Subordinated Notes To Be Redeemed. If less than all the Convertible Subordinated Notes are to be redeemed, the Trustee shall select the Convertible Subordinated Notes to be redeemed by a method that complies with the requirements of the principal national securities exchange, if any, on which the Convertible Subordinated Notes are listed or quoted or, if the Convertible Subordinated Notes are not so listed, on a pro rata basis by lot or by any other method that the Trustee considers fair and appropriate. The Trustee shall make the selection not more than 60 days and not less than 15 days before the Redemption Date from Convertible Subordinated Notes outstanding and not previously called for redemption. The Trustee may select for redemption a portion of the principal of any Convertible Subordinated Notes that has a denomination larger than \$1,000. Convertible Subordinated Notes and portions thereof will be redeemed in the amount of \$1,000 or integral multiples of \$1,000.

Provisions of this Indenture that apply to Convertible Subordinated Notes called for redemption also apply to portions of Convertible Subordinated Notes called for redemption. The Trustee shall notify the Company

promptly of the Convertible Subordinated Notes or portions of Convertible Subordinated Notes to be called for redemption.

If any Convertible Subordinated Note selected for partial redemption is converted in part after such selection, the converted portion of such Convertible Subordinated Note shall be deemed (so far as may be) to be the portion to be selected for redemption. The Convertible Subordinated Notes (or portion thereof) so selected shall be deemed duly selected for redemption for all purposes hereof, notwithstanding that any such Convertible Subordinated Note is converted in whole or in part before the mailing of the notice of redemption. Upon any redemption of less than all the Convertible Subordinated Notes, the Company and the Trustee may treat as outstanding any Convertible Subordinated Notes surrendered for conversion during the period of 15 days

22

24

next preceding the mailing of a notice of redemption and need not treat as outstanding any Convertible Subordinated Note authenticated and delivered during such period in exchange for the unconverted portion of any Convertible Subordinated Note converted in part during such period.

SECTION 3.04. Notice of Redemption. At least 15 days but not more than 60 days before a Redemption Date, the Company shall mail by first class mail a notice of redemption to each holder whose Convertible Subordinated Notes are to be redeemed.

The notice shall identify the Convertible Subordinated Notes to be redeemed and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) if any Convertible Subordinated Note is being redeemed in part, the portion of the principal amount of such Convertible Subordinated Note to be redeemed and that, after the Redemption Date, upon surrender of such Convertible Subordinated Note, a new Convertible Subordinated Note or Convertible Subordinated Notes in principal amount equal to the unredeemed portion will be issued in the name of the holder thereof;
- (4) that Convertible Subordinated Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;
- (5) that interest and Liquidated Damages, if applicable, on Convertible Subordinated Notes called for redemption and for which funds have been set apart for payment, ceases to accrue on and after the Redemption Date (unless the Company defaults in the payment of the Redemption Price or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture);
- (6) the paragraph of the Convertible Subordinated Notes pursuant to which the Convertible Subordinated Notes called for redemption are being redeemed;
- (7) the aggregate principal amount of Convertible Subordinated Notes (if less than all) that are being redeemed;
- (8) the CUSIP number of the Convertible Subordinated Notes (provided that the disclaimer permitted by Section 2.13 may be made);
- (9) the name and address of the Paying Agent;

23

(10) that Convertible Subordinated Notes called for redemption may be converted at any time prior to the close of business on the last trading day immediately preceding the Redemption Date and if not converted prior to the close of business on such Redemption Date, the right of conversion will be lost; and

(11) that in the case of Convertible Subordinated Notes or portions thereof called for redemption on a date that is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Regular Record Date.

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the holder of any Convertible Subordinated Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any Convertible Subordinated Note.

At the Company's request, the Trustee shall give notice of redemption in the Company's name and at its expense.

SECTION 3.05. Effect of Notice of Redemption. Once notice of redemption is mailed, Convertible Subordinated Notes called for redemption become due and payable on the Redemption Date at the Redemption Price set forth in the Convertible Subordinated Note.

SECTION 3.06. Deposit of Redemption Price. On or before the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent money in immediately available funds sufficient to pay the Redemption Price of and accrued interest (including Liquidated Damages) on all Convertible Subordinated Notes to be redeemed on that date. The Trustee or the Paying Agent shall return to the Company any money not required for that purpose.

On and after the Redemption Date, unless the Company shall default in the payment of the Redemption Price, interest and Liquidated Damages, if applicable, will cease to accrue on the principal amount of the Convertible Subordinated Notes or portions thereof called for redemption and for which funds have been set apart for payment and such Convertible Subordinated Notes, or portions thereof, shall cease after the close of business on the Business Day immediately preceding the Redemption Date to be convertible into Common Stock and, except as provided in this Section 3.06 and 8.4, to be entitled to any benefit or security under this Indenture, and the holders thereof shall have no right in respect of such Convertible Subordinated Notes, or portions thereof, except the right to receive the Redemption price thereof and unpaid interest and Liquidated Damages, if any, to (but excluding) the Redemption Date. In the case of Convertible Subordinated Notes or portions thereof redeemed on a Redemption Date

which is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such Interest Payment Date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Regular Record Date.

SECTION 3.07. Convertible Subordinated Notes Redeemed in Part. Upon surrender of a Convertible Subordinated Note that is redeemed in part only, the Company shall issue and the Trustee shall authenticate and deliver to the holder of a Convertible Subordinated Note a new Convertible Subordinated Note equal in principal amount to the unredeemed portion of the Convertible Subordinated Note surrendered, at the expense of the Company, except as specified in Section 2.06.

SECTION 3.08. Conversion Arrangement on Call for Redemption. In connection with any redemption of Convertible Subordinated Notes, the Company may arrange for the purchase and conversion of any Convertible Subordinated Notes by an arrangement with one or more investment bankers or other purchasers to purchase such Convertible Subordinated Notes by paying to the Trustee in

trust for the holders, on or before the Redemption Date, an amount not less than the applicable Redemption Price, together with interest and Liquidated Damages, if any, accrued to the Redemption Date, of such Convertible Subordinated Notes. Notwithstanding anything to the contrary contained in this Article III, the obligation of the Company to pay the Redemption Price of such Convertible Subordinated Notes, together with interest and Liquidated Damages, if any, accrued to the Redemption Date, shall be deemed to be satisfied and discharged to the extent such amount is so paid by the purchasers. If such an agreement is entered into, a copy of which will be filed with the Trustee prior to the Redemption Date, any Convertible Subordinated Notes not duly surrendered for conversion by the holders thereof may, at the option of the Company, be deemed, to the fullest extent permitted by law, acquired by such purchasers from such holders and (notwithstanding anything to the contrary contained in Article XII) surrendered by such purchasers for conversion, all as of immediately prior to the close of business on the Redemption Date (and the right to convert any such Convertible Subordinated Notes shall be deemed to have been extended through such time), subject to payment of the above amount as aforesaid. At the direction of the Company, the Trustee shall hold and dispose of any such amount paid to it in the same manner as it would monies deposited with it by the Company for the redemption of Convertible Subordinated Notes. Without the Trustee's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any Convertible Subordinated Notes shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Trustee as set forth in this Indenture, and the Company agrees to indemnify the Trustee from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any Convertible Subordinated Notes between the Company and such purchasers to which the Trustee has not consented in writing, including the costs and expenses incurred by the Trustee in the defense of any claim or liability arising out of or in connection with the exercise or performance of any of its powers, duties, responsibilities or obligations under this Indenture.

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#### ARTICLE IV

##### COVENANTS

SECTION 4.01. Payment of Convertible Subordinated Notes. The Company shall pay the principal of and interest (including Liquidated Damages) on the Convertible Subordinated Notes on the dates and in the manner provided in the Convertible Subordinated Notes. Principal, interest, the Redemption Price or the Designated Event Payment shall be considered paid on the date due if the Trustee or Paying Agent (other than the Company or a Subsidiary of the Company) holds as of 10:00 a.m. New York City time on that date immediately available funds designated for and sufficient to pay all principal, interest (including Liquidated Damages), the Redemption Price and the Designated Event Payment then due; provided, however, that money held by the Agent for the benefit of holders of Senior Debt pursuant to the provisions of Article XI hereof or the payment of which to the holders of the Convertible Subordinated Notes is prohibited by Article XI shall not be considered to be designated for the payment of any principal of or interest on the Convertible Subordinated Notes within the meaning of this Section 4.01.

To the extent lawful, the Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on (i) overdue principal, at the rate borne by Convertible Subordinated Notes, compounded semiannually; and (ii) overdue installments of interest (without regard to any applicable grace period) at the same rate, compounded semiannually.

SECTION 4.02. Commission Reports. Whether or not required by the rules and regulations of the Commission, so long as any Convertible Subordinated Notes are outstanding, the Company will file with the Commission and furnish to the Trustee and the holders of Convertible Subordinated Notes all quarterly and annual financial information (without exhibits) required to be contained in a filing with the Commission on Forms 10-Q and 10-K, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual consolidated financial statements only, a report thereon by the Company's independent auditors. The Company shall not be required



to file any report or other information with the Commission if the Commission does not permit such filing, although such reports or other information will be required to be furnished to the Trustee.

SECTION 4.03. Compliance Certificate. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company, an Officers' Certificate stating that a review of the activities of the Company and its subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has fully performed its obligations under this Indenture and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge, the Company is not in default in the performance or observance of any of the terms and conditions hereof (or, if any Default or Event of Default shall have occurred, describing all such Defaults or Events of Default

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of which he or she may have knowledge) and, that to the best of his or her knowledge, no event has occurred and remains in existence by reason of which payments on account of the principal of or interest (including Liquidated Damages) on the Convertible Subordinated Notes are prohibited.

The Company shall, so long as any of the Convertible Subordinated Notes are outstanding, deliver to the Trustee, forthwith upon becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default.

SECTION 4.04. Maintenance of Office or Agency. The Company shall maintain or cause to be maintained the office or agency required under Section 2.03. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency not maintained by the Trustee. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, presentations, surrenders, notices and demands with respect to the Convertible Subordinated Notes may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Convertible Subordinated Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designation.

SECTION 4.05. Continued Existence. Subject to Article V, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 4.06. Repurchase Upon Designated Event. Following a Designated Event (the date of each such occurrence being the "Designated Event Date"), the Company shall notify the holders of Convertible Subordinated Notes in writing of such occurrence and shall make an offer (the "Designated Event Offer") to repurchase all Convertible Subordinated Notes then outstanding at a repurchase price in cash (the "Designated Event Payment") equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, to, but excluding, the Designated Event Payment Date (as defined below).

Notice of a Designated Event shall be mailed by or at the direction of the Company to the holders of Convertible Subordinated Notes as shown on the Register of such holders maintained by the Registrar not more than 20 days after the applicable Designated Event Date at the addresses as shown on the Register of holders maintained by the Registrar, with a copy to the Trustee and the Paying Agent. The Designated Event Offer shall remain open until a specified date (the "Designated Event Offer Termination Date") which is at least 20 Business Days from the date such notice is mailed. During the period specified in such notice, holders of Convertible Subordinated Notes may elect to tender their Convertible Subordinated Notes in whole or in part in integral multiples of \$1,000 in exchange for cash. Payment shall be made by the Company in respect of

Convertible Subordinated Notes properly tendered pursuant to this Section on a specified Business Day (the "Designated Event Payment Date") which shall be no earlier than five Business Days after the applicable Designated Event Offer Termination Date and no later than 60 days after the applicable Designated Event.

The notice, which shall govern the terms of the Designated Event Offer, shall include such disclosures as are required by law and shall state:

(a) that a Designated Event Offer is being made pursuant to this Section 4.06 and that all Convertible Subordinated Notes will be accepted for payment;

(b) the transaction or transactions that constitute the Designated Event;

(c) the Designated Event Payment for each Convertible Subordinated Note, the Designated Event Offer Termination Date and the Designated Event Payment Date;

(d) that any Convertible Subordinated Note not accepted for payment will continue to accrue interest and Liquidated Damages, if applicable, in accordance with the terms thereof;

(e) that, unless the Company defaults on making the Designated Event Payment, any Convertible Subordinated Note accepted for payment pursuant to the Designated Event Offer shall cease to accrue interest and Liquidated Damages, if applicable, on the Designated Event Payment Date and no further interest or Liquidated Damages shall accrue on or after such date;

(f) that holders electing to have Convertible Subordinated Notes repurchased pursuant to a Designated Event Offer will be required to surrender their Convertible Subordinated Notes to the Paying Agent at the address specified in the notice prior to 5:00 p.m., New York City time, on the Designated Event Offer Termination Date and must complete any form letter of transmittal proposed by the Company and acceptable to the Trustee and the Paying Agent;

(g) that holders of Convertible Subordinated Notes will be entitled to withdraw their election if the Paying Agent receives, not later than 5:00 p.m., New York City time, on the Designated Event Offer Termination Date, a facsimile transmission or letter setting forth the name of the holder, the principal amount of Convertible Subordinated Notes the holder delivered for purchase, the Convertible Subordinated Note certificate number (if any) and a statement that such holder is withdrawing his election to have such Convertible Subordinated Notes purchased;

(h) that holders whose Convertible Subordinated Notes are repurchased only in part will be issued Convertible Subordinated Notes equal in principal amount to the unpurchased portion of the Convertible Subordinated Notes surrendered;

(i) the instructions that holders must follow in order to tender their Convertible Subordinated Notes; and

(j) that in the case of a Designated Event Offer Termination Date that is also an Interest Payment Date, the interest payment and Liquidated Damages, if any, due on such Interest Payment Date shall be paid to the Person in whose name the Convertible Subordinated Note is registered at the close of business on the relevant Designated Event Offer Termination Date.

On the Designated Event Offer Termination Date the Company shall (i) accept for payment all Convertible Subordinated Notes or portions thereof properly tendered pursuant to the Designated Event Offer, (ii) deposit with the Paying Agent money sufficient to pay the Designated Event Payment with respect

to all Convertible Subordinated Notes or portions thereof so tendered and accepted and (iii) deliver or cause to be delivered to the Trustee the Convertible Subordinated Notes so accepted together with an Officers' Certificate setting forth the aggregate principal amount of Convertible Subordinated Notes or portions thereof tendered to and accepted for payment by the Company. On the Designated Event Payment Date, the Paying Agent shall mail or deliver to the holders of Convertible Subordinated Notes so accepted, the Designated Event Payment, and the Trustee shall promptly authenticate and mail or cause to be transferred by book entry to such holders a new Convertible Subordinated Note equal in principal amount to any unpurchased portion of the Convertible Subordinated Note surrendered, if any; provided that such new Convertible Subordinated Notes will be in a principal amount of \$1,000 or an integral multiple thereof. Any Convertible Subordinated Notes not so accepted shall be promptly mailed or delivered by the Company to the holder thereof.

In the case of any reclassification, change, consolidation, merger, combination or sale or conveyance to which Section 12.06 applies, in which the Common Stock of the Company is changed or exchanged as a result into the right to receive stock, securities or other property or assets (including cash) which includes shares of common stock of the Company or another Person that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States and such shares constitute at the time such change or exchange becomes effective in excess of 50% of the aggregate fair market value of such stock, securities other property and assets (including cash) (as determined by the Company, which determination shall be conclusive and binding), then the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall execute and deliver to the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture) modifying the provisions of this Indenture relating to the right of holders of Convertible Subordinated Notes to cause the Company to repurchase Convertible Subordinated Notes following a Designated Event, including the applicable provisions of this Section 4.06 and the definitions of Designated Event, Change of Control and Termination of Trading, as appropriate, as determined in good faith by the Company (which determination shall be conclusive and binding), to make such provision

apply to such common stock and the issuer thereof if different from the Company and Common Stock of the Company (in lieu of the Company and the Common Stock of the Company).

The Designated Event Offer shall be made by the Company in compliance with all applicable provisions of the Exchange Act, and all applicable tender offer rules promulgated thereunder, to the extent such laws and regulations are then applicable and shall include all instructions and materials that the Company shall reasonably deem necessary to enable such holders of Convertible Subordinated Notes to tender their Convertible Subordinated Notes.

SECTION 4.07. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.08, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.08. Stay, Extension and Usury Laws. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter enforced, that may affect the Company's obligation to pay the Convertible Subordinated Notes; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law insofar as such law applies to the Convertible Subordinated Notes, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.09. Taxes. The Company shall, and shall cause each of its subsidiaries to, pay prior to delinquency all taxes, assessments and government

levies; provided, however, that the Company shall not be required to pay or cause to be paid any such tax, assessment or levy (A) if the failure to do so will not, in the aggregate, have a material adverse impact on the Company and its subsidiaries taken as a whole, or (B) if the amount, applicability or validity is being contested in good faith by appropriate proceedings.

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SECTION 4.10. Liquidated Damages. If Liquidated Damages are payable by the Company pursuant to Section 5 of the Registration Agreement, the Company shall deliver to the Trustee a certificate to the effect stating (i) the amount of such Liquidated Damages that are payable and (ii) the date on which such damages are payable. Unless and until a Corporate Trust Officer of the Trustee receives such a certificate, the Trustee may assume without inquiry that no Liquidated Damages are payable. If the Company has paid Liquidated Damages directly to the persons entitled to them, the Company shall deliver to the Trustee a certificate setting forth the particulars of such payment."

#### ARTICLE V

#### SUCCESSORS

SECTION 5.01. When the Company May Merge, Etc. The Company may not, in a single transaction or series of related transactions, consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets to, any Person as an entirety or substantially as an entirety unless:

(a) either

(i) the Company shall be the surviving or continuing corporation or

(ii) the Person formed by or surviving any such consolidation or into which the Company is merged (if other than the Company) or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company substantially as an entirety

(1) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and

(2) shall expressly assume, by indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest and Liquidated Damages, if any, on all of the Convertible Subordinated Notes and the performance of every covenant of the Convertible Subordinated Notes and this Indenture and the Registration Agreement on the part of the Company to be performed or observed, including, without limitation, modifications to rights of holders to cause the repurchase of Convertible Subordinated Notes upon a Designated Event in accordance with the penultimate paragraph of Section 4.06 and conversion rights in accordance with Section 12.06 to the extent required by such Sections;

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(b) immediately after giving effect to such transaction no Default and no Event of Default shall have occurred and be continuing; and

(c) the Company or such Person shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental

indenture, comply with this provision of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied.

For purposes of this Section 5.01, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more subsidiaries of the Company, the capital stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

SECTION 5.02. Successor Corporation Substituted. Upon any such consolidation, merger, sale, assignment, conveyance, lease, transfer or other disposition in accordance with Section 5.01, the successor Person formed by such consolidation or into which the Company is merged or to which such sale, assignment, conveyance, lease, transfer or other disposition is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company therein, and thereafter (except in the case of a sale, assignment, transfer, lease, conveyance or other disposition) the predecessor corporation will be relieved of all further obligations and covenants under this Indenture and the Convertible Subordinated Notes.

SECTION 5.03. Purchase Option on Change of Control. This Article V does not affect the obligations of the Company (including without limitation any successor to the Company) under Section 4.06.

## ARTICLE VI

### DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default" with respect to any Convertible Subordinated Notes occurs if:

(a) the Company defaults in the payment (whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture) of principal of, or premium, if any, on the Convertible Subordinated Notes when due at maturity, upon repurchase, upon acceleration or otherwise, including, without limitation, failure of the Company to make any optional redemption payment when required pursuant to Article III; or

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(b) the Company defaults in the payment (whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture) of any installment of interest or Liquidated Damages on the Convertible Subordinated Notes when due (including any interest or Liquidated Damages payable in connection with a repurchase pursuant to Section 4.06 or in connection with any optional redemption payment pursuant to Article III) and continuance of such default for 30 days or more; or

(c) the Company defaults (other than a default set forth in clauses (a) and (b) above and clauses (d) and (e) below) in the performance of, or breaches, any other covenant or warranty of the Company set forth in this Indenture or the Convertible Subordinated Notes and fails to remedy such default or breach within a period of 60 days after the receipt of written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(d) the Company defaults in the payment of the Designated Event Payment in respect of the Convertible Subordinated Notes on the Designated Event Payment Date, whether or not such payment is prohibited by the subordination provisions set forth in Article XI of this Indenture; or

(e) the Company fails to provide timely notice of any Designated Event in accordance with Section 4.06 hereof; or

(f) failure of the Company or any Material Subsidiary to make any payment at maturity, including any applicable grace period, in respect of indebtedness for borrowed money of, or guaranteed or assumed by, the Company or any Material Subsidiary, which payment is in an amount in excess of \$20,000,000, and continuance of such failure for 30 days after notice thereof from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(g) default by the Company or any Material Subsidiary with respect to any indebtedness referred to in clause (f) above, which default results in the acceleration of any such indebtedness of an amount in excess of \$20,000,000 without such indebtedness having been paid or discharged or such acceleration having been cured, waived, rescinded or annulled for 30 days after notice thereof from the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes; or

(h) the Company or any Material Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case,

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(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors;

(v) makes the admission in writing that it generally is unable to pay its debts as the same become due; or

(i) a court of competent jurisdiction enters a judgment, order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any Material Subsidiary in an involuntary case,

(ii) appoints a Custodian of the Company or any Material Subsidiary, and the order or decree remains unstayed and in effect for 90 days.

(iii) orders the liquidation of the Company or any Material Subsidiary, and the order or decree remains unstayed and in effect for 90 days.

The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

In the case of any Event of Default, pursuant to the provisions of this Section 6.01, occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium which the Company would have had to pay if the Company then had elected to redeem the Convertible Subordinated Notes pursuant to Paragraph 5 of the Convertible Subordinated Notes, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law, upon the acceleration of the Convertible Subordinated Notes notwithstanding anything contained in this Indenture or in the Convertible Subordinated Notes to the contrary.

If an Event of Default occurs prior to any date on which the Company is prohibited from redeeming the Convertible Subordinated Notes, pursuant to Paragraph 5 of the Convertible Subordinated Notes, by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Convertible

Subordinated Notes prior to such date, then the premium specified in this Indenture shall also become immediately due and payable

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to the extent permitted by law upon the acceleration of the Convertible Subordinated Notes.

SECTION 6.02. Acceleration. If an Event of Default (other than an Event of Default with respect to the Company specified in clauses (h) and (i) of Section 6.01) occurs and is continuing, then and in every such case the Trustee, by written notice to the Company, or the holders of at least 25% in aggregate principal amount of the then outstanding Convertible Subordinated Notes, by written notice to the Company and the Trustee, may declare the unpaid principal of, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, on all the Convertible Subordinated Notes to be due and payable. Upon such declaration such principal amount, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, shall become immediately due and payable, notwithstanding anything contained in this Indenture or the Convertible Subordinated Notes to the contrary, but subject to the provisions of Article XI hereof. If any Event of Default with respect to the Company specified in clauses (h) or (i) of Section 6.01 occurs, all unpaid principal of and premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, on the Convertible Subordinated Notes then outstanding shall become automatically due and payable subject to the provisions of Article XI hereof, without any declaration or other act on the part of the Trustee or any holder of Convertible Subordinated Notes.

The holders of a majority in aggregate principal amount of the then outstanding Convertible Subordinated Notes by notice to the Trustee may rescind an acceleration of the Convertible Subordinated Notes and its consequences if all existing Events of Default (other than nonpayment of principal of or premium, if any, and interest and Liquidated Damages, if any, on the Convertible Subordinated Notes which has become due solely by virtue of such acceleration) have been cured or waived and if the rescission would not conflict with any judgment or decree of any court of competent jurisdiction. No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes or to enforce the performance of any provision of the Convertible Subordinated Notes or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Convertible Subordinated Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any holder of a Convertible Subordinated Note in exercising any right or remedy occurring upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults. The holders of a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding may, on behalf of the holders of all the Convertible Subordinated Notes, waive an existing Default or Event of Default and its consequences, except a Default or

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Event of Default in the payment of the principal of, premium, if any, or interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes (other than the non-payment of principal of and premium, if any, and interest and Liquidated Damages, if any, on the Convertible Subordinated Notes which has become due solely by virtue of an acceleration which has been duly rescinded as provided above), or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the consent of all holders

of Convertible Subordinated Notes. When a Default or Event of Default is waived, it is cured and stops continuing. No waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 6.05. Control by Majority. The holders of a majority in aggregate principal amount of the then outstanding Convertible Subordinated Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other holders of Convertible Subordinated Notes or that may involve the Trustee in personal liability; provided that the Trustee shall have no duty or obligation (subject to Section 7.01) to ascertain whether or not such actions of forebearances are unduly prejudicial to such holders; provided, further, that the Trustee may take any other action the Trustee deems proper that is not inconsistent with such directions.

SECTION 6.06. Limitation on Suits. A holder of a Convertible Subordinated Note may not pursue any remedy with respect to this Indenture or the Convertible Subordinated Notes unless:

- (1) the holder gives to the Trustee notice of a continuing Event of Default;
- (2) the holders of at least 25% in principal amount of the then outstanding Convertible Subordinated Notes make a request to the Trustee to pursue the remedy;
- (3) such holder or holders offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and
- (5) during such 60-day period the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes do not give the Trustee a direction inconsistent with the request.

A holder of a Convertible Subordinated Note may not use this Indenture to prejudice the rights of another holder or to obtain a preference or priority over another holder.

SECTION 6.07. Rights of Holders To Receive Payment. Subject to the provisions of Article XI hereof, notwithstanding any other provision of this Indenture, the right of any holder of a Convertible Subordinated Note to receive payment of principal, premium, if any, and interest and Liquidated Damages, if any, on the Convertible Subordinated Note, on or after the respective due dates expressed in the Convertible Subordinated Note, or to bring suit for the enforcement of any such payment on or after such respective dates, or to bring suit for the enforcement of the right to convert the Convertible Subordinated Note shall not be impaired or affected without the consent of the holder of a Convertible Subordinated Note.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a), (b) or (d) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and interest and Liquidated Damages, if any, remaining unpaid on the Convertible Subordinated Notes and interest on overdue principal and interest and Liquidated Damages, if any, and such further amount as shall be sufficient to cover the costs and, to the extent lawful, expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the holders of



Convertible Subordinated Notes allowed in any judicial proceedings relative to the Company, its creditors or its property. Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any holder of a Convertible Subordinated Note any plan of reorganization, arrangement, adjustment or composition affecting the Convertible Subordinated Notes or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder in any such proceeding.

SECTION 6.10. Priorities. If the Trustee collects any money pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee for amounts due under Section 7.07, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee, and the costs and expenses of collection;

Second: to holders of Senior Debt to the extent required by Article XI;

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Third: to holders of Convertible Subordinated Notes for amounts due and unpaid on the Convertible Subordinated Notes for principal, premium, if any, and interest and Liquidated Damages, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Convertible Subordinated Notes for principal, premium, if any, and interest and Liquidated Damages, if any, respectively; and

Fourth: to the Company.

The Trustee may fix a special record date and payment date for any payment to holders of Convertible Subordinated Notes made pursuant to this section. At least 15 days before any such special record date, the Trustee shall mail to holders of the Convertible Subordinated Notes a notice that states the special record date, payment date and amount of such interest to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit, other than the Trustee, of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a holder pursuant to Section 6.07 or a suit by holders of more than 10% in principal amount of the then outstanding Convertible Subordinated Notes.

## ARTICLE VII

### THE TRUSTEE

The Trustee hereby accepts the trust imposed upon it by this Indenture and covenants and agrees to perform the same, as herein expressed. Whether or not herein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VII.

SECTION 7.01. Duties of the Trustee.

(a) If an Event of Default known to the Trustee has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default known to the Trustee:

(1) The duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the form required by this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) This paragraph does not limit the effect of paragraph (b) of this Section;

(2) The Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that is in any way related to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk of liability is not reasonably assured to it.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

#### SECTION 7.02. Rights of the Trustee.

(a) The Trustee may rely on and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate, or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document

believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter contained therein.

(b) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof is herein specifically prescribed). In addition, before the Trustee acts or refrains from acting, it may require an Officers' Certificate, an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of

any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its attorneys and agents and other Persons not regularly in its employ and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith without negligence or willful misconduct which it believes to be authorized or within its discretion, rights or powers.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by Officers of the Company.

(f) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or discretion of any of the holders of Convertible Subordinated Notes pursuant to the provisions of this Indenture, unless such holders have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred therein or thereby.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, security or other document unless requested in writing to do so by the holders of not less than a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding, provided that if the Trustee determines in its discretion to make any such investigation, then it shall be entitled, upon reasonable prior notice and during normal business hours, to examine the books and records and the premises of the Company, personally or by agent or attorney, and the reasonable expenses of every such examination shall be paid by the Company or, if paid by the Trustee or any predecessor Trustee, shall be reimbursed by the Company upon demand.

40

42

(i) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct

(j) The Trustee shall not be responsible for the computation of any adjustment to the Conversion Price or for any determination as to whether an adjustment is required and shall not be deemed to have knowledge of any adjustment unless and until it shall have received the notice from the Company contemplated by Section 12.05(j).

SECTION 7.03. Individual Rights of the Trustee. Subject to Sections 7.10 and 7.11, the Trustee in its individual or any other capacity may become the owner or pledgee of Convertible Subordinated Notes with the same rights it would have if it were not the Trustee and may otherwise deal with the Company or an Affiliate of the Company and receive, collect, hold and retain collections from the Company with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Convertible Subordinated Notes. It shall not be accountable for the Company's use of the proceeds from the Convertible Subordinated Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture. It shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Convertible Subordinated Notes or any other document in connection with the sale of the Convertible Subordinated Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults. If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to each holder of a Convertible Subordinated Note a notice of the Default or Event of Default within 60 days after it occurs. A Default or an Event of Default shall not be considered known to the Trustee unless it is a Default or Event of Default in the payment of principal or interest when due under Section 6.01(a), (b) or (d) or the Trustee shall have received notice thereof, in accordance with this Indenture, from the Company or from the holders of a majority in principal amount of the outstanding Convertible Subordinated Notes. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest or Liquidated Damages, if any, on any Convertible Subordinated Note, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interest of the holders of the Convertible Subordinated Notes.

SECTION 7.06. Reports by the Trustee to Holders. Within 60 days after the reporting date stated in Section 10.10, the Trustee shall mail to holders of Convertible Subordinated Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within twelve months preceding the reporting date, no report need be transmitted). The Trustee

41

43

also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to holders of Convertible Subordinated Notes shall be filed, at the expense of the Company, by the Trustee with the Commission and each stock exchange or securities market, if any, on which the Convertible Subordinated Notes are listed. The Company shall timely notify the Trustee when the Convertible Subordinated Notes are listed or quoted on any stock exchange or securities market.

SECTION 7.07. Compensation and Indemnity. The Company shall pay to the Trustee from time to time and the Trustee shall be entitled to reasonable compensation for its acceptance of this Indenture and its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by or on behalf of it in addition to the compensation for its services. Such expenses may include the reasonable compensation, disbursements and expenses of the Trustee's agents, counsel and other persons not regularly in its employ.

The Company shall indemnify the Trustee against any loss, liability or expense incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture and the trusts hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises, except as set forth in the next paragraph. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim with counsel designated by the Company, who may be outside counsel to the Company but shall in all events be reasonably satisfactory to the Trustee, and the Trustee shall cooperate in the defense. In addition, the Trustee may retain one separate counsel and, if deemed advisable by such counsel, local counsel, and the Company shall pay the reasonable fees and expenses of such separate counsel and local counsel. The indemnification herein extends to any settlement, provided that the Company will not be liable for any settlement made without its consent, provided, further, that such consent will not be unreasonably withheld.

The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through its own negligence or willful misconduct.

The Trustee shall have a lien prior to the Convertible Subordinated Notes on all money or property held or collected by the Trustee to secure the Company's payment obligations in this Section 7.07, except that held

in trust to pay principal and interest and Liquidated Damages, if any, on Convertible Subordinated Notes. Such liens and the Company's obligations under this Section 7.07 shall survive the satisfaction and discharge of this Indenture.

42

44

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(h) or (i) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.08. Replacement of the Trustee. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

The Trustee may resign at any time and be discharged from the trust hereby created by so notifying the Company. The holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may remove the Trustee by so notifying the Trustee and the Company in writing and may appoint a successor Trustee. The Company may remove the Trustee if:

- (1) the Trustee fails to comply with Section 7.10;
- (2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (3) a Custodian or public officer takes charge of the Trustee or its property; or
- (4) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the holders of at least 10% in principal amount of the then outstanding Convertible Subordinated Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee after written request by any holder of a Convertible Subordinated Note who has been a holder for at least six months fails to comply with Section 7.10, such holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a

43

45

notice of its succession to holders of Convertible Subordinated Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided that all sums owing to the retiring Trustee hereunder have been paid and subject to the lien provided for in Section 7.07.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee with respect to expenses and liabilities incurred by it prior to such replacement.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the preceding paragraph.

SECTION 7.09. Successor Trustee by Merger, etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business (including the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act shall be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee herein.

SECTION 7.10. Eligibility, Disqualification. This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1). The Trustee shall always have a combined capital and surplus as stated in Section 10.10. The Trustee is subject to TIA Section 310(b) regarding the disqualification of a trustee upon acquiring a conflicting interest.

SECTION 7.11. Preferential Collection of Claims Against Company. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship set forth in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

#### ARTICLE VIII

##### SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 8.01. Discharge of Indenture. When (a) the Company delivers to the Trustee for cancellation all Convertible Subordinated Notes theretofore authenticated (other than any other Convertible Subordinated Notes which have been destroyed, lost or stolen and in lieu of or in substitution for which other Convertible Subordinated Notes have been authenticated and delivered) and not theretofore canceled, or (b) all the Convertible Subordinated Notes not theretofore canceled or delivered to the Trustee for cancellation have become due and payable, or are by their terms will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company deposits with the Trustee, in trust, amounts sufficient to pay at maturity or upon redemption of all of the Convertible Subordinated Notes (other than any

Convertible Subordinated Notes which have been mutilated, destroyed, lost or stolen and in lieu of or in substitution for which other Convertible Subordinated Notes have been authenticated and delivered) not theretofore canceled or delivered to the Trustee for cancellation, including principal and premium, if any, and interest and Liquidated Damages, if any, due or to become due to such date of maturity or Redemption Date, as the case may be, and if in either case the Company also pays, or causes to be paid, all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer, substitution, replacement and exchange and conversion of Convertible Subordinated Notes, (ii) rights hereunder of holders of Convertible Subordinated Notes to receive payments of principal of and premium, if any, and interest, and Liquidated Damages, if any, on, the Convertible Subordinated Notes, (iii) the obligations under Sections 2.03 and 8.05 hereof and (iv) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel as required by Section 10.04 and at the Company's cost and expense, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; the Company, however, hereby agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Convertible

Subordinated Notes.

SECTION 8.02. Deposited Monies to be Held in Trust by Trustee. Subject to Section 8.04, all monies deposited with the Trustee pursuant to Section 8.01 shall be held in trust and applied by it to the payment, notwithstanding the provisions of Article XI, either directly or through the Paying Agent, to the holders of the particular Convertible Subordinated Notes for the payment or redemption of which such monies have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest, and Liquidated Damages, if any, and premium, if any.

SECTION 8.03. Paying Agent to Repay Monies Held. Upon the satisfaction and discharge of this Indenture, all monies then held by any Paying Agent (other than the Trustee) shall, upon the Company's demand, be repaid to it or paid to the Trustee, and thereupon such Paying Agent shall be released from all further liability with respect to such monies.

SECTION 8.04. Return of Unclaimed Monies. Subject to the requirements of applicable law, any monies deposited with or paid to the Trustee for payment of the principal of, premium, if any, or interest (including Liquidated Damages) on Convertible Subordinated Notes and not applied but remaining unclaimed by the holders thereof for two years after the date upon which the principal of, premium, if any, or interest (including Liquidated Damages) on such Convertible Subordinated Notes, as the case may be, have become due and payable, shall be repaid to the Company by the Trustee on demand; provided, however, that the Company, or the Trustee at the request of the Company, shall have first caused notice of such payment to the Company to be mailed to each holder of a Convertible Subordinated Note entitled thereto no less than 30 days prior to such payment and all liability of the Trustee shall thereupon cease with respect to such

45

47

monies; and the holder of any of the Convertible Subordinated Notes shall thereafter look only to the Company for any payment which such holder may be entitled to collect unless an applicable abandoned property law designates another Person.

SECTION 8.05. Reinstatement. If the Trustee or the Paying Agent is unable to apply any money in accordance with Section 8.02 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Convertible Subordinated Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.01 until such time as the Trustee or the Paying Agent is permitted to apply all such money in accordance with Section 8.02; provided, however, that if the Company makes any payment of interest (including Liquidated Damages) on or principal of any Convertible Subordinated Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders thereof to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX

AMENDMENTS

SECTION 9.01. Without the Consent of Holders. The Company and the Trustee may amend this Indenture or the Convertible Subordinated Notes without notice to or the consent of any holder of a Convertible Subordinated Note for the purposes of:

(a) curing any ambiguity or correcting or supplementing any defective or inconsistent provision contained in this Indenture or making any other changes in the provisions of this Indenture which the Company and the Trustee may deem necessary or desirable provided such amendment does not materially and adversely affect the legal rights under the Indenture of the holders of Convertible Subordinated Notes.

(b) providing for uncertificated Convertible Subordinated Notes in addition to or in place of certificated Convertible Subordinated Notes;

(c) evidencing the succession of another Person to the Company

and providing for the assumption by such successor of the covenants and obligations of the Company thereunder and in the Convertible Subordinated Notes as permitted by Section 5.01;

(d) providing for conversion rights and/or repurchase rights of holders of Convertible Subordinated Notes in the event of consolidation, merger or sale of all or substantially all of the assets of the Company as required to comply with Sections 5.01 and/or 12.06;

(e) reducing the Conversion Price;

46

48

(f) making any changes that would provide the holders of the Convertible Subordinated Notes with any additional rights or benefits or that does not adversely affect the legal rights under this Indenture of any such holder; or

(g) complying with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the TIA.

SECTION 9.02. With the Consent of Holders. Subject to Section 6.07, the Company and the Trustee may amend this Indenture or the Convertible Subordinated Notes with the written consent of the holders of at least a majority in principal amount of the then outstanding Convertible Subordinated Notes (including consents obtained in connection with a tender offer or exchange offer for Convertible Subordinated Notes).

Subject to Sections 6.04 and 6.07, the holders of a majority in principal amount of the Convertible Subordinated Notes then outstanding may also waive compliance in a particular instance by the Company with any provision of this Indenture or the Convertible Subordinated Notes.

However, without the consent of each holder of a Convertible Subordinated Note affected, an amendment or waiver under this Section may not (with respect to any Convertible Subordinated Notes held by a non-consenting holder):

(a) reduce the principal amount of Convertible Subordinated Notes whose holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or premium on or change the fixed maturity of any Convertible Subordinated Note or, except as permitted pursuant to Section 9.01(a), alter the redemption provisions with respect thereto;

(c) reduce the rate of, or change the time for payment of, interest, including defaulted interest, or Liquidated Damages on any Convertible Subordinated Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes (except a rescission of acceleration of the Convertible Subordinated Notes by the holders of at least a majority in aggregate principal amount of the Convertible Subordinated Notes then outstanding and a waiver of the payment default that resulted from such acceleration);

(e) make the principal of, or premium, if any, or interest or Liquidated Damages on, any Convertible Subordinated Note payable in money other than as provided for herein and in the Convertible Subordinated Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or Events of Default or the rights of holders of Convertible

47



Subordinated Notes to receive payments of principal of, premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes;

(g) waive a redemption payment with respect to any Convertible Subordinated Notes;

(h) except as permitted herein (including Section 9.01(a)), increase the Conversion Price or modify the provisions contained herein relating to conversion of the Convertible Subordinated Notes in a manner adverse to the holders thereof; or

(i) make any change to the abilities of holders of Convertible Subordinated Notes to enforce their rights hereunder or the provisions of clauses (a) through (i) of this Section 9.02.

To secure a consent of the holders of Convertible Subordinated Notes under this Section, it shall not be necessary for such holders to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Section becomes effective, the Company shall mail to holders of Convertible Subordinated Notes a notice briefly describing the amendment or waiver.

In order to amend any provisions of Article XI, holders of at least 75% in aggregate principal amount of Convertible Subordinated Notes then outstanding must consent to such amendment if such amendment would adversely affect the rights of holders of Convertible Subordinated Notes.

SECTION 9.03. Compliance with the Trust Indenture Act. Every amendment to this Indenture or the Convertible Subordinated Notes shall be set forth in a supplemental indenture that complies with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a holder of a Convertible Subordinated Note is a continuing consent by the holder and every subsequent holder of a Convertible Subordinated Note or portion of a Convertible Subordinated Note that evidences the same debt as the consenting holder's Convertible Subordinated Note, even if notation of the consent is not made on any Convertible Subordinated Note. However, any such holder or subsequent holder may revoke the consent as to his or her Convertible Subordinated Note or portion of a Convertible Subordinated Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate certifying that the holders of the requisite principal amount of Convertible Subordinated Notes have consented to the amendment or waiver.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of Convertible Subordinated Notes entitled to consent to any amendment or waiver. If a record date is fixed, then notwithstanding the provisions of the immediately preceding paragraph, those Persons who were holders of Convertible Subordinated Notes at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such amendment or waiver or to revoke any consent previously given, whether or not such Persons continue to be holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from holders of the principal amount of Convertible Subordinated Notes required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

After an amendment or waiver becomes effective it shall bind every holder of a Convertible Subordinated Note, unless it is of the type described in clauses (a) through (i) of Section 9.02. In such case, the amendment or waiver shall bind each holder of a Convertible Subordinated Note who has consented to it and every subsequent holder of a Convertible Subordinated Note or portion of a Convertible Subordinated Note that evidences the same debt as the consenting holder's Convertible Subordinated Note.

SECTION 9.05. Notation on or Exchange of Convertible Subordinated Notes. Convertible Subordinated Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and shall if required by the Trustee, bear a notation in the form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Convertible Subordinated Notes so modified as to conform, in the opinion of the Company and the Trustee, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for outstanding Convertible Subordinated Notes without charge to the holders of the Convertible Subordinated Notes, except as specified in Section 2.06.

SECTION 9.06. Trustee Protected. The Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article IX if such amendment or supplemental indenture does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing such amendment or supplemental indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel as conclusive evidence that such amendment or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Company in accordance with its terms.

## ARTICLE X

### GENERAL PROVISIONS

SECTION 10.01. Trust Indenture Act Controls. If any provision of this Indenture limits, qualifies or conflicts with the duties

49

51

imposed by TIA Section 318(c), such duties imposed by such section of the TIA shall control. If any provision of this Indenture expressly modifies or excludes any provision of the TIA that may be so modified or excluded, the Indenture provision so modifying or excluding such provision of the TIA shall be deemed to apply.

SECTION 10.02. Notices. Any notice or communication by the Company or the Trustee to the other is duly given if in writing and delivered in person or mailed by first-class mail, with postage prepaid (registered or certified, return receipt requested), or sent by facsimile or overnight air couriers guaranteeing next day delivery, to the other's address as stated in Section 10.10. The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to holders of Convertible Subordinated Notes) shall be deemed to have been duly given at the time delivered by hand, if Personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when transmission is confirmed, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. Notwithstanding the foregoing, all notices to the Trustee shall be effective only upon receipt by a Trust Officer.

Any notice or communication to a holder of a Convertible Subordinated Note shall be mailed by first-class mail, with postage prepaid, to his or her address shown on the Register kept by the Registrar. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders.

If a notice or communication is sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company sends a notice or communication to holders of Convertible Subordinated Notes, it shall send a copy to the Trustee and each Agent at the same time.

All notices or communications shall be in writing.

SECTION 10.03. Communication by Holders With Other Holders. Holders may communicate pursuant to TIA Section 312(b) with other holders with respect to their rights under this Indenture or the Convertible Subordinated Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 10.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.05) stating that, in the opinion of such person, all conditions

50

52

precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 10.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall include:

(1) a statement that the person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any Officers' Certificate may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows that the opinion with respect to the matters upon which his or her certificate may be based as aforesaid is erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon certificates, statements or opinions of, or representations by an officer or officers of the Company, or other Persons or firms deemed appropriate by such counsel, unless such counsel knows that the certificates, statements or opinions or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous.

Any Officers' Certificate, statement or Opinion of Counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representation by an accountant (who may be an employee of the Company), or firm of accountants, unless such Officer or counsel, as the case may be, knows that the certificate or opinion or representation with respect to the accounting matters upon which his or her certificate, statement or opinion may be based as aforesaid is erroneous.

SECTION 10.06. Rules by Trustee and Agents. The Trustee may make reasonable rules for action by, or a meeting of, holders of Convertible Subordinated

Notes. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 10.07. Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions in the City of New York, the city in which the Corporate Trust Office of the Trustee is located or the City of San Jose, California are not required to be open, and a "Business Day" is any day that is not a Legal Holiday. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If any date specified in this Indenture, including, without limitation, a Redemption Date under Paragraph 5 of Convertible Subordinated Notes, is a Legal Holiday, then such date shall be the next succeeding Business Day.

SECTION 10.08. No Recourse Against Others. No director, officer, employee or stockholder, as such, of the Company from time to time shall have any liability for any obligations of the Company under the Convertible Subordinated Notes or this Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each holder by accepting a Convertible Subordinated Note waives and releases all such liability. This waiver and release are part of the consideration for the Convertible Subordinated Notes. Each of such directors, officers, employees and stockholders is a third party beneficiary of this Section 10.08.

SECTION 10.09. Counterparts. This Indenture may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 10.10. Other Provisions. The Company initially appoints the Trustee as Paying Agent, Registrar and authenticating agent.

The reporting date for Section 7.06 is March 1 of each year. The first reporting date is the March 1 following the issuance of Convertible Subordinated Notes hereunder.

The Trustee shall always have, or shall be a Subsidiary of a bank or bank holding company which has, a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition.

The Company's address is:

Amkor Technology, Inc.  
1345 Enterprise Drive  
West Chester, PA 19380  
Attention: General Counsel's Office  
Facsimile: (610) 431-9967  
Telephone: (610) 431-9600

The Trustee's address is:

State Street Bank and Trust Company  
2 Avenue de Lafayette, 6th Floor  
Boston, MA 02111  
attention: Corporate Trust Department (Amkor Technology, Inc.  
5.75% Convertible Notes due 2006)  
Facsimile: (617) 662-1465  
Telephone: (617) 662-1684

SECTION 10.11. Governing Law. The internal laws of the State of New York shall govern this Indenture and the Convertible Subordinated Notes, without regard to the conflict of laws provisions thereof.

SECTION 10.12. No Adverse Interpretation of Other Agreements. This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or a Subsidiary of the Company. Any such other indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 10.13. Successors. All agreements of the Company in this Indenture and the Convertible Subordinated Notes shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 10.14. Severability. In case any provision in this Indenture or in the Convertible Subordinated Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 10.15. Table of Contents, Headings, Etc. The Table of Contents, Cross-Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

## ARTICLE XI

### SUBORDINATION

SECTION 11.01. Agreement to Subordinate. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by the Convertible Subordinated Note is subordinated in right of payment, to the extent and in the manner provided in this Article XI, to the prior payment in full in cash or payment satisfactory to holders of Senior Debt of all Senior Debt (whether outstanding on the Issue Date or thereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by

53

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the Convertible Subordinated Note is pari passu in right of payment to the Existing Convertible Subordinated Notes.

SECTION 11.02. Liquidation; Dissolution; Bankruptcy. Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or any marshaling of the Company's assets and liabilities:

(1) holders of Senior Debt shall be entitled to receive payment in full of all Obligations due in respect of such Senior Debt (including interest and Liquidated Damages, if any, after the commencement of any such proceeding at the rate specified in the applicable Senior Debt) in cash or other payment satisfactory to the holders of the Senior Debt before holders of Convertible Subordinated Notes shall be entitled to receive any payment with respect to the Convertible Subordinated Notes; and

(2) until all Senior Debt is paid in full in cash or other payment satisfactory to the holders of the Senior Debt, any distribution to which holders of Convertible Subordinated Notes would be entitled but for this Article XI shall be made to holders of Senior Debt, as their interests may appear.

SECTION 11.03. Default on Senior Debt and/or Designated Senior Debt. The Company may not make any payment or distribution to the Trustee or any holder of Convertible Subordinated Notes in respect of Obligations with respect to the Convertible Subordinated Notes and may not acquire from the Trustee or any holder of Convertible Subordinated Notes any Convertible Subordinated Notes until all Senior Debt has been paid in full in cash or other payment satisfactory to the holders of the Senior Debt if:

(i) a default in the payment of any principal of, premium, if any, interest, rent or other Obligations in

respect of Senior Debt occurs and is continuing beyond any applicable grace period in the agreement, indenture or other document governing such Senior Debt; or

(ii) a default, other than a payment default, on Designated Senior Debt occurs and is continuing that then permits holders of such Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of the default (a "Payment Blockage Notice") from a Person who may give it pursuant to Section 11.11 hereof.

If the Trustee receives any Payment Blockage Notice pursuant to Section 11.03 (ii) hereof, no subsequent Payment Blockage Notice shall be effective for purposes of such Section unless and until at least 365 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage

54

56

Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice.

The Company may and shall resume payments on and distributions in respect of the Convertible Subordinated Notes and may acquire them upon the earlier of:

(1) in the case of a payment default, upon the date upon which the default is cured or waived or ceases to exist, or

(2) in the case of a nonpayment default referred to in Section 11.03(ii) hereof, the earlier of the date upon which the default is cured or waived ceases to exist or 179 days after notice is received if the maturity of such Designated Senior Debt has not been accelerated,

if this Article XI otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

SECTION 11.04. Acceleration of Convertible Subordinated Notes. In the event of the acceleration of the Convertible Subordinated Notes because of an Event of Default, the Company may not make any payment or distribution to the Trustee or any holder of Convertible Subordinated Notes in respect of Obligations with respect to Convertible Subordinated Notes and may not acquire or purchase from the Trustee or any holder of Convertible Subordinated Notes any Convertible Subordinated Notes until all Senior Debt has been paid in full in cash or other payment satisfactory to the holders of Senior Debt or such acceleration is rescinded in accordance with the terms of this Indenture.

If payment of the Convertible Subordinated Notes is accelerated because of an Event of Default, the Company or the Trustee shall promptly notify holders of Senior Debt or trustee(s) of such Senior Debt of the acceleration.

SECTION 11.05. When Distribution Must Be Paid Over. In the event that the Trustee, any holder of Convertible Subordinated Notes or any other Person receives any payment or distributions of assets of the Company of any kind with respect to the Convertible Subordinated Notes in contravention of any terms contained in this Indenture, whether in cash, property or securities, including, without limitation by way of set-off or otherwise, then such payment shall be held by the recipient in trust for the benefit of holders of Senior Debt, and shall be immediately paid over and delivered to the holders of Senior Debt or the representative(s), to the extent necessary to make payment in full of all Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution or provision therefor, to or for the holders of Senior Debt; provided that the foregoing shall apply to the Trustee only if the Trustee has actual knowledge (as determined in accordance with Section 11.11) that such payment or distribution is prohibited by this Indenture.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are

specifically set forth in

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57

this Article XI, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of holders of Convertible Subordinated Notes or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article XI, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

SECTION 11.06. Notice by Company. The Company shall promptly notify the Trustee of any facts known to the Company that would cause a payment of any Obligations with respect to the Convertible Subordinated Notes or the purchase of any Convertible Subordinated Notes by the Company to violate this Article XI, but failure to give such notice shall not affect the subordination of the Convertible Subordinated Notes to the Senior Debt as provided in this Article XI.

SECTION 11.07. Subrogation. After all Senior Debt is paid in full and until the Convertible Subordinated Notes are paid in full, holders of Convertible Subordinated Notes shall be subrogated (equally and ratably with all other indebtedness pari passu with the Convertible Subordinated Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the holders of Convertible Subordinated Notes have been applied to the payment of Senior Debt. A distribution made under this Article XI to holders of Senior Debt that otherwise would have been made to holders of Convertible Subordinated Notes is not, as between the Company and holders of Convertible Subordinated Notes, a payment by the Company on the Convertible Subordinated Notes.

SECTION 11.08. Relative Rights. This Article XI defines the relative rights of holders of Convertible Subordinated Notes and holders of Senior Debt. Nothing in this Indenture shall:

- (1) impair, as between the Company and holders of Convertible Subordinated Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of, premium, if any, and interest (including Liquidated Damages) on the Convertible Subordinated Notes in accordance with their terms;
- (2) affect the relative rights of holders of Convertible Subordinated Notes and creditors (other than with respect to Senior Debt) of the Company, other than their rights in relation to holders of Senior Debt; or
- (3) prevent the Trustee or any holder of Convertible Subordinated Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to holders of Convertible Subordinated Notes.

56

58

If the Company fails because of this Article XI to pay principal of or interest (including Liquidated Damages) on a Convertible Subordinated Note on the due date, the failure is still a Default or Event of Default.

SECTION 11.09. Subordination May Not Be Impaired by Company. No right of any holder of Senior Debt to enforce the subordination of the indebtedness evidenced by the Convertible Subordinated Notes shall be impaired by any act or failure to act by the Company or any holder of Convertible Subordinated Notes or

by the failure of the Company or any such holder to comply with this Indenture.

SECTION 11.10. Distribution or Notice to Representative. Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article XI, the Trustee and the holders of Convertible Subordinated Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the holders of Convertible Subordinated Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article XI.

SECTION 11.11. Rights of Trustee and Paying Agent. Notwithstanding the provisions of this Article XI or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee (other than pursuant to Section 11.04), and the Trustee may continue to make payments on the Convertible Subordinated Notes, unless a Trust Officer shall have received at least two Business Days prior to the date of such payment or distribution written notice of facts that would cause such payment or distribution with respect to the Convertible Subordinated Notes to violate this Article XI. Only the Company or a Representative may give the notice.

Nothing in this Article XI shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

SECTION 11.12. Authorization to Effect Subordination. Each holder of a Convertible Subordinated Note by the holder's acceptance thereof authorizes and directs the Trustee on the holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article XI, and appoints the Trustee to act as the holder's attorney-in-fact for any and all such purposes. If the Trustee does not

file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the holders of any Senior Debt or their Representatives are hereby authorized to file an appropriate claim for and on behalf of the holders of the Convertible Subordinated Notes.

SECTION 11.13. Article Applicable to Paying Agents. In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article XI shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article XI in addition to or in place of the Trustee; provided, however, that the second and third paragraphs of Section 11.11 shall not apply to the Company or any Subsidiary of the Company if it or such Subsidiary acts as Paying Agent.

SECTION 11.14. Senior Debt Entitled to Rely. The holders of Senior Debt shall have the right to rely upon this Article XI, and no amendment or modification of the provisions contained herein shall diminish the rights of such holders unless such holders shall have agreed in writing thereto.

SECTION 11.15. Permitted Payments. Notwithstanding anything to the contrary in this Article XI, the holders of Convertible Subordinated Notes may receive and retain at any time on or prior to the Maturity Date (i) securities that are subordinated to at least the same extent as the Convertible Subordinated Notes to (a) Senior Debt and (b) any securities issued in exchange



for Senior Debt and (ii) payments and other distributions made from any trust created pursuant to Section 8.01 hereof.

## ARTICLE XII

### CONVERSION OF CONVERTIBLE SUBORDINATED NOTES

SECTION 12.01. Right to Convert. Subject to and upon compliance with the provisions of this Indenture, each holder of Convertible Subordinated Notes shall have the right, at his or her option, at any time on or before the close of business on the last trading day prior to the Maturity Date (except that, (a) with respect to any Convertible Subordinated Note or portion thereof which is called for redemption prior to such date, such right shall terminate, except as provided in the fourth paragraph of Section 12.02, before the close of business on the last trading day preceding the Redemption Date (unless the Company defaults in payment of the Redemption Price in which case the conversion right will terminate at the close of business on the trading day preceding the date such default is cured) and (b) with respect to any Convertible Subordinated Note or portion thereof subject to a duly completed election for repurchase, such right shall terminate on or before the close of business on the Designated Event Offer Termination Date (unless the Company defaults in the payment due upon repurchase or such holder elects to withdraw the submission of such election to repurchase)) to convert the principal

58

60

amount of any Convertible Subordinated Note held by such holder, or any portion of such principal amount which is \$1,000 or an integral multiple thereof, into that number of fully paid and non-assessable shares of Common Stock (as such shares shall then be constituted) obtained by dividing the principal amount of the Convertible Subordinated Note or portion thereof to be converted by the Conversion Price in effect at such time, by surrender of the Convertible Subordinated Note so to be converted in whole or in part in the manner provided in Section 12.02. A holder of Convertible Subordinated Notes is not entitled to any rights of a holder of Common Stock until such holder of Convertible Subordinated Notes has converted his or her Convertible Subordinated Notes to Common Stock, and only to the extent such Convertible Subordinated Notes are deemed to have been converted to Common Stock under this Article XII.

SECTION 12.02. Exercise of Conversion Privilege; Issuance of Common Stock on Conversion; No Adjustment for Interest or Dividends. To exercise, in whole or in part, the conversion privilege with respect to any Convertible Subordinated Note, the holder of such Convertible Subordinated Note shall surrender such Convertible Subordinated Note, duly endorsed, at an office or agency maintained by the Company pursuant to Section 4.04, accompanied by the funds, if any, required by the penultimate paragraph of this Section 12.02, and shall give written notice of conversion in the form provided on the Convertible Subordinated Notes (or such other notice which is acceptable to the Company) to the office or agency that the holder of Convertible Subordinated Notes elects to convert such Convertible Subordinated Note or such portion thereof specified in said notice. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock which are issuable on such conversion shall be issued, and shall be accompanied by transfer taxes, if required pursuant to Section 12.07. Each such Convertible Subordinated Note surrendered for conversion shall, unless the shares issuable on conversion are to be issued in the same name as the registration of such Convertible Subordinated Note, be duly endorsed by, or be accompanied by instruments of transfer in form satisfactory to the Company duly executed by, the holder of Convertible Subordinated Notes or his or her duly authorized attorney.

As promptly as practicable after satisfaction of the requirements for conversion set forth above, the Company shall issue and shall deliver to such holder at the office or agency maintained by the Company for such purpose pursuant to Section 4.04, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such Convertible Subordinated Note or portion thereof in accordance with the provisions of this Article XII and a check or cash in respect of any fractional interest in respect of a share of Common Stock arising upon such conversion, as provided in Section 12.03 (which payment, if any, shall be paid no later than

five Business Days after satisfaction of the requirements for conversion set forth above). Certificates representing shares of Common Stock will not be issued or delivered unless all taxes and duties, if any, payable by the holder have been paid. In case any Convertible Subordinated Note of a denomination of an integral multiple greater than \$1,000 is surrendered for partial conversion, and subject to Section 2.02, the Company

59

61

shall execute, and the Trustee shall authenticate and deliver to the holder of the Convertible Subordinated Note so surrendered, without charge to him or her, a new Convertible Subordinated Note or Convertible Subordinated Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Convertible Subordinated Note.

Each conversion shall be deemed to have been effected as to any such Convertible Subordinated Note (or portion thereof) on the date on which the requirements set forth above in this Section 12.02 have been satisfied as to such Convertible Subordinated Note (or portion thereof), and the Person in whose name any certificate or certificates for shares of Common Stock are issuable upon such conversion shall be deemed to have become on said date the holder of record of the shares represented thereby; provided, however, that any such surrender on any date when the Company's stock transfer books are closed shall constitute the Person in whose name the certificates are to be issued as the record holder thereof for all purposes on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such Convertible Subordinated Note is surrendered.

Any Convertible Subordinated Note or portion thereof surrendered for conversion during the period from the close of business on the Regular Record Date for any interest payment through the close of business on the last trading day immediately preceding such Interest Payment Date shall (unless such Convertible Subordinated Note or portion thereof being converted has been called for redemption pursuant to a notice of redemption mailed by the Company to the holders in accordance with the provisions of Section 3.04) be accompanied by payment, in funds acceptable to the Company, of an amount equal to the interest and Liquidated Damages, if any, otherwise payable on such Interest Payment Date on the principal amount being converted; provided however, that no such payment need be made if there exists at the time of conversion a default in the payment of interest or Liquidated Damages, if applicable, on the Convertible Subordinated Notes. An amount equal to such payment shall be paid by the Company on such Interest Payment Date to the holder of such Convertible Subordinated Note at the close of business on such Regular Record Date; provided, however, that if the Company defaults in the payment of interest or Liquidated Damages, if applicable, on such Interest Payment Date, such amount shall be paid to the Person who made such required payment. Except as provided above in this Section 12.02, no adjustment shall be made for interest and Liquidated Damages, if any, accrued on any Convertible Subordinated Note converted or for dividends on any shares issued upon the conversion of such Convertible Subordinated Note as provided in this Article XII.

SECTION 12.03. Cash Payments in Lieu of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon conversion of Convertible Subordinated Notes. If more than one Convertible Subordinated Note shall be surrendered for conversion at one time by the same holder, the number of full shares which shall be issuable upon conversion shall be computed on the basis of the aggregate principal amount of the Convertible Subordinated Notes (or

60

62

specified portions thereof to the extent permitted hereby) so surrendered for conversion. If any fractional share of stock otherwise would be issuable upon the conversion of any Convertible Subordinated Note or Convertible Subordinated

Notes, the Company shall make an adjustment therefor in cash based upon the Current Market Price of the Common Stock on the last trading day prior to the date of conversion.

SECTION 12.04. Conversion Price. The conversion price shall be as specified in the form of Convertible Subordinated Note attached as Exhibit A hereto, subject to adjustment as provided in this Article XII.

SECTION 12.05. Adjustment of Conversion Price. The Conversion Price shall be adjusted from time to time by the Company as follows:

(a) If the Company shall hereafter pay a dividend or make a distribution to all holders of the outstanding Common Stock in shares of Common Stock, the Conversion Price in effect at the opening of business on the date following the Record Date (as defined in Section 12.05(g)) fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the Record Date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following the Record Date. If any dividend or distribution of the type described in this Section 12.05(a) is declared but not so paid or made, the Conversion Price shall again be adjusted to the Conversion Price which would then be in effect if such dividend or distribution had not been declared.

(b) If the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, if the outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(c) If the Company shall issue rights or warrants to all or substantially all holders of its outstanding shares of Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as defined in Section 12.05(g)) on the Record Date fixed for the determination of stockholders entitled to receive such rights or warrants, the

Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect at the opening of business on the date after such Record Date by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the Record Date plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Current Market Price, and of which the denominator shall be the number of shares of Common Stock outstanding on the close of business on the Record Date plus the total number of additional shares of Common Stock so offered for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the Record Date fixed for determination of stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants the Conversion Price shall be readjusted to be the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock

actually delivered. If such rights or warrants are not so issued, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such Record Date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants, with the value of such consideration, if other than cash, to be determined by the Board of Directors.

(d) If the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock shares of any class of capital stock of the Company (other than any dividends or distributions to which Section 12.05(a) applies) or evidences of its indebtedness, cash or other assets (including securities, but excluding (i) any rights or warrants of a type referred to in Section 12.05(c) and (ii) dividends and distributions paid exclusively in cash) (the foregoing hereinafter in this Section 12.05(d) called the "Securities"), then, in each such case, the Conversion Price shall be reduced so that the same shall be equal to the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the Record Date (as defined in Section 12.05(g)) with respect to such distribution by a fraction of which the numerator shall be the Current Market Price (determined as provided in Section 12.05(g)) on such date less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) on such date of the portion of the Securities so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price, such reduction to become effective immediately prior to the opening of business on the

62

64

day following the Record Date; provided, however, that in the event the then fair market value (as so determined) of the portion of the Securities so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Convertible Subordinated Notes shall have the right to receive upon conversion of a Convertible Subordinated Note (or any portion thereof) the amount of Securities such holder would have received had such holder converted such Convertible Subordinated Note (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared. If the Board of Directors determines the fair market value of any distribution for purposes of this Section 12.05(d) by reference to the actual or when issued trading market for any securities comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price pursuant to Section 12.05(g) to the extent possible.

Notwithstanding any other provision of this Section 12.05(d) to the contrary, rights, warrants, evidences of indebtedness, other securities, cash or other assets (including, without limitation, any rights distributed pursuant to any stockholder rights plan) shall be deemed not to have been distributed for purposes of this Section 12.05(d) if the Company makes proper provision so that each holder of Convertible Subordinated Notes who converts a Convertible Subordinated Note (or any portion thereof) after the Record Date fixed for determination of stockholders entitled to receive such distribution shall be entitled to receive upon such conversion, in addition to the shares of Common Stock issuable upon such conversion, the amount and kind of such distributions that such holder would have been entitled to receive if such holder had, immediately prior to such determination date, converted such Convertible Subordinated Note into Common Stock.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such shares of Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this Section 12.05(d) (and no adjustment to the Conversion Price under this Section 12.05(d) shall be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment to the Conversion Price under this Section 12.05(d) shall be made. If any such rights or warrants, including any such existing rights or warrants distributed prior to the Issue Date, are subject to subsequent events,

upon the occurrence of each of which such rights or warrants shall become exercisable to purchase different securities, evidences of indebtedness or other assets, then the occurrence of each such event shall be deemed to be such date of issuance and Record Date with respect to new rights or warrants (and a termination or expiration of the existing rights or warrants without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event with respect thereto, that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Price under this Section 12.05 was made, (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Price shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants which shall have expired or been terminated without exercise by any holders thereof, the Conversion Price shall be readjusted as if such rights and warrants had not been issued.

For purposes of this Section 12.05(d) and Sections 12.05(a) and (c), any dividend or distribution to which this Section 12.05(d) is applicable that also includes shares of Common Stock, or rights or warrants to subscribe for or purchase shares of Common Stock to which Section 12.05(c) applies (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of indebtedness, assets, shares of capital stock, rights or warrants other than such shares of Common Stock or rights or warrants to which Section 12.05(c) applies (and any Conversion Price reduction required by this Section 12.05(d) with respect to such dividend or distribution shall then be made) immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights or warrants (and any further Conversion Price reduction required by Sections 12.05(a) and (c) with respect to such dividend or distribution shall then be made, except that (A) the Record Date of such dividend or distribution shall be substituted as "the Record Date fixed for the determination of stockholders entitled to receive such dividend or other distribution", "Record Date fixed for such determination" and "Record Date" within the meaning of Section 12.05(a) and as "the Record Date fixed for the determination of stockholders entitled to receive such rights or warrants", "the Record Date fixed for the determination of the stockholders entitled to receive such rights or warrants" and "such Record Date" within the meaning of Section 12.05(c) and (B) any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding at the close of business on the date fixed for such determination" within the meaning of Section 12.05(a)).

(e) If the Company shall, by dividend or otherwise, distribute cash to all holders of its Common Stock (excluding any cash that is distributed upon a merger or consolidation to which Section 12.06 applies or as part of a distribution referred to in Section 12.05(d)) in an aggregate amount that, combined together with (1) the aggregate amount of any other such all-cash distributions to all holders of its Common Stock within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to this Section 12.05(e) has been made, and (2) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) of consideration payable in respect of any tender offer by the Company or any of its subsidiaries for all or any portion of the Common Stock (as contemplated in Section 12.05(f) hereof) concluded within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to Section 12.05(f) has been made, exceeds 15% of the product of the Current Market Price (determined as provided in Section 12.05(g)) on the Record Date with respect to such distribution times the number of shares of Common Stock outstanding on such date, then, and in each such case, immediately after the close of business on such date, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on such Record Date by a fraction (i) the numerator of which shall be equal to the Current Market Price on the Record Date less an amount equal to the quotient of (x) the excess of such combined amount over such 15% and (y) the number of shares of Common Stock outstanding on the Record Date and (ii) the denominator of which shall be equal to the Current Market Price on such Record Date; provided, however, that if the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price of the Common Stock on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Convertible Subordinated Notes shall have the right to receive upon conversion of a Convertible Subordinated Note (or any portion thereof) the amount of cash such holder would have received had such holder converted such Convertible Subordinated Note (or portion thereof) immediately prior to such Record Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared. Any cash distribution to all holders of Common Stock as to which the Company makes the election permitted by Section 12.05(m) and as to which the Company has complied with the requirements of such Section shall be treated as not having been made for all purposes of this Section 12.05(e).

(f) If a tender offer made by the Company or any of its subsidiaries for all or any portion of the Common Stock expires and such tender offer (as amended upon the expiration thereof) requires the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of

Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) that, combined together with (1) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors), as of the expiration of such tender offer, of consideration payable in respect of any other tender offers, by the Company or any of its subsidiaries for all or any portion of the Common Stock, expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment

pursuant to this Section 12.05(f) has been made and (2) the aggregate amount of any such all-cash distributions to all holders of the Common Stock (as contemplated in Section 12.05(e) hereof) within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to Section 12.05(e) has been made, exceeds 15% of the product of the Current Market Price (determined as provided in Section 12.05(g)) as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to close of business on the date of the Expiration Time by a fraction of which the numerator shall be the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time multiplied by the Current Market Price of the Common Stock on the trading day next succeeding the Expiration Time and the denominator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) on the Expiration Time and the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such reduction (if any) to become effective immediately prior to the opening of business on the day following the Expiration Time. If the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender offer had not been made. If the application of this Section 12.05(f) to any tender offer would result in an increase in the Conversion Price, no adjustment shall be made for such tender offer under this Section 12.05(f).

66

68

(g) For purposes of this Section 12.05, the following terms shall have the meaning indicated:

(1) "Closing Price" with respect to any securities on any day means the closing price on such day or, if no such sale takes place on such day, the average of the reported high and low prices on such day, in each case on the Nasdaq National Market or New York Stock Exchange, as applicable, or, if such security is not listed or admitted to trading on such national market or exchange, on the principal national securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the high and low prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similar generally accepted reporting service, or, if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose, or a price determined in good faith by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors.

(2) "Current Market Price" means the average of the daily Closing Prices per share of Common Stock for the 10 consecutive trading days immediately prior to the date in question; provided, however, that (1) if the "ex" date (as hereinafter defined) for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Price pursuant to Sections 12.05(a), (b), (c), (d), (e) or (f) occurs during

such 10 consecutive trading days, the Closing Price for each trading day prior to the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the same fraction by which the Conversion Price is so required to be adjusted as a result of such other event, (2) if the "ex" date for any event (other than the issuance or distribution requiring such computation) that requires an adjustment to the Conversion Price pursuant to Section 12.05(a), (b), (c), (d), (e) or (f) occurs on or after the "ex" date for the issuance or distribution requiring such computation and prior to the day in question, the Closing Price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event, and (3) if the "ex" date for the issuance or distribution requiring such computation is prior to the day in question, after taking into account any adjustment required pursuant to clause (1) or (2) of this proviso, the Closing Price for each trading day on or after such "ex" date shall be adjusted by adding thereto the amount of any cash and the fair market value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of Sections 12.05(d) or (f), whose determination shall be conclusive and described in a resolution of the Board of Directors) of the evidences of indebtedness, shares of

67

69

capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such "ex" date. For purposes of any computation under Section 12.05(f), the Current Market Price on any date shall be deemed to be the average of the daily Closing Prices per share of Common Stock for such day and the next two succeeding trading days; provided, however, that if the "ex" date for any event (other than the tender offer requiring such computation) that requires an adjustment to the Conversion Price pursuant to Section 12.05(a), (b), (c), (d), (e) or (f) occurs on or after the Expiration Time for the tender or exchange offer requiring such computation and prior to the day in question, the Closing Price for each trading day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event. For purposes of this paragraph, the term "ex" date, (1) when used with respect to any issuance or distribution, means the first date on which the Common Stock trades regular way on the relevant exchange or in the relevant market from which the Closing Price was obtained without the right to receive such issuance or distribution, (2) when used with respect to any subdivision or combination of shares of Common Stock, means the first date on which the Common Stock trades regular way on such exchange or in such market after the time at which such subdivision or combination becomes effective, and (3) when used with respect to any tender or exchange offer means the first date on which the Common Stock trades regular way on such exchange or in such market after the Expiration Time of such offer. Notwithstanding the foregoing, whenever successive adjustments to the Conversion Price are called for pursuant to this Section 12.05, such adjustments shall be made to the Current Market Price as may be necessary or appropriate to effectuate the intent of this Section 12.05 and to avoid unjust or inequitable results as determined in good faith by the Board of Directors.

(3) "fair market value" shall mean the amount which a willing buyer would pay a willing seller in an arm's length transaction.

(4) "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute,



contract or otherwise).

(5) "trading day" shall mean (x) if the applicable security is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New York Stock Exchange or another national securities exchange is open for business or (y) if the applicable security is quoted on the Nasdaq National Market, a day on which

68

70

trades may be made thereon or (z) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(h) The Company may make such reductions in the Conversion Price, in addition to those required by Sections 12.05(a), (b), (c), (d), (e) and (f), as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

The Company from time to time may, to the extent permitted by law, reduce the Conversion Price by any amount for any period of at least 20 days, if the Board of Directors has made a determination that such reduction would be in the Company's best interests, which determination shall be conclusive and described in a resolution of the Board of Directors. The reduction in Conversion Price shall be irrevocable during this period. Whenever the Conversion Price is reduced pursuant to the preceding sentence, the Company shall mail to the holders of Convertible Subordinated Notes at his or her last address appearing on the Register of holders maintained for that purpose a notice of the reduction at least 15 days prior to the date the reduced Conversion Price takes effect, and such notice shall state the reduced Conversion Price and the period during which it will be in effect.

(i) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this Section 12.05(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article XII shall be made by the Company and shall be made to the nearest cent or to the nearest one hundredth of a share, as the case may be.

No adjustment need be made for a change in the par value or no par value of the Common Stock.

(j) Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officers' Certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Price to each holder of Convertible Subordinated Notes at his or her last address appearing on the Register of holders maintained for that purpose within 20 days of the

69

71

effective date of such adjustment. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) In any case in which this Section 12.05 provides that an adjustment shall become effective immediately after a Record Date for an event, the Company may defer until the occurrence of such event issuing to the holder of any Convertible Subordinated Note converted after such Record Date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment.

(l) For purposes of this Section 12.05, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company shall not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(m) In lieu of making any adjustment to the Conversion Price pursuant to Section 12.05(e), the Company may elect to reserve an amount of cash for distribution to the holders of Convertible Subordinated Notes upon the conversion of the Convertible Subordinated Notes so that any such holder converting Convertible Subordinated Notes will receive upon such conversion, in addition to the shares of Common Stock and other items to which such holder is entitled, the full amount of cash which such holder would have received if such holder had, immediately prior to the Record Date for such distribution of cash, converted its Convertible Subordinated Notes into Common Stock, together with any interest accrued with respect to such amount, in accordance with this Section 12.05(m). The Company may make such election by providing an Officers' Certificate to the Trustee to such effect on or prior to the payment date for any such distribution and depositing with the Trustee on or prior to such date an amount of cash equal to the aggregate amount that the holders of Convertible Subordinated Notes would have received if such holders had, immediately prior to the Record Date for such distribution, converted all of the Convertible Subordinated Notes into Common Stock. Any such funds so deposited by the Company with the Trustee shall be invested by the Trustee in U.S. Government Obligations with a maturity not more than three (3) months from the date of issuance. Upon conversion of Convertible Subordinated Notes by a holder thereof, such holder shall be entitled to receive, in addition to the Common Stock issuable upon conversion, an amount of cash equal to the amount such holder would have received if such holder had, immediately prior to the Record Date for such distribution, converted its Convertible Subordinated Note into Common Stock, along with such holder's pro-rata share of any accrued interest earned as a consequence of the investment of such funds. Promptly after making an election pursuant to this Section 12.05(m), the Company shall give or shall cause to be given notice to all holders

of Convertible Subordinated Notes of such election, which notice shall state the amount of cash per \$1,000 principal amount of Convertible Subordinated Notes such holders shall be entitled to receive (excluding interest) upon conversion of the Convertible Subordinated Notes as a consequence of the Company having made such election.

SECTION 12.06. Effect of Reclassification, Consolidation, Merger or Sale. If any of the following events occur: (i) any reclassification or change of the outstanding shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), (ii) any consolidation, merger or combination of the Company with another corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, or (iii) any sale or conveyance of the properties and assets of the Company as an entirety or substantially as an entirety to any other corporation as a result of which holders of Common Stock shall be entitled to receive stock, securities

or other property or assets (including cash) with respect to or in exchange for such Common Stock, then the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture if such supplemental indenture is then required to so comply) providing that the Convertible Subordinated Notes shall be convertible into the kind and amount of shares of stock and other securities or property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance by a holder of a number of shares of Common Stock issuable upon conversion of the Convertible Subordinated Notes (assuming, for such purposes, a sufficient number of authorized shares of Common Stock available to convert all such Convertible Subordinated Notes) immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance assuming such holder of Common Stock did not exercise his or her rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance (provided that, if the kind or amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance is not the same for each share of Common Stock in respect of which such rights of election have not been exercised ("non-electing share"), then, for the purposes of this Section 12.06, the kind and amount of securities, cash or other property receivable upon such consolidation, merger, statutory exchange, sale or conveyance for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article XII. If, in the case of any such reclassification, change, consolidation, merger, combination, sale or conveyance, the stock or other securities and assets receivable thereupon by a holder of shares of Common Stock includes shares of stock or other securities and assets of a corporation other than the successor or purchasing corporation, as the case may be, in such reclassification, change, consolidation, merger,

71

73

combination, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the holders of the Convertible Subordinated Notes as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each holder of Convertible Subordinated Notes at his or her address appearing on the Register of holders for that purpose within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

The above provisions of this Section 12.06 shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

If this Section 12.06 applies to any event or occurrence, Section 12.05 shall not apply.

SECTION 12.07. Taxes on Shares Issued. The issue of stock certificates on conversions of Convertible Subordinated Notes shall be made without charge to the converting holder for any tax in respect of the issue thereof. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of stock in any name other than that of the holder of any Convertible Subordinated Note converted, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 12.08. Reservation of Shares; Shares to Be Fully Paid; Listing of Common Stock. The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares to provide for the conversion of the Convertible Subordinated Notes from time to

time as such Convertible Subordinated Notes are presented for conversion.

Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value, if any, of the shares of Common Stock issuable upon conversion of the Convertible Subordinated Notes, the Company shall take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Stock at such adjusted Conversion Price; provided, however, that no shares of Common Stock shall be required to be issued at a Conversion Price less than the par value of such Common Stock.

The Company covenants that all shares of Common Stock issued upon conversion of Convertible Subordinated Notes will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

72

74

The Company further covenants that as long as the Common Stock is quoted on the Nasdaq National Market, or its successor, the Company shall cause all Common Stock issuable upon conversion of the Convertible Subordinated Notes to be eligible for such quotation in accordance with, and at the times required under, the requirements of such market, and if at any time the Common Stock becomes listed on the New York Stock Exchange or any other national securities exchange, the Company shall cause all Common Stock issuable upon conversion of the Convertible Subordinated Notes to be so listed and kept listed.

SECTION 12.09. Responsibility of Trustee. The Trustee shall not at any time be under any duty of responsibility to any holders of Convertible Subordinated Notes to determine whether any facts exist which may require any adjustment of the Conversion Price, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Convertible Subordinated Note; and the Trustee makes no representations with respect thereto. Subject to the provisions of Section 7.01, the Trustee shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Convertible Subordinated Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article XII. Without limiting the generality of the foregoing, the Trustee shall not have any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 12.06 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by holders of Convertible Subordinated Notes upon the conversion of their Convertible Subordinated Notes after any event referred to in such Section 12.06 or to any adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers' Certificate and Opinion of Counsel (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

SECTION 12.10. Notice to Holders Prior to Certain Actions. If

(a) the Company declares a dividend (or any other distribution) on its Common Stock (other than in cash out of retained earnings or other than a dividend that results in an adjustment in the Conversion Price pursuant to Section 12.05 as to which the Company has made an election in accordance with Section 12.05(m)); or

(b) the Company authorizes the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any share of any class of Common Stock or any other rights or warrants; or

(c) there is any reclassification of the Common Stock (other than a subdivision or combination of outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) there is any voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then the Company shall cause to be filed with the Trustee and to be mailed to each holder of Convertible Subordinated Notes at his or her address appearing on the Register maintained for that purpose as promptly as possible but in any event at least 15 days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding-up.

#### SECTION 12.11. Restriction on Common Stock Issuable Upon Conversion.

(a) Shares of Common Stock to be issued upon conversion of Convertible Subordinated Notes prior to the effectiveness of a Shelf Registration Statement shall be physically delivered in certificated form to the holders converting such Securities and the certificate representing such shares of Common Stock shall bear the Restricted Common Stock Legend unless removed in accordance with section 12.11(c).

(b) If (i) shares of Common Stock to be issued upon conversion of a Convertible Subordinated Note prior to the effectiveness of a Shelf Registration Statement are to be registered in a name other than that of the holder of such Convertible Subordinated Note or (ii) shares of Common Stock represented by a certificate bearing the Restricted Common Stock Legend are transferred subsequently by such holder, then, unless the Shelf Registration Statement has become effective and such shares are being transferred pursuant to the Shelf Registration Statement, the holder must deliver to the transfer agent for the Common Stock a certificate in substantially the form of Exhibit E as to compliance with the restrictions on transfer applicable to such shares of Common Stock and neither the transfer agent nor the registrar for the Common Stock shall be required to register any transfer of such Common Stock not so accompanied by a properly completed certificate.

(c) Except in connection with a Shelf Registration Statement, if certificates representing shares of Common Stock are issued upon the registration of transfer, exchange or replacement of any other certificate representing shares of Common Stock bearing the Restricted Common Stock Legend, or if a request is made to remove such Restricted Common Stock Legend from certificates representing shares of Common Stock, the certificates so issued shall bear the Restricted Common Stock Legend, or the Restricted Common Stock Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel

pursuant to the laws in the State of New York, as may be reasonably required by the Company, that neither the legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A, Rule 144 or Regulation S under the Securities Act or that such shares of Common Stock are securities that are not "restricted" within the meaning of Rule 144 under the Securities Act. Upon provision to the Company of such reasonably satisfactory evidence, the Company shall cause the transfer agent for the Common Stock to countersign and deliver certificates representing shares of Common Stock that do not bear the legend.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed and attested, all as of the date first above written, signifying their agreements contained in this Indenture.

AMKOR TECHNOLOGY, INC.

By: /s/ Kenneth Joyce

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Name: Kenneth Joyce  
Title: Chief Financial Officer

STATE STREET BANK AND TRUST COMPANY

By: /s/ Kenneth R. Ring

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Name: Kenneth R. Ring  
Title: Assistant Vice President

75

77

EXHIBIT A

(Face of Security)

[Global Securities Legend]

[The following legend shall appear on the face of each Global Security:

THIS CONVERTIBLE SUBORDINATED NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS OWNER AND HOLDER OF THIS CONVERTIBLE SUBORDINATED NOTE FOR ALL PURPOSES.]

[The following legend shall appear on the face of each Global Security for which The Depository Trust Company is to be the Depository:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY THE AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OR DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR REGISTERED CONVERTIBLE SUBORDINATED NOTES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE INDENTURE, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A

SUCCESSOR DEPOSITARY OR A NOMINEE OR SUCH SUCCESSOR DEPOSITARY.]

[Restricted Securities Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE

A-1

78

HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUE HEREOF (OR ANY PREDECESSOR SECURITY HEREOF) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (4) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS ACQUIRING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION AND THAT, PRIOR TO SUCH TRANSFER, DELIVERS TO THE COMPANY AND THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF WHICH LETTER MAY BE OBTAINED FROM THE TRUSTEE), (5) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) AN INSTITUTIONAL ACCREDITED INVESTOR AND THAT IT IS HOLDING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION OR (3) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT.

A-2

79

No. \_\_\_\_\_

\$ \_\_\_\_\_  
CUSIP \_\_\_\_\_

AMKOR TECHNOLOGY, INC.

5.75% CONVERTIBLE SUBORDINATED NOTE DUE 2006

promises to pay to \_\_\_\_\_ or registered assigns, the principal sum of \_\_\_\_\_ on June 1, 2006

Interest Payment Dates: June 1 and December 1, commencing December 1, 2001

Regular Record Dates: May 15 and November 15

Dated:

By: \_\_\_\_\_  
Name:  
Title:

This is one of the Convertible Subordinated Notes described in the within-mentioned Indenture:

STATE STREET BANK AND TRUST COMPANY,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

A-3

(Back of Security)

AMKOR TECHNOLOGY, INC.

5.75% CONVERTIBLE SUBORDINATED NOTE DUE 2006

1. INTEREST. Amkor Technology, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Convertible Subordinated Note at the rate per annum shown above. The Company will pay interest semi-annually in arrears on June 1 and December 1 of each year, beginning December 1, 2001. Interest on the Convertible Subordinated Notes will accrue from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from May 25, 2001. Interest (including any Liquidated Damages) will be computed on the basis of a 360-day year composed of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest (and Liquidated Damages, if any) on the Convertible Subordinated Notes (except defaulted interest) to the Person in whose name each Convertible Subordinated Note is registered at the close of business on the May 15 or November 15 immediately preceding the relevant Interest Payment Date (each a "Regular Record Date") (other than with respect to a Convertible Subordinated Note or portion thereof called for redemption on a Redemption Date, or repurchased in connection with a Designated Event on a repurchase date, during the period from the close of business on a Regular Record Date to (but excluding) the next succeeding Interest Payment Date, in which case accrued interest (and Liquidated Damages, if any) shall be payable (unless such Convertible Subordinated Note or portion thereof is converted) to the holder of the Convertible Subordinated Note or portion thereof redeemed or repurchased in accordance with the applicable redemption or repurchase provisions of the Indenture). Holder must surrender Convertible Subordinated Notes to a Paying Agent to collect principal payments. The Company will pay the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes at the office or agency of the Company maintained for such purpose, in money of the United States that at the time of payment is legal tender for payment of public and private debts. Until otherwise designated by the Company, the Company's office or agency maintained for such purpose will be the principal Corporate Trust Office of the Trustee (as defined below). However, the Company may pay principal, premium, if any, and interest (including Liquidated Damages, if any) by check payable in such money, and may mail such check to the holders of the Convertible Subordinated Notes at their respective addresses as set forth in the Register of holders of Convertible Subordinated Notes.



3. PAYING AGENT AND REGISTRAR. State Street Bank and Trust Company (together with any successor Trustee under the Indenture referred to below, the "Trustee"), will act as Paying Agent and Registrar. The Company may change the Paying Agent, Registrar or co-registrar without prior notice. Subject to certain limitations in the Indenture, the Company or any of its subsidiaries may act in any such capacity.

A-4

81

4. INDENTURE. The Company issued the Convertible Subordinated Notes under an Indenture dated as of May 25, 2001 (the "Indenture") between the Company and the Trustee. The terms of the Convertible Subordinated Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbb) (the "TIA") as in effect on the Issue Date. The Convertible Subordinated Notes are subject to, and qualified by, all such terms, certain of which are summarized hereon, and holders are referred to the Indenture and the TIA for a statement of such terms. However, to the extent any provision of any Convertible Subordinated Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling. The Convertible Subordinated Notes are unsecured general obligations of the Company limited to (except as otherwise provided in the Indenture) up to \$250,000,000 in aggregate principal amount, unless an election has been made as set forth in Article II of the Indenture to increase such aggregate principal amount by an amount not to exceed \$50,000,000. Capitalized terms not defined below have the same meaning as is given to them in the Indenture.

5. OPTIONAL REDEMPTION. On or after June 4, 2004, the Company shall have the option to redeem the Convertible Subordinated Notes, in whole or from time to time in part, at the following Redemption Prices (expressed as percentages of principal amount), if redeemed during the twelve month period beginning June 1 of each year indicated (June 4, 2004 through May 31, 2005, in the case of the first such year) plus accrued and unpaid interest (and Liquidated Damages, if any) to, but excluding, the Redemption Date:

YEAR	REDEMPTION PRICE
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2004.....	102.300%
2005.....	101.150%

and 100% at June 1, 2006.

Notice of redemption will be mailed by first class mail at least 15 days but not more than 60 days before the Redemption Date to each holder of Convertible Subordinated Notes to be redeemed at his or her registered address. Convertible Subordinated Notes in denominations larger than \$1,000 may be redeemed in part but only in integral multiples of \$1,000. If less than all the Convertible Subordinated Notes are to be redeemed, the Trustee shall select the Convertible Subordinated Notes to be redeemed by a method that complies with the requirements of the principal national securities exchange, if any, on which the Convertible Subordinated Notes are listed or quoted, or, if the Convertible Subordinated Notes are not so listed, on a pro rata basis by lot or by any other method that the Trustee considers fair and appropriate. On and after the Redemption Date, interest (and Liquidated Damages, if any) ceases to accrue on Convertible Subordinated Notes or portions thereof called for redemption (unless the Company defaults in the payment of the Redemption Price). If this Convertible Subordinated Note is redeemed on a date which is also an Interest Payment Date, the interest payment (and Liquidated Damages, if any) due on such Interest Payment Date

A-5

82

will be paid to the Person in whose name this Convertible Subordinated Note is registered at the close of business on such Regular Record Date.

6. DESIGNATED EVENT. Upon a Designated Event, the Company shall make a Designated Event Offer to repurchase all outstanding Convertible Subordinated Notes at a price equal to 101% of the aggregate principal amount of the Convertible Subordinated Notes, plus accrued and unpaid interest (and Liquidated Damages, if any) to, but excluding, the date of repurchase, such offer to be made as provided in the Indenture. To accept the Designated Event Offer, the holder hereof must comply with the terms thereof, including surrendering this Convertible Subordinated Note, with the "Option of Holder to Elect Repurchase" portion hereof completed, to the Company, a depository, if appointed by the Company, or a Paying Agent, at the address specified in the notice of the Designated Event Offer mailed to holders as provided in the Indenture, prior to termination of the Designated Event Offer.

7. SUBORDINATION. The Company's payment of the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes is subordinated to the prior payment in full of the Company's Senior Debt as set forth in the Indenture. Each holder of Convertible Subordinated Notes by his or her acceptance hereof covenants and agrees that all payments of the principal of, premium, if any, and interest (including Liquidated Damages, if any) on the Convertible Subordinated Notes by the Company shall be subordinated in accordance with the provisions of Article XI of the Indenture, and each holder of Convertible Subordinated Notes accepts and agrees to be bound by such provisions. The Company agrees, and each holder of Convertible Subordinated Notes by accepting a Convertible Subordinated Note agrees, that the indebtedness evidenced by the Convertible Subordinated Note is pari passu in right of payment to the Existing Convertible Subordinated Notes.

8. DENOMINATIONS, TRANSFER, EXCHANGE. The Convertible Subordinated Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Convertible Subordinated Notes may be registered and Convertible Subordinated Notes may be exchanged as provided in the Indenture. As a condition of transfer, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a holder to pay any taxes and fees required by law or permitted by the Indenture. The Company or the Registrar need not exchange or register the transfer of any Convertible Subordinated Note or portion of a Convertible Subordinated Note selected for redemption or submitted for repurchase. Also, the Company or the Registrar need not exchange or register the transfer of any Convertible Subordinated Note for a period of 15 days before a selection of Convertible Subordinated Notes to be redeemed.

9. PERSONS DEEMED OWNERS. The registered holder of a Convertible Subordinated Note may be treated as its owner for all purposes.

10. AMENDMENTS AND WAIVERS. Subject to certain exceptions, the Company and the Trustee may amend the Indenture or the Convertible Subordinated

A-6

83

Notes with the written consent of the holders of at least a majority in principal amount of the then outstanding Convertible Subordinated Notes (including consents obtained in connection with tender offer or exchange offer for Convertible Subordinated Notes) and any existing default may be waived with the consent of the holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes.

Without the consent of any holder of a Convertible Subordinated Note, the Indenture or the Convertible Subordinated Notes may be amended by the Company and the Trustee to: (a) cure any ambiguity or correct or supplement any defective or inconsistent provision contained in the Indenture, or make any other changes in the provisions of the Indenture which the Company and the Trustee may deem necessary or desirable provided such amendment does not materially and adversely affect the legal rights under the Indenture of the holders of Convertible Subordinated Notes; (b) provide for uncertificated Convertible Subordinated Notes in addition to or in place of certificated

Convertible Subordinated Notes; (c) evidence the succession of another Person to the Company and providing for the assumption by such successor of the covenants and obligations of the Company thereunder and in the Convertible Subordinated Notes as permitted by Section 5.01 of the Indenture; (d) provide for conversion rights and/or repurchase rights of holders of Convertible Subordinated Notes in the event of consolidation, merger or sale of all or substantially all of the assets of the Company as required to comply with Sections 5.01 and/or 12.06 of the Indenture; (e) reduce the Conversion Price; (f) make any change that would provide any additional rights or benefits to the holders of Convertible Subordinated Notes or that does not adversely affect the legal rights under the Indenture of any such holder; or (g) comply with the requirements of the Commission in order to effect or maintain the qualification of the Indenture under the TIA.

Without the consent of each holder affected, an amendment or waiver may not (with respect to any Convertible Subordinated Notes held by a non-consenting holder): (a) reduce the principal amount of Convertible Subordinated Notes whose holders must consent to an amendment, supplement or waiver; (b) reduce the principal of, or premium on, or change the fixed maturity of any Convertible Subordinated Note or, except as permitted pursuant to clause (a) of the immediately preceding paragraph, alter the provisions with respect to the redemption of the Convertible Subordinated Notes; (c) reduce the rate of or change the time for payment of interest, including defaulted interest, or Liquidated Damages on any Convertible Subordinated Notes; (d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes (except a rescission of acceleration of the Convertible Subordinated Notes by the holders of at least a majority in aggregate principal amount of the Convertible Subordinated Notes and a waiver of the payment default that resulted from such acceleration); (e) make the principal of, or premium, if any, or interest or Liquidated Damages on, any Convertible Subordinated Note payable in money other than as provided for in the Indenture and in the Convertible Subordinated Notes; (f) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Convertible Subordinated Notes to

A-7

84

receive payments of principal of, premium, if any, or interest or Liquidated Damages on the Convertible Subordinated Notes; (g) waive a redemption payment with respect to any Convertible Subordinated Note; (h) make any change in the foregoing amendment and waiver provisions, or (i) except as permitted by the Indenture (including Section 9.01(a)), increase the Conversion Price or modify the provisions of the Indenture relating to conversion of the Convertible Subordinated Notes in a manner adverse to the holders thereof. In addition, any amendment to the provisions of Article XI of the Indenture (which relate to subordination) will require the consent of the holders of at least 75% in aggregate principal amount of the Convertible Subordinated Notes then outstanding if such amendment would adversely affect the rights of holders of Convertible Subordinated Notes.

11. DEFAULTS AND REMEDIES. An Event of Default is: (a) default in payment of the principal of, or premium, if any, on the Convertible Subordinated Notes, when due at maturity, upon repurchase, upon acceleration or otherwise, whether or not such payment is prohibited by the subordination provisions of the Indenture; (b) default for 30 days or more in payment of any installment of interest or Liquidated Damages on the Convertible Subordinated Notes, whether or not such payment is prohibited by the subordination provisions of the Indenture; (c) default by the Company for 60 days or more after notice in the observance or performance of any other covenants in the Indenture; (d) default in the payment of the Designated Event Payment in respect of the Convertible Subordinated Notes on the date therefor, whether or not such payment is prohibited by the subordination provisions of the Indenture; (e) failure to provide timely notice of a Designated Event; (f) failure of the Company or any Material Subsidiary to make any payment at maturity, including any applicable grace period, in respect of indebtedness for borrowed money of, or guaranteed or assumed by, the Company or any Material Subsidiary which payment is in an amount in excess of \$20,000,000 and continuance of such failure for 30 days after notice; (g) default by the Company or any Material Subsidiary with respect to any such indebtedness, which default results in the acceleration of such indebtedness of an amount in excess of \$20,000,000 without such indebtedness

having been paid or discharged or such acceleration having been cured, waived, rescinded, or annulled for 30 days after notice; or (h) certain events involving bankruptcy, insolvency or reorganization of the Company or any Material Subsidiary. If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Convertible Subordinated Notes may declare the unpaid principal of, premium, if any, and accrued and unpaid interest and Liquidated Damages, if any, on all Convertible Subordinated Notes then outstanding to be due and payable immediately, except that in the case of an Event of Default arising from certain events of bankruptcy, insolvency, or reorganization with respect to the Company all outstanding Convertible Subordinated Notes become due and payable without further action or notice. Holders of Convertible Subordinated Notes may not enforce the Indenture or the Convertible Subordinated Notes except as provided in the Indenture. The Trustee may require an indemnity satisfactory to it before it enforces the Indenture or the Convertible Subordinated Notes. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Convertible Subordinated Notes may direct

A-8

85

the Trustee in its exercise of any trust or power. The Trustee may withhold from holders notice of any continuing default (except a default in payment of principal, premium, if any, or interest or Liquidated Damages, if applicable) if it determines that withholding notice is in their interests. The Company must furnish annual compliance certificates to the Trustee.

12. TRUSTEE DEALINGS WITH THE COMPANY. The Trustee or any of its Affiliates, in their individual or any other capacities, may make or continue loans to or guaranteed by, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not Trustee.

13. NO RECOURSE AGAINST OTHERS. No director, officer, employee or stockholder, as such, of the Company shall have any liability for any obligations of the Company under the Convertible Subordinated Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each holder by accepting a Convertible Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for the Convertible Subordinated Notes.

14. AUTHENTICATION. This Convertible Subordinated Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

15. ABBREVIATIONS. Customary abbreviations may be used in the name of a holder or an assignee, such as: TEN CO = tenants in common, TEN ENT = tenants by the entireties, JT TEN = joint tenants with right of survivorship and not as tenants in common, CUST = Custodian and U/G/M/A = Uniform Gifts to Minors Act.

16. CONVERSION. Subject to and upon compliance with the provisions of the Indenture, the registered holder of this Convertible Subordinated Note has the right at any time on or before the close of business on the last trading day prior to the Maturity Date (or in case this Convertible Subordinated Note or any portion hereof is (a) called for redemption prior to such date, before the close of business on the last trading day preceding the Redemption Date (unless the Company defaults in payment of the Redemption Price in which case the conversion right will terminate at the close of business on the trading day preceding the date such default is cured) or (b) subject to a duly completed election for repurchase, on or before the close of business on the Designated Event Offer Termination Date (unless the Company defaults in payment due upon repurchase or such holder elects to withdraw the submission of such election to repurchase ) to convert the principal amount hereof, or any portion of such principal amount which is \$1,000 or an integral multiple thereof, into that number of fully paid and non-assessable shares of common stock of the Company ("Common Stock") obtained by dividing the principal amount of the Convertible Subordinated Note or portion thereof to be converted by the conversion price of \$35.00 per share, as adjusted from time to time as provided in the Indenture (the "Conversion Price"), upon surrender of this Convertible

Subordinated Note to the Company at the office or agency maintained for such purpose (and at such other offices or agencies designated for such purpose by the Company), accompanied by written notice of conversion duly executed (and if the shares of Common Stock to be issued on conversion are to be issued in any name other than that of the registered holder of this Convertible Subordinated Note by instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or its duly authorized attorney) and, in case such surrender shall be made during the period from the close of business on the Regular Record Date immediately preceding any Interest Payment Date through the close of business on the last trading day immediately preceding such Interest Payment Date (unless this Convertible Subordinated Note or the portion thereof being converted has been called for redemption on a date in such period), also accompanied by payment, in funds acceptable to the Company, of an amount equal to the interest and Liquidated Damages, if any, otherwise payable on such Interest Payment Date on the principal amount of this Convertible Subordinated Note then being converted. Subject to the aforesaid requirement for a payment in the event of conversion after the close of business on a Regular Record Date immediately preceding an Interest Payment Date, no adjustment shall be made on conversion for interest or Liquidated Damages accrued hereon or for dividends on Common Stock delivered on conversion. The right to convert this Convertible Subordinated Note is subject to the provisions of the Indenture relating to conversion rights in the case of certain consolidations, mergers, or sales or transfers of substantially all the Company's assets.

The Company shall not issue fractional shares or scrip representing fractions of shares of Common Stock upon any such conversion, but shall make an adjustment therefor in cash based upon the current market price of the Common Stock on the last trading day prior to the date of conversion.

17. REGISTRATION AGREEMENT. The holder of this Convertible Subordinated Note is entitled to the benefits of a Registration Agreement, dated May 25, 2001, between the Company and the Initial Purchasers (the "Registration Agreement"). Pursuant to the Registration Agreement the Company has agreed for the benefit of the holders of the Convertible Subordinated Notes and the Common Stock issued upon conversion of the Convertible Subordinated Notes, that (i) it will, at its cost, within 90 days after the Issue Date, file a shelf registration statement (the "Shelf Registration Statement") with the Securities and Exchange Commission (the "Commission") with respect to resales of the Convertible Subordinated Notes and the Common Stock issuable upon conversion thereof, (ii) the Company will use its reasonable efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act within 210 days after the Issue Date and (iii) the Company will keep such Shelf Registration Statement continuously effective under the Securities Act until the earliest of (a) the second anniversary of the Issue Date or, if later, the second anniversary of the last date on which any Convertible Subordinated Notes are issued upon exercise of the Initial Purchasers' over-allotment option, (b) the date on which the Convertible Subordinated Notes or the Common Stock issued or issuable upon conversion thereof may be sold by non-affiliates of the Company pursuant to paragraph (k) of Rule 144 (or any successor

provision then in force) promulgated by the Commission under the Securities Act, (c) the date as of which all the Convertible Subordinated Notes or the Common Stock issued or issuable upon conversion thereof have been transferred pursuant to Rule 144 under the Securities Act (or any successor provision then in force) promulgated by the Commission under the Securities Act and (d) the date as of which all the Convertible Subordinated Notes or the Common Stock issued or issuable upon conversion thereof have been sold pursuant to the Shelf Registration Statement.

If the Shelf Registration Statement (i) is not filed with the Commission on or prior to 90 days, or has not been declared effective by the

Commission within 210 days, after the Issue Date, or (ii) is filed and declared effective but shall thereafter cease to be effective (without being succeeded immediately by a replacement shelf registration statement filed and declared effective) or usable (including as a result of a Suspension Period) for the offer and sale of Transfer Restricted Securities for a period of time which shall exceed 60 days in the aggregate in any 12-month period during the period beginning on the Issue Date and ending on the second anniversary of the Issue Date or, if later, the second anniversary of the last date on which any Convertible Subordinated Notes are issued upon exercise of the Initial Purchasers' over-allotment option, (each such event referred to in clauses (i) and (ii) being referred to herein as a "Registration Default"), the Company will pay Liquidated Damages to each holder of Transfer Restricted Securities that has complied with its obligations under the Registration Agreement. The amount of Liquidated Damages payable during any period in which a Registration Default shall have occurred and be continuing is that amount which is equal to one-quarter of one percent (25 basis points) per annum per \$1,000 principal amount of Securities and \$2.50 per annum per 28.5714 shares of Common Stock (subject to adjustment in the event of a stock split, stock recombination, stock dividend and the like) constituting Transfer Restricted Securities for the first 90 days during which a Registration Default has occurred and is continuing and one-half of one percent (50 basis points) per annum per \$1,000 principal amount of Convertible Subordinated Notes and \$5.00 per annum per 28.5714 shares of Common Stock (subject to adjustment as set forth above) constituting Transfer Restricted Securities for any additional days during which such Registration Default has occurred and is continuing. The Company will pay all accrued Liquidated Damages by wire transfer of immediately available funds or by federal funds check on each Damages Payment Date (as defined in the Registration Agreement). Following the cure of a Registration Default, Liquidated Damages will cease to accrue with respect to such Registration Default.

"Transfer Restricted Securities" means each Convertible Subordinated Note and each share of Common Stock issuable or issued on conversion thereof until the date on which such Convertible Subordinated Note or share, as the case may be, (i) has been transferred pursuant to the Shelf Registration Statement or another registration statement covering such Convertible Subordinated Note or share which has been filed with the Commission pursuant to the Securities Act, in either case after such registration statement has become effective and while such registration statement is effective under the Securities Act, (ii) has been transferred pursuant to Rule 144 under the Securities Act

A-11

88

(or any similar provision then in force), or (iii) may be sold or transferred pursuant to paragraph (k) of Rule 144 (or any successor provision then in force) promulgated by the Commission under the Securities Act.

Pursuant to the Registration Agreement, the Company may suspend the use of the prospectus which is a part of the Shelf Registration Statement for a period not to exceed 30 days in any three-month period or for three periods not to exceed an aggregate of 90 days in any twelve-month period (any such period being referred to as a "Suspension Period") under certain circumstances; provided that the existence of a Suspension Period will not prevent the occurrence of a Registration Default or otherwise limit the obligation of the Company to pay Liquidated Damages.

The above description of certain provisions of the Registration Agreement is qualified by reference to, and is subject in its entirety to, the more complete description thereof contained in the Registration Agreement.

The Company will furnish to any holder upon written request and without charge a copy of the Indenture and the Registration Agreement. Requests may be made to: Corporate Secretary, Amkor Technology, Inc., 1345 Enterprise Drive, West Chester, PA 19380.

A-12

89

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Transfer	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such increase or decrease	Signature of Authorized Signatory of Trustee or Registrar
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A-13

90

FORM OF CONVERSION NOTICE

To: AMKOR TECHNOLOGY, INC.

The undersigned registered owner of the Convertible Subordinated Note hereby irrevocably exercises the option to convert this Convertible Subordinated Note, or portion hereof (which is \$1,000 or an integral multiple thereof) below designated, into shares of Common Stock of Amkor Technology, Inc. in accordance with the terms of the Indenture referred to in this Convertible Subordinated Note, and directs that the shares issuable and deliverable upon the conversion, together with any check in payment for fractional shares and Convertible Subordinated Notes representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Convertible Subordinated Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto. Any amount required to be paid by the undersigned on account of interest, Liquidated Damages and taxes accompanies this Convertible Subordinated Note.

Dated:

Fill in for registration of shares if to be delivered, and Convertible Subordinated Notes if to be issued, other than to and in the name of the registered holder (Please Print):

-----  
(Name)

-----  
(Street Address)

-----  
(City, State and Zip Code)

Signature Guarantee:  
-----  
-----  
-----  
-----

Signature(s)

Principal amount to be converted (if less than all):

\$\_\_\_\_,000

A-14

91

-----  
Social Security or other Taxpayer Identification Number

[Signatures must be guaranteed by an eligible Guarantor Institution (banks, brokers, dealers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if shares are to be issued, or Convertible Subordinated Notes are to be delivered, other than to and in the name of the registered holder(s).]

A-15

92

ASSIGNMENT FORM

To assign this Convertible Subordinated Note, fill in the form below:  
(I) or (we) assign and transfer this Convertible Subordinated Note to

-----  
(Insert assignee's social security or tax I.D. no.)  
-----  
-----  
-----

(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_ agent to transfer this Convertible Subordinated Note on the books of the Company. The agent may substitute another to act for him.

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Date: \_\_\_\_\_

Medallion Signature Guarantee: \_\_\_\_\_

[FOR INCLUSION ONLY IF THIS CONVERTIBLE SUBORDINATED NOTE BEARS A RESTRICTED SECURITIES LEGEND] In connection with any transfer of any of the Convertible Subordinated Notes evidenced by this certificate which are "restricted securities" (as defined in Rule 144 (or any successor thereto) under the Securities Act), the undersigned confirms that such Convertible Subordinated Notes are being transferred:

CHECK ONE BOX BELOW

- (1) [ ] to the Company; or
- (2) [ ] pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or
- (3) [ ] pursuant to and in compliance with Regulation S under the Securities Act of 1933; or



- (4)  to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Trustee); or
- (5)  pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

A-16

93

Unless one of the boxes is checked, the Registrar will refuse to register any of the Convertible Subordinated Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (3), (4) or (5) is checked, the Trustee may require, prior to registering any such transfer of the Convertible Subordinated Notes, such certifications and other information, and if box (5) is checked such legal opinions, as the Company has reasonably requested in writing, by delivery to the Trustee of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933; provided that this paragraph shall not be applicable to any Convertible Subordinated Notes which are not "restricted securities" (as defined in Rule 144 (or any successor thereto) under the Securities Act).

Your Signature: \_\_\_\_\_

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Date: \_\_\_\_\_

Medallion Signature Guarantee: \_\_\_\_\_

A-17

94

OPTION OF HOLDER TO ELECT REPURCHASE

If you wish to have this Convertible Subordinated Note repurchased by the Company pursuant to Section 4.06 of the Indenture, as the case may be, check the Box:

If you wish to have a portion of this Convertible Subordinated Note purchased by the Company pursuant to Section 4.06 of the Indenture, state the amount (in multiples of \$1,000): \$\_\_\_\_\_.

Date:

Your Signature:

(Sign exactly as your name appears on the other side of this Convertible Subordinated Note)

Medallion Signature Guarantee:

A-18

95

EXHIBIT B

FORM OF TRANSFER CERTIFICATE FOR TRANSFER  
FROM GLOBAL SECURITY OR DEFINITIVE SECURITY  
TO DEFINITIVE SECURITY

(Transfers pursuant to ss. 2.06(a)(i) or ss. 2.06(a)(ii) of the Indenture)

State Street Bank and Trust Company, as Registrar  
Attn: Corporate Trust Department

Re: Amkor Technology, Inc. 5.75% Convertible Subordinated  
Notes Due 2006 (the "Convertible Subordinated Notes")

Reference is hereby made to the Indenture dated as of May 25, 2001 (the "Indenture") between Amkor Technology, Inc. and State Street Bank and Trust Company, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to U.S. \$\_\_\_\_\_ aggregate principal amount of Convertible Subordinated Notes which are held [in the form of a [Definitive] [Global Security (CUSIP No. \_\_\_\_\_)]\* in the name of [name of transferor] (the "Transferor") to effect the transfer of the Convertible Subordinated Notes.

In connection with such request, and in respect of such Convertible Subordinated Notes, the Transferor does hereby certify that such Convertible Subordinated Notes are being transferred in accordance with (i) the transfer restrictions set forth in the Convertible Subordinated Notes and the Indenture and (ii) to a transferee that the Transferor reasonably believes is an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act of 1933, as amended) (an "Institutional Accredited Investor") which is acquiring such Convertible Subordinated Notes for its own account or for one or more accounts, each of which is an Institutional Accredited Investors, over which it exercises sole investment discretion and (iii) in accordance with applicable securities laws of any state of the United States.

[Name of Transferor],

By:  
Name:  
Title:  
Dated:

-----  
\* Insert, if appropriate.

B-1

96

EXHIBIT C

FORM OF ACCREDITED INVESTOR TRANSFEREE CERTIFICATE

(Transfers pursuant to ss. 2.06(a)(i) and ss. 2.06(a)(ii))

State Street Bank and Trust Company, as Registrar  
Attn: Corporate Trust Department

Re: Amkor Technology, Inc. 5.75% Convertible Subordinated  
Notes Due 2006 (the "Convertible Subordinated Notes")

Reference is hereby made to the Indenture dated as of May 25, 2001 (the "Indenture") between Amkor Technology, Inc., a Delaware corporation (the "Company"), and State Street Bank and Trust Company, as Trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

In connection with our proposed purchase of \$ \_\_\_\_\_ aggregate principal amount of the Convertible Subordinated Notes, which are convertible into shares of common stock ("Common Stock") of the Company, we confirm that:

We understand that the Convertible Subordinated Notes and the Common Stock issuable upon conversion thereof have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be sold except as permitted in the following sentence. We understand and agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, (x) that such Convertible Subordinated Notes are being transferred to us in a transaction not involving any public offering within the meaning of the Securities Act, (y) that if we should resell, pledge or otherwise transfer any such Convertible Subordinated Notes or any shares of Common Stock issuable upon conversion thereof prior to the later of (I) the expiration of the holding period under Rule 144(k) (or any successor thereto) under the Securities Act which is applicable to such Convertible Subordinated Notes or shares of Common Stock, as the case may be, or (II) within three months after we cease to be an affiliate (within the meaning of Rule 144 under the Securities Act) of the Company, such Convertible Subordinated Notes or the Common Stock issuable upon conversion thereof may be resold, pledged or transferred only (i) to the Company, (ii) so long as such Convertible Subordinated Notes are eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a Person whom we reasonably believe is a "qualified institutional buyer" (as defined in Rule 144A) ("QIB") that purchases for its own account or for the account of a QIB to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A (as indicated by the box checked by the transferor

C-1

97

on the Assignment Form on the reverse of the certificate for the Convertible Subordinated Notes), it being understood that the Common Stock is not eligible for resale pursuant to Rule 144A, (iii) in an offshore transaction (as defined in Regulation S under the Securities Act) in accordance with Regulation S under the Securities Act (as indicated by the box checked by the transferor on the Assignment Form on the reverse of the certificate for the Convertible Subordinated Notes or on a comparable Assignment Form for the Common Stock issuable upon conversion thereof), (iv) to an institution that is an "accredited investor" as defined in Rule 501 (a) (1), (2), (3) or (7) under the Securities Act (an "Institutional Accredited Investor") (as indicated by the box checked by the transferor on the Assignment Form on the reverse of the certificate for the Convertible Subordinated Notes or on a comparable Assignment Form for the Common Stock issuable upon conversion thereof) that is acquiring the securities for its own account or for the account of one or more other Institutional Accredited Investors over which it exercises sole investment discretion and that prior to such transfer, delivers a signed letter to the Company and the Trustee (or the transfer agent in the case of Common Stock issuable upon conversion thereof) certifying that it and each such account is such an Institutional Accredited Investor and is acquiring the Convertible Subordinated Notes or the Common Stock issuable upon conversion thereof for investment purposes and not for distribution and agreeing to the restrictions on transfer of the Convertible Subordinated Notes or the Common Stock issuable upon conversion thereof, (v) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if applicable) under the Securities Act (as indicated by the box checked transferor on the Assignment Form on the reverse of the certificate for the Convertible Subordinated Notes or a comparable Assignment Form for the Common Stock issuable upon conversion thereof), or (vi) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States, and we will notify any purchaser of the Convertible Subordinated Notes or the Common Stock issuable upon conversion thereof from us of the above resale restrictions, if then applicable. We further understand that in connection with any transfer of the Convertible Subordinated Notes or the Common Stock issuable upon conversion thereof (other than a transfer pursuant to clause (vi) above) by us that the Company and the Trustee (or the transfer agent in the case of Common Stock issuable upon conversion thereof) may request, and if so requested we will furnish, such certificates and other information and, in the case of a transfer pursuant to clause (v) above, a legal opinion as they may reasonably require to confirm that any such transfer complies with the foregoing restrictions. Finally, we understand that in any case we will not directly or indirectly

engage in any hedging transactions with regard to the Convertible Subordinated Notes or the Common Stock issuable upon conversion of the Convertible Subordinated Notes except as permitted by the Securities Act.

2. We are able to fend for ourselves in connection with our purchase of the Convertible Subordinated Notes, we have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Convertible Subordinated Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment and can afford the complete loss of such investment.

3. We understand that the Company and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, agreements and

C-2

98

warranties and we agree that if any of the acknowledgments, representations, agreements or warranties made or deemed to have been made by us by our purchase of the Convertible Subordinated Notes, for our own account or for one or more accounts as to each of which we exercise sole investment discretion, are no longer accurate, we shall promptly notify the Company.

4. With respect to the certificates representing Convertible Subordinated Notes we are purchasing, we understand that such certificates will be in definitive registered form and that the notification requirement referred to in 1 above requires that, until the expiration of the holding period with respect to sales of the Convertible Subordinated Notes under clause (k) of Rule 144 under the Securities Act, such Convertible Subordinated Notes will bear a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE EXPIRATION OF THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (3) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (4) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS ACQUIRING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION AND THAT, PRIOR TO SUCH TRANSFER, DELIVERS TO THE COMPANY AND THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF WHICH LETTER MAY BE OBTAINED FROM THE TRUSTEE), (5) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (6) PURSUANT TO AN

C-3

99

EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) A QUALIFIED INSTITUTIONAL BUYER OR (2) AN INSTITUTIONAL ACCREDITED INVESTOR AND THAT IT IS HOLDING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION OR (3) NOT A U.S. PERSON AND IS

OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k) (2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTIONS WITH REGARD TO THIS SECURITY OR ANY COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES ACT."

5. With respect to certificates representing shares of Common Stock issuable upon conversion of the Convertible Subordinated Notes, we understand that the notification requirement referred to in 1 above requires that, until the expiration of the holding period with respect to sales of such Common Stock under clause (k) of Rule 144 under the Securities Act, such certificates will bear a legend substantially to the effect set forth as Exhibit D to the Indenture and that a copy of such legend may be obtained from the Trustee.

6. We are acquiring the Convertible Subordinated Notes purchased by us for investment purposes, and not for distribution, for our own account or for one or more accounts as to each of which we exercise sole investment discretion and we are and each such account is an Institutional Accredited Investor.

7. You and the Company are entitled to rely on this letter and you and the Company are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

(Name of Purchaser)

By:

Dated:

C-4

100

EXHIBIT D

FORM OF RESTRICTED COMMON STOCK LEGEND

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE EXPIRATION OF THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR ANY PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN "AFFILIATE" (WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE, OTHER THAN (1) TO THE COMPANY, (2) IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (3) TO AN INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) (1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS ACQUIRING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION, AND THAT, PRIOR TO SUCH TRANSFER, DELIVERS TO THE COMPANY AND THE TRANSFER AGENT A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF WHICH LETTER MAY BE OBTAINED FROM THE COMPANY OR THE TRANSFER AGENT), (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT IS (1) AN INSTITUTIONAL ACCREDITED INVESTOR AND THAT IT IS HOLDING THIS SECURITY FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION OR (2) NOT A U.S. PERSON AND IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k) (2) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT. IN ANY CASE THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THIS SECURITY EXCEPT AS PERMITTED BY THE SECURITIES

EXHIBIT E

FORM OF TRANSFER CERTIFICATE FOR TRANSFER OF RESTRICTED COMMON STOCK

(Transfers pursuant to ss. 12.11(c) of the Indenture)

[NAME AND ADDRESS OF COMMON STOCK TRANSFER AGENT]

Re: Amkor Technology, Inc. 5.75% Convertible Subordinated Notes Due 2006 (the "Convertible Subordinated Notes")

Reference is hereby made to the Indenture dated as of May 21, 2001 (the "Indenture") between Amkor Technology, Inc. and State Street Bank and Trust Company, as Trustee. Capitalized terms used but not defined herein shall have the meanings given them in the Indenture.

This letter relates to \_\_\_\_\_ shares of Common Stock represented by the accompanying certificate(s) that were issued upon conversion of Convertible Subordinated Notes and which are held in the name of [name of transferor] (the "Transferor") to effect the transfer of such Common Stock.

In connection with the transfer of such shares of Common Stock, the undersigned confirms that such shares of Common Stock are being transferred:

CHECK ONE BOX BELOW

- (1)  to the Company; or
- (2)  pursuant to and in compliance with Regulation S under the Securities Act of 1933; or
- (3)  to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the transfer agent a signed letter containing certain representations and agreements (the form of which letter can be obtained from the Company or transfer agent); or
- (4)  pursuant to an exemption from registration under the Securities Act of 1933 provided by Rule 144 thereunder.

Unless one of the boxes is checked, the transfer agent will refuse to register any of the Common Stock evidenced by this certificate in the name of any Person other than the registered holder thereof; provided, however, that if box (2), (3) or (4) is checked, the transfer agent may require, prior to registering any such transfer of the Common Stock such certifications and other information, and if box (4) is checked such

legal opinions, as the Company has reasonably requested in writing, by delivery to the transfer agent of a standing letter of instruction, to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

[Name of Transferor],  
By

Name:  
Title:

Dated:

E-2

103

TABLE OF CONTENTS

	PAGE
ARTICLE I	
DEFINITIONS.....	1
SECTION 1.01.Definitions.....	1
SECTION 1.02.Other Definitions.....	9
SECTION 1.03.Incorporation by Reference of Trust Indenture Act.....	10
SECTION 1.04.Rules of Construction.....	10
ARTICLE II	
THE CONVERTIBLE SUBORDINATED NOTES.....	11
SECTION 2.01.Form and Dating.....	11
SECTION 2.02.Execution and Authentication.....	12
SECTION 2.03.The Trustee Registrar, Paying Agent and Conversion Agent.....	13
SECTION 2.04.Paying Agent To Hold Money in Trust.....	13
SECTION 2.05.Holder Lists.....	14
SECTION 2.06.Transfer and Exchange.....	14
SECTION 2.07.Replacement Convertible Subordinated Notes.....	18
SECTION 2.08.Outstanding Convertible Subordinated Notes.....	19
SECTION 2.09.When Treasury Convertible Subordinated Notes Disregarded.....	19
SECTION 2.10.Temporary Convertible Subordinated Notes.....	19
SECTION 2.11.Cancellation.....	20
SECTION 2.12.Defaulted Interest.....	21
SECTION 2.13.CUSIP Number.....	21
SECTION 2.14.Regulation S.....	21
ARTICLE III	
REDEMPTION.....	21
SECTION 3.01.Optional Redemption.....	22
SECTION 3.02.Notices to Trustee.....	22
SECTION 3.03.Selection of Convertible Subordinated Notes To Be Redeemed.....	22
SECTION 3.04.Notice of Redemption.....	23
SECTION 3.05.Effect of Notice of Redemption.....	24
SECTION 3.06.Deposit of Redemption Price.....	24
SECTION 3.07.Convertible Subordinated Notes Redeemed in Part.....	25

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
SECTION 3.08.Conversion Arrangement on Call for Redemption.....	25
ARTICLE IV COVENANTS.....	26
SECTION 4.01.Payment of Convertible Subordinated Notes.....	26
SECTION 4.02.Commission Reports.....	26
SECTION 4.03.Compliance Certificate.....	26
SECTION 4.04.Maintenance of Office or Agency.....	27
SECTION 4.05.Continued Existence.....	27
SECTION 4.06.Repurchase Upon Designated Event.....	27
SECTION 4.07.Appointments to Fill Vacancies in Trustee's Office.....	30
SECTION 4.08.Stay, Extension and Usury Laws.....	30
SECTION 4.09.Taxes.....	30
SECTION 4.10.Liquidated Damages.....	31
ARTICLE V SUCCESSORS.....	31
SECTION 5.01.When the Company May Merge, Etc.....	31
SECTION 5.02.Successor Corporation Substituted.....	32
SECTION 5.03.Purchase Option on Change of Control.....	32
ARTICLE VI DEFAULTS AND REMEDIES.....	32
SECTION 6.01.Events of Default.....	32
SECTION 6.02.Acceleration.....	35
SECTION 6.03.Other Remedies.....	35
SECTION 6.04.Waiver of Past Defaults.....	35
SECTION 6.05.Control by Majority.....	36
SECTION 6.06.Limitation on Suits.....	36
SECTION 6.07.Rights of Holders To Receive Payment.....	37
SECTION 6.08.Collection Suit by Trustee.....	37
SECTION 6.09.Trustee May File Proofs of Claim.....	37
SECTION 6.10.Priorities.....	37
SECTION 6.11.Undertaking for Costs.....	38
ARTICLE VII THE TRUSTEE.....	38
SECTION 7.01.Duties of the Trustee.....	38



TABLE OF CONTENTS  
(CONTINUED)

	PAGE
SECTION 7.02.Rights of the Trustee.....	39
SECTION 7.03.Individual Rights of the Trustee.....	41
SECTION 7.04.Trustee's Disclaimer.....	41
SECTION 7.05.Notice of Defaults.....	41
SECTION 7.06.Reports by the Trustee to Holders.....	41
SECTION 7.07.Compensation and Indemnity.....	42
SECTION 7.08.Replacement of the Trustee.....	43
SECTION 7.09.Successor Trustee by Merger, etc.....	44
SECTION 7.10.Eligibility, Disqualification.....	44
SECTION 7.11.Preferential Collection of Claims Against Company.....	44
ARTICLE VIII           SATISFACTION AND DISCHARGE OF INDENTURE.....	44
SECTION 8.01.Discharge of Indenture.....	44
SECTION 8.02.Deposited Monies to be Held in Trust by Trustee.....	45
SECTION 8.03.Paying Agent to Repay Monies Held.....	45
SECTION 8.04.Return of Unclaimed Monies.....	45
SECTION 8.05.Reinstatement.....	46
ARTICLE IX            AMENDMENTS.....	46
SECTION 9.01.Without the Consent of Holders.....	46
SECTION 9.02.With the Consent of Holders.....	47
SECTION 9.03.Compliance with the Trust Indenture Act.....	48
SECTION 9.04.Revocation and Effect of Consents.....	48
SECTION 9.05.Notation on or Exchange of Convertible Subordinated Notes.....	49
SECTION 9.06.Trustee Protected.....	49
ARTICLE X            GENERAL PROVISIONS.....	49
SECTION 10.01.Trust Indenture Act Controls.....	49
SECTION 10.02.Notices.....	50
SECTION 10.03.Communication by Holders With Other Holders.....	50
SECTION 10.04.Certificate and Opinion as to Conditions Precedent.....	50
SECTION 10.05.Statements Required in Certificate or Opinion.....	51

	PAGE
SECTION 10.06.Rules by Trustee and Agents.....	51
SECTION 10.07.Legal Holidays.....	52
SECTION 10.08.No Recourse Against Others.....	52
SECTION 10.09.Counterparts.....	52
SECTION 10.10.Other Provisions.....	52
SECTION 10.11.Governing Law.....	53
SECTION 10.12.No Adverse Interpretation of Other Agreements.....	53
SECTION 10.13.Successors.....	53
SECTION 10.14.Severability.....	53
SECTION 10.15.Table of Contents, Headings, Etc.....	53
ARTICLE XI SUBORDINATION.....	53
SECTION 11.01.Agreement to Subordinate.....	53
SECTION 11.02.Liquidation; Dissolution; Bankruptcy.....	54
SECTION 11.03.Default on Senior Debt and/or Designated Senior Debt.....	54
SECTION 11.04.Acceleration of Convertible Subordinated Notes.....	55
SECTION 11.05.When Distribution Must Be Paid Over.....	55
SECTION 11.06.Notice by Company.....	56
SECTION 11.07.Subrogation.....	56
SECTION 11.08.Relative Rights.....	56
SECTION 11.09.Subordination May Not Be Impaired by Company.....	57
SECTION 11.10.Distribution or Notice to Representative.....	57
SECTION 11.11.Rights of Trustee and Paying Agent.....	57
SECTION 11.12.Authorization to Effect Subordination.....	57
SECTION 11.13.Article Applicable to Paying Agents.....	58
SECTION 11.14.Senior Debt Entitled to Rely.....	58
SECTION 11.15.Permitted Payments.....	58
ARTICLE XII CONVERSION OF CONVERTIBLE SUBORDINATED NOTES.....	58
SECTION 12.01.Right to Convert.....	58
SECTION 12.02.Exercise of Conversion Privilege; Issuance of Common Stock on Conversion; No Adjustment for Interest or Dividends.....	59

	PAGE
SECTION 12.03.Cash Payments in Lieu of Fractional Shares.....	60
SECTION 12.04.Conversion Price.....	61
SECTION 12.05.Adjustment of Conversion Price.....	61
SECTION 12.06.Effect of Reclassification, Consolidation, Merger or Sale.....	71
SECTION 12.07.Taxes on Shares Issued.....	72
SECTION 12.08.Reservation of Shares; Shares to Be Fully Paid; Listing of Common Stock.....	72
SECTION 12.09.Responsibility of Trustee.....	73
SECTION 12.10.Notice to Holders Prior to Certain Actions.....	73
SECTION 12.11.Restriction on Common Stock Issuable Upon Conversion.....	74

## AMKOR TECHNOLOGY, INC.

5.75% Convertible Subordinated Notes due 2006

## REGISTRATION AGREEMENT

New York, New York  
May 25, 2001

Salomon Smith Barney Inc.

As Representatives of the Initial Purchasers Named in Schedule I to the Purchase Agreement (as defined below) c/o Salomon Smith Barney Inc.

388 Greenwich Street

New York, New York 10013

Ladies and Gentlemen:

Amkor Technology, Inc., a Delaware corporation (the "Company"), proposes to issue and sell (such issuance and sale, the "Initial Placement") to the several parties named in Schedule I to the Purchase Agreement (the "Initial Purchasers") for whom Salomon Smith Barney Inc. (the "Representatives") are acting as representatives, upon the terms set forth in a purchase agreement dated May 18, 2001 (the "Purchase Agreement"), \$250,000,000 aggregate principal amount (plus up to an additional \$50,000,000 aggregate principal amount to cover over-allotments, if any) of its 5.75% Convertible Subordinated Notes due 2006 (the "Securities"). The Securities will be governed by an Indenture dated as of May 25, 2001, between the Company and State Street Bank and Trust Company, as trustee, as the same may be amended from time to time in accordance with the terms thereof. The Securities will be convertible into shares of Common Stock (as defined in the Indenture), at the conversion price set forth in, and as the same may be adjusted from time to time pursuant to, the Indenture. As an inducement to you to enter into the Purchase Agreement and in satisfaction of a condition to your obligations thereunder, the Company agrees with you, (i) for your benefit and (ii) for the benefit of the holders from time to time of the Securities and the Common Stock issuable upon conversion of the Securities (including you), as follows:

1. Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in the Indenture. As used in this Agreement, the following capitalized terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Affiliate" has the meaning set forth in the Indenture.

"Business Day" has the meaning set forth in the Indenture.

2

"Damages Payment Date" means, with respect to the Securities or the Common Stock issuable upon conversion thereof, as applicable, each Interest Payment Date; and in the event that any Security, or portion thereof, is called for redemption or surrendered for purchase by the Company and not withdrawn pursuant to a Designated Event Offer (as defined in the Indenture), the relevant redemption date or Designated Event Payment Date (as defined in the Indenture) as the case may be, shall also be a Damages Payment Date with respect to such Security, or portion thereof, unless the Indenture provides that accrued and unpaid interest on the Security (or portion thereof) to be redeemed or repurchased, as the case may be, is to be paid to the person who was the Holder thereof on a record date prior to such redemption date or Designated Event Payment Date, as the case may be, in which case the Damages Payment Date shall be the date on which interest is payable to such Record Holder.

"Default Rate" means the rate of interest payable with respect to overdue amounts on the Securities pursuant to Section 4.01 of the Indenture.

"DTC" has the meaning set forth in Section 3(k) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as

amended, and the rules and regulations of the SEC promulgated thereunder.

"Holder" means a person who is a holder or beneficial owner (including the Initial Purchaser) of any Securities or shares of Common Stock issued upon conversion of Securities; provided that, unless otherwise expressly stated herein, only registered holders of Securities or Common Stock issued on conversion thereof shall be counted for purposes of calculating any proportion of holders entitled to take any action or give notice pursuant to this Agreement.

"Indenture" has the meaning set forth in the preamble hereto.

"Initial Placement" has the meaning set forth in the preamble hereto.

"Initial Purchasers" has the meaning set forth in the preamble hereto.

"Interest Payment Date" has the meaning set forth in the Indenture.

"Issue Date" has the meaning set forth in the Indenture.

"Liquidated Damages" has the meaning set forth in Section 2(e) hereof.

"Majority Holders" means the Holders of a majority of the then outstanding aggregate principal amount of Securities registered under a Shelf Registration Statement; provided, that Holders of Common Stock issued upon conversion of Securities shall be deemed to be Holders of the aggregate principal amount of Securities from which such Common Stock was converted; and provided, further, that Securities or Common Stock which have been sold or otherwise transferred pursuant to

2

3

the Shelf Registration Statement shall not be included in the calculation of Majority Holders.

"Majority Underwriting Holders" means, with respect to any Underwritten Offering, the Holders of a majority of the then outstanding aggregate principal amount of Securities registered under any Shelf Registration Statement whose Securities are or are to be included in such Underwritten Offering; provided that Holders of Common Stock issued upon conversion of Securities shall be deemed to be Holders of the aggregate principal amount of Securities from which such Common Stock was converted.

"Managing Underwriters" means the Underwriter or Underwriters that shall administer an Underwritten Offering.

"Maturity Date" has the meaning set forth in the Indenture.

"NASD" has the meaning set forth in Section 3(i) hereof.

"Notice and Questionnaire" means a Notice of Registration Statement and Selling Securityholder Questionnaire substantially in the form of Exhibit A hereto.

"Person" and "person" have the meaning set forth in the Indenture.

"Prospectus" means the prospectus included in any Shelf Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A under the Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Securities or Common Stock issuable upon conversion thereof covered by such Shelf Registration Statement, including all documents incorporated or deemed to be incorporated by reference in such prospectus.

"Purchase Agreement" has the meaning set forth in the preamble hereto.

"Record Holder" means (i) with respect to any Damages Payment Date which occurs on an Interest Payment Date, each person who is registered on the books of the registrar as the holder of Securities at the close of business on the record date with respect to such Interest Payment Date and (ii) with respect to any Damages Payment Date relating to the Common Stock issued upon conversion thereof, each person who is a holder of record of such Common Stock fifteen days prior to the Damages Payment Date.

"Registration Default" has the meaning set forth in Section 2(e) hereof.

"Representatives" has the meaning set forth in the preamble hereto.

"Rule 144" means Rule 144 (or any successor provision then in force) promulgated by the SEC under the Act.

3

4

"SEC" means the Securities and Exchange Commission.

"Securities" has the meaning set forth in the preamble hereto.

"Shelf Registration" means a registration effected pursuant to Section 2 hereof.

"Shelf Registration Period" has the meaning set forth in Section 2(c) hereof.

"Shelf Registration Statement" means a "shelf" registration statement of the Company pursuant to the provisions of Section 2 hereof which covers all of the Securities and the Common Stock issuable upon conversion thereof, as applicable, on Form S-3 or on another appropriate form for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all documents incorporated or deemed to be incorporated by reference therein.

"Suspension Period" has the meaning set forth in Section 2(d) hereof.

"Transfer Restricted Securities" means each Security and each share of Common Stock issuable or issued upon conversion thereof until the date on which such Security or share of Common Stock, as the case may be, (i) has been transferred pursuant to the Shelf Registration Statement or another registration statement covering such Security or share of Common Stock which has been filed with the SEC pursuant to the Act, in either case after such registration statement has become effective and while such registration statement is effective under the Act, (ii) has been transferred pursuant to Rule 144 under the Act (or any similar provision then in force) or (iii) may be sold or transferred pursuant to Rule 144(k) under the Act (or any successor provision promulgated by the SEC then in force).

"Trustee" means the trustee with respect to the Securities under the Indenture.

"Underwriter" means any underwriter of Securities or Common Stock issuable upon conversion thereof in connection with an offering thereof under a Shelf Registration Statement.

"Underwritten Offering" means an offering in which the Securities or Common Stock issued upon conversion thereof are sold to an Underwriter or with the assistance of an Underwriter for reoffering to the public.

All references in this Agreement to financial statements and schedules and other information which is "contained", "included", or "stated" in the Shelf Registration

4

Statement, any preliminary Prospectus or Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated or deemed to be incorporated by reference in such Shelf Registration Statement, preliminary Prospectus or Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Shelf Registration Statement, any preliminary Prospectus or Prospectus shall be deemed to mean and include the filing of any document under the Exchange Act, after the date of such Shelf Registration Statement, preliminary Prospectus or Prospectus, as the case may be, which is incorporated or deemed to be incorporated by reference therein.

2. Shelf Registration Statement.

(a) The Company shall prepare and, not later than 90 days following the Issue Date, shall file with the SEC a Shelf Registration Statement with respect to resales of the Securities and the Common Stock issuable upon conversion thereof by the Holders from time to time in accordance with the methods of distribution elected by such Holders and set forth in such Shelf Registration Statement and thereafter shall use its best efforts to cause such Shelf Registration Statement to be declared effective under the Act within 210 days after the Issue Date; provided, that if any Securities are issued upon exercise of the over-allotment option granted to the Initial Purchasers in the Purchase Agreement and the date on which such Securities are issued occurs after the Issue Date, the Company will take such steps, prior to the effective date of the Shelf Registration Statement, to ensure that such Securities and Common Stock issuable upon conversion thereof are included in the Shelf Registration Statement on the same terms as the Securities issued on the Issue Date. The Company shall amend the Shelf Registration Statement or supplement the Prospectus as and if required by the rules, regulations or instructions applicable to the registration form used by the Company for the Shelf Registration Statement or as and if otherwise required by the Act, the Exchange Act or the SEC.

(b) (1) Not less than 30 calendar days prior to the effectiveness of the Shelf Registration Statement, the Company shall mail the Notice and Questionnaire to the Holders of Securities and Common Stock issued upon conversion thereof. No Holder shall be entitled to be named as a selling securityholder in the Shelf Registration Statement, and no Holder shall be entitled to use the Prospectus forming a part thereof for resales of Securities or Common Stock issued upon conversion thereof at any time, unless such Holder has returned a completed and signed Notice and Questionnaire to the Company by the deadline for responses set forth therein; provided, however, that Holders of Securities or Common Stock issued upon conversion thereof shall have at least 20 calendar days from the date on which the Notice and Questionnaire is first mailed to such Holders to return a completed and signed Notice and Questionnaire to the Company.

(2) After the Shelf Registration Statement has become effective, the Company shall, upon the request of any Holder of Securities or Common Stock issued or issuable upon conversion thereof that has not returned a completed Notice and Questionnaire, promptly send a Notice and Questionnaire to such Holder.

The Company shall not be required to take any action to name such Holder as a selling securityholder in the Shelf Registration Statement or to enable such Holder to use the Prospectus forming a part thereof for resales of Securities or Common Stock issued or issuable upon conversion thereof until such Holder has returned a completed and signed Notice and Questionnaire to the Company, whereupon the Company will be required to take such action.

(c) The Company shall keep the Shelf Registration Statement continuously effective under the Act in order to permit the Prospectus forming a part thereof to be usable by all Holders until the earliest of (i) the second anniversary of the Issue Date or, if later, the second anniversary of the last date on which any Securities are issued upon exercise of the Initial Purchasers' over-allotment option, (ii) the date on which all the Securities and Common Stock issued or issuable upon conversion thereof may be sold by non-affiliates ("affiliates" for such purpose having the meaning set forth in Rule 144) of the Company pursuant to paragraph (k) of Rule 144 (or any successor provision)

promulgated by the SEC under the Act, (iii) the date as of which all the Securities and Common Stock issued or issuable upon conversion thereof have been transferred pursuant to Rule 144 (or any similar provision then in force) and (iv) such date as of which all the Securities and the Common Stock issued or issuable upon conversion thereof have been sold pursuant to the Shelf Registration Statement (in any such case, such period being called the "Shelf Registration Period"). The Company shall: (i) subject to Section 2(d), prepare and file with the SEC such amendments and post-effective amendments to the Shelf Registration Statement as may be necessary to keep the Shelf Registration Statement continuously effective for the Shelf Registration Period; (ii) subject to Section 2(d), cause the related Prospectus to be supplemented by any required supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) promulgated by the SEC under the Act; and (iii) comply in all material respects with the provisions of the Act with respect to the disposition of all securities covered by the Shelf Registration Statement during the applicable period in accordance with the intended methods of disposition by the sellers thereof set forth in such Shelf Registration Statement as so amended or such Prospectus as so supplemented.

(d) The Company may suspend the use of the Prospectus for a period not to exceed 30 days in any three-month period or for three periods not to exceed an aggregate of 90 days in any 12-month period (each a "Suspension Period") for valid business reasons, to be determined by the Company in its sole reasonable judgment (not including avoidance of the Company's obligations hereunder), including, without limitation, the acquisition or divestiture of assets, public filings with the SEC, pending corporate developments and similar events; provided that the Company promptly thereafter complies with the requirements of Section 3(j) hereof, if applicable; provided, that the existence of a Suspension Period will not prevent the occurrence of a Registration Default or otherwise limit the obligation of the Company to pay Liquidated Damages. The Company shall provide notice to the Holders of a Suspension Period as required under Section 3(c)(1)(iv) hereof.

6

7

(e) If the Shelf Registration Statement (i) is not filed with the SEC on or prior to 90 days after the Issue Date, (ii) has not been declared effective by the SEC within 210 days after the Issue Date, or (iii) is filed and declared effective but shall thereafter cease to be effective (without being succeeded immediately by a replacement shelf registration statement filed and declared effective) or usable (including as a result of a Suspension Period) for the offer and sale of Transfer Restricted Securities for a period of time (including any Suspension Period) which shall exceed 60 days in the aggregate in any 12-month period during the period beginning on the Issue Date and ending on the second anniversary of the Issue Date or, if later, the second anniversary of the last date on which any Securities are issued upon exercise of the Initial Purchasers' over-allotment option (each such event referred to in clauses (i) through (iii), a "Registration Default"), the Company will pay liquidated damages ("Liquidated Damages") to each Holder of Transfer Restricted Securities that has complied with such Holder's obligations under this Agreement. The amount of Liquidated Damages payable during any period in which a Registration Default shall have occurred and is continuing is that amount which is equal to one-quarter of one percent (25 basis points) per annum per \$1,000 principal amount of Securities and \$2.50 per annum per 28.5714 shares of Common Stock (subject to adjustment as provided in the Indenture) constituting Transfer Restricted Securities for the first 90 days during which a Registration Default has occurred and is continuing and one-half of one percent (50 basis points) per annum per \$1,000 principal amount of Securities and \$5.00 per annum per 28.5714 shares of Common Stock (subject to adjustment as provided in the Indenture) constituting Transfer Restricted Securities for any additional days during which a Registration Default has occurred and is continuing, it being understood that all calculations pursuant to this and the preceding sentence shall be carried out to five decimals. Following the cure of each Registration Default, Liquidated Damages will cease to accrue with respect to such Registration Default. All accrued Liquidated Damages shall be paid by wire transfer of immediately available funds or by federal funds check by the Company on each Damages Payment Date and Liquidated Damages will be calculated on the basis of a 360-day year consisting of twelve 30-day months. In the event that any Liquidated Damages are not paid when due, then to the extent permitted by law, such overdue Liquidated Damages, if any, shall bear interest until paid at the Default Rate, compounded semi-annually. The parties hereto agree that the Liquidated Damages provided for in this Section 2(e) constitute a reasonable estimate of the damages that may be incurred by Holders by reason of a



Registration Default.

(f) All of the Company's obligations (including, without limitation, the obligation to pay Liquidated Damages) set forth in the preceding paragraph which are outstanding or exist with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such security shall have been satisfied in full.

(g) Immediately upon the occurrence or the termination of a Registration Default, the Company shall give the Trustee, in the case of notice with respect to the Securities, and the transfer and paying agent for the Common Stock, in the case of notice with respect to any shares of Common Stock issued upon conversion of

7

8

Securities, notice of such occurrence or termination, of the obligation to pay Liquidated Damages with regard to such Securities and Common Stock and the amount thereof and of the event giving rise to such occurrence or termination (such notice to be contained in an Officers' Certificate (as such term is defined in the Indenture), and prior to receipt of such Officers' Certificate the Trustee and such transfer and paying agent shall be entitled to assume that no such commencement or termination has occurred, as the case may be.

(h) All Securities which are redeemed, purchased or otherwise acquired by the Company or any of its subsidiaries or affiliates (as defined in Rule 144 (or any successor provision then in force) promulgated by the SEC under the Act) prior to the Maturity Date shall be delivered to the Trustee for cancellation and the Company may not hold or resell such Securities or issue any new Securities to replace any such Securities or any Securities that any Holder has converted pursuant to the Indenture. All shares of Common Stock issued upon conversion of the Securities which are repurchased or otherwise acquired by the Company or any of its subsidiaries or affiliates (as defined in Rule 144 (or any successor provision then in force) promulgated by the SEC under the Act) at any time while such shares are "restricted securities" within the meaning of Rule 144 shall not be resold or otherwise transferred except pursuant to a registration statement which has been declared effective under the Act.

3. Registration Procedures. In connection with any Shelf Registration Statement, the following provisions shall apply:

(a) The Company shall furnish to the Representatives, prior to the filing thereof with the SEC, a copy of any Shelf Registration Statement, and each amendment thereof (excluding amendments caused by the filing by the Company with the SEC of a report required by the Exchange Act), a copy of any Prospectus, and each amendment or supplement, if any, to the Prospectus included therein and shall use its reasonable efforts to reflect in each such document, when so filed with the SEC, such comments as the Representatives reasonably may propose. The Representatives shall promptly furnish to the Company any comments it may have to such documents mentioned in the foregoing sentence.

(b) The Company shall ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto comply in all material respects with the Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus, does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

8

provided, that the Company makes no representation or agreement with respect to information with respect to the Initial Purchasers, any Underwriter or any Holder required to be included in any Shelf Registration or Prospectus pursuant to the Act or the rules and regulations thereunder and which information is included therein in reliance upon and in conformity with information furnished to the Company in writing by the Representatives, such Underwriter or such Holder.

(c) (1) The Company, as promptly as reasonably practicable, shall advise the Representatives and each Holder that has returned a completed and signed Notice and Questionnaire to the Company and, if requested by the Representatives or any such Holder, confirm such advice in writing:

(i) when a Shelf Registration Statement and any amendment thereto has been filed with the SEC and when the Shelf Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the SEC for amendments or supplements to the Shelf Registration Statement or the Prospectus, as applicable, or for additional information;

(iii) of the determination by the Company that a post-effective amendment to the Shelf Registration Statement would be appropriate; and

(iv) of the commencement or termination of any Suspension Period.

(2) The Company shall advise the Representatives and each Holder that has returned a completed and signed Notice and Questionnaire to the Company and, if requested by the Representatives or any such Holder, confirm such advice in writing:

(i) of the issuance by the SEC of any stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of any proceedings for that purpose;

(ii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities included in any Shelf Registration Statement for sale in any jurisdiction or the initiation or threat of any proceeding for such purpose; and

(iii) of the suspension of the use of the Prospectus pursuant to Section 2(d) hereof or of the happening of any event that requires the making of any changes in the Shelf Registration Statement or the Prospectus so that, as of such date, the statements therein are not misleading and the Shelf Registration Statement or the Prospectus, as the case may be, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading (which advice shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made).

(d) The Company shall use its reasonable best efforts to obtain the withdrawal of any order suspending the

effectiveness of any Shelf Registration Statement or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Securities for offer or sale in any jurisdiction at the earliest possible time.

(e) The Company shall furnish to each Holder of Securities and the Common Stock issued upon conversion thereof included within the coverage of any Shelf Registration Statement, without charge, at least one copy of such Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits (including those incorporated by reference).

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities or the Common Stock issued upon conversion thereof included within the coverage of any Shelf Registration Statement, without charge, as many copies of the Prospectus (including each preliminary Prospectus) included in such Shelf Registration Statement and any amendment or supplement thereto as such Holder may reasonably request; and, except during the continuance of any Suspension Period, the Company consents to the use of the Prospectus or any supplement thereto by each of the selling Holders in connection with the offering and sale of the Securities or the Common Stock issued upon conversion thereof covered by the Prospectus or any supplement thereto.

(g) Prior to any offering of Securities or the Common Stock issued upon conversion thereof pursuant to any Shelf Registration Statement, the Company shall register or qualify or cooperate with the Holders of Securities and the Common Stock issued upon conversion thereof included therein and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Securities or Common Stock for offer and sale, as

10

11

the case may be, under the securities or blue sky laws of such jurisdictions as any such Holders reasonably request in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities and the Common Stock issued upon conversion thereof covered by such Shelf Registration Statement; provided, however, that the Company will not be required to (A) qualify generally to do business as a foreign corporation or as a dealer in securities in any jurisdiction where it is not then so qualified or to (B) take any action which would subject it to general service of process or to taxation in any such jurisdiction where it is not then so subject.

(h) The Company shall cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Securities or the Common Stock issued upon conversion thereof to be sold pursuant to any Shelf Registration Statement free of any restrictive legends and in such denominations and registered in such names as Holders may request prior to sales of Securities or the Common Stock issued upon conversion thereof pursuant to such Shelf Registration Statement.

(i) Subject to the exceptions contained in (A) and (B) of subsection (g) hereof, the Company shall use its best efforts to cause the Securities and Common Stock issued upon conversion thereof covered by the applicable Shelf Registration Statement to be registered with or approved by such other federal, state and local governmental agencies or authorities, and self-regulatory organizations in the United States as may be necessary to enable the Holders to consummate the disposition of such Securities and Common Stock issued upon conversion thereof as contemplated by the Shelf Registration Statement; without

limitation to the foregoing, the Company shall make all filings and provide all such information as may be required by the National Association of Securities Dealers, Inc. (the "NASD") in connection with the offering under the Shelf Registration Statement of the Securities and Common Stock issued upon conversion thereof (including, without limitation, such as may be required by NASD Rule 2710 or 2720), and shall cooperate with each Holder in connection with any filings required to be made with the NASD by such Holder in that regard.

(j) Upon the occurrence of any event contemplated by Section 2(d) or paragraph 3(c)(2)(iii) above and subject to Section 3(a) hereof, the Company shall promptly prepare and file with the SEC a post-effective amendment to any Shelf Registration Statement or an amendment or supplement to the related Prospectus or any document incorporated therein by reference or file a document which is incorporated or deemed to be incorporated by reference in such Shelf Registration Statement or Prospectus, as the case may be, so that, as thereafter delivered to purchasers of the Securities or the Common Stock issued upon conversion

11

12

thereof included therein, the Shelf Registration Statement and the Prospectus, in each case as then amended or supplemented, will not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein (in the case of the Prospectus in light of the circumstances under which they were made) not misleading and in the case of a post-effective amendment, use reasonable efforts to cause it to become effective as promptly as practicable; provided that the Company's obligations under this paragraph (j) shall be suspended if the Company has suspended the use of the Prospectus in accordance with Section 2(d) hereof and given notice of such suspension to Holders, it being understood that the Company's obligations under this Subsection (j) shall be automatically reinstated at the end of such Suspension Period.

(k) The Company shall take such actions as the Representatives may reasonably request to provide, as soon as practicable, a CUSIP number for the Securities registered under such Shelf Registration Statement and to cause such CUSIP number to be assigned to such Securities (or to the maximum aggregate principal amount of the Securities to which such number may be assigned). Upon compliance with the foregoing requirements of this Section 3(k), the Company shall provide the Trustee with global certificates for such Securities in a form eligible for deposit with The Depository Trust Company ("DTC").

(l) The Company shall use its best efforts to comply with all applicable rules and regulations of the SEC and shall make generally available to its security holders as soon as practicable but in any event not later than 15 months after (i) the effective date of the applicable Shelf Registration Statement, (ii) the effective date of each post-effective amendment to any Shelf Registration Statement, and (iii) the date of each filing by the Company with the SEC of an Annual Report on Form 10-K that is incorporated by reference or deemed to be incorporated by reference in the Shelf Registration Statement, an earnings statement satisfying the provisions of Section 11(a) of the Act and Rule 158 promulgated by the SEC thereunder.

(m) The Company shall use reasonable efforts to cause the Indenture to be qualified under the TIA (as defined in the Indenture) in a timely manner.

(n) The Company shall cause all Common Stock issued or issuable upon conversion of the Securities to be listed on each securities exchange or quotation system on which the Common Stock is then listed no later than the date the applicable Shelf

Registration Statement is declared effective and, in connection therewith, to make such filings as

12

13

may be required under the Exchange Act and to have such filings declared effective as and when required thereunder.

(o) The Company may require each Holder of Securities or the Common Stock issued upon conversion thereof to be sold pursuant to any Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of such Securities or Common Stock sought by the Notice and Questionnaire and such additional information as may, from time to time, be required by the Act and the rules and regulations promulgated thereunder, and the obligations of the Company to any Holder hereunder shall be expressly conditioned on the compliance of such Holder with such request.

(p) The Company shall, if reasonably requested, use reasonable efforts to promptly incorporate in a Prospectus supplement or post-effective amendment to a Shelf Registration Statement (i) such information as the Majority Holders provide or, if the Securities or Common Stock are being sold in an Underwritten Offering, as the Managing Underwriters or the Majority Underwriting Holders reasonably agree should be included therein and provide to the Company in writing for inclusion in the Shelf Registration Statement or Prospectus, and (ii) such information as a Holder may provide from time to time to the Company in writing for inclusion in a Prospectus or any Shelf Registration Statement concerning such Holder and the distribution of such Holder's Securities and Common Stock and, in either case, shall make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after being notified in writing of the matters to be incorporated in such Prospectus supplement or post-effective amendment, provided that the Company shall not be required to take any action under this Section 3(p) that is not, in the reasonable opinion of counsel for the Company, in compliance with applicable law.

(q) The Company shall enter into such customary agreements (including underwriting agreements) and take all other appropriate actions as may be reasonably requested in order to expedite or facilitate the registration or the disposition of the Securities or the Common Stock issued or issuable upon conversion thereof, and in connection therewith, if an underwriting agreement is entered into, cause the same to contain indemnification and contribution provisions and procedures no less favorable than those set forth in Section 5 (or such other reasonable and customary provisions and procedures acceptable to the Majority Underwriting Holders and the Managing Underwriters, if any, with respect to all parties to be indemnified pursuant to Section 5). The plan of distribution in the Shelf Registration Statement and the Prospectus included therein shall permit resales of the Securities or Common Stock issuable upon conversion thereof to be made by selling security holders

13

14

through underwriters, brokers and dealers, and shall also include such other information as the Representatives may reasonably request.

(r) The Company shall (i) make reasonably available for inspection by any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and any attorney, accountant or other agent retained by any such Underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and its

subsidiaries as is customary for due diligence examinations in connection with public offerings; (ii) cause the Company's officers, directors and employees to supply all relevant information reasonably requested by any such Underwriter, attorney, accountant or agent in connection with any such Shelf Registration Statement as is customary for similar due diligence examinations; provided, however, that any information that is designated in writing by the Company, in its sole discretion, as confidential at the time of delivery of such information shall be kept confidential by the Holders or any such Underwriter, attorney, accountant or agent, unless disclosure thereof is made in connection with a court, administrative or regulatory proceeding or required by law, or such information has become available to the public generally through the Company or through a third party without an accompanying obligation of confidentiality; provided, further, that if the foregoing inspection and information gathering specified in subsections (i) and (ii) would, in the Company's reasonable judgment, disrupt the Company's conduct of business, such inspections and information gathering shall be coordinated on behalf of the Holders and the other parties entitled thereto by one counsel designated by or on behalf of the Majority Holders (or, in the case of an Underwritten Offering, the Majority Underwriting Holders and the Managing Underwriters); (iii) deliver a letter, addressed to the Holders of Securities and Common Stock issued upon conversion thereof and the Underwriters, if any, in which the Company shall make such representations and warranties in form, substance and scope as are customarily made by issuers to Underwriters; (iv) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Managing Underwriters, if any) addressed to each selling Holder and the Underwriters, if any, covering such matters as are customarily covered in opinions requested in public offerings; (v) obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Shelf Registration Statement), addressed to each selling Holder of Securities and Common Stock issued upon conversion thereof registered thereunder (provided such Holder furnishes

14

15

the accountants, prior to the date such "cold comfort" letter is required to be delivered, with such representations as the accountants customarily require in similar situations) and the Underwriters, if any, in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with primary underwritten offerings; and (vi) deliver such documents and certificates as may be reasonably requested by the Majority Holders or, in the case of an Underwritten Offering, the Majority Underwriting Holders, and the Managing Underwriters, if any, including those to evidence compliance with Section 3(j) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The foregoing actions set forth in clauses (iii), (iv), (v) and (vi) of this Section 3(r) shall be performed at (A) the effectiveness of such Shelf Registration Statement and each post-effective amendment thereto and (B) each closing under any underwriting or similar agreement as and to the extent required thereunder.

(s) Each Holder agrees that, upon receipt of notice of the happening of an event described in Sections 3(c)(1)(ii) through and including 3(c)(1)(iv) and Sections 3(c)(2)(i) through and including 3(c)(2)(iii), each Holder shall forthwith discontinue (and shall cause its agents and representatives to discontinue) disposition of the Securities and the Common Stock issuable upon conversion thereof and will not resume disposition of such Securities or the Common Stock until such Holder has

received copies of an amended or supplemented Prospectus contemplated by Section 3(j) hereof, or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed or that the relevant Suspension Period has been terminated, as the case may be, provided that, the foregoing shall not prevent the sale, transfer or other disposition of Securities or Common Stock issuable upon conversion thereof by a Holder in a transaction which is exempt from, or not subject to, the registration requirements of the Act, so long as such Holder does not and is not required to deliver the applicable Prospectus or Shelf Registration Statement in connection with such sale, transfer or other disposition, as the case may be; and provided, further, that the provisions of this paragraph (s) shall not prevent the occurrence of a Registration Default or otherwise limit the obligation of the Company to pay Liquidated Damages.

4. Registration Expenses. The Company shall bear all expenses incurred in connection with the performance of its obligations under Sections 2 and 3 hereof and shall reimburse the Holders for the reasonable fees and disbursements of one firm or counsel designated by the Majority Holders to act as counsel for the Holders in connection therewith. Notwithstanding the provisions of this Section 4, each Holder shall

15

16

bear the expense of any broker's commission, agency fee or Underwriter's discount or commission.

5. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless each Holder of Securities and each Holder of Common Stock issued upon conversion thereof covered by any Shelf Registration Statement (including the Initial Purchasers), the directors, officers, employees and agents of each such Holder and each person who controls any such Holder within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Shelf Registration Statement as originally filed or in any amendment thereof, or in any preliminary Prospectus or Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, (in the case of a Prospectus in the light of the circumstances under which they were made), not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon (A) any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any such Holder (including the Initial Purchasers) specifically for inclusion therein, (B) use of a Shelf Registration Statement or the related Prospectus during a period when a stop order has been issued in respect of such Shelf Registration or any proceedings for that purpose have been initiated or use of a Prospectus when use of such Prospectus has been suspended pursuant to Section 2(d) or Section 3(s); provided, further, in each case, that Holders received prior notice of such stop order, initiation of proceedings or suspension, or (C) if the Holder fails to deliver a Prospectus, as then amended or supplemented, provided that the Company shall have delivered to such Holder such Prospectus, as then amended or supplemented. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Holder of Securities or Common Stock issued upon conversion thereof covered by a Shelf Registration Statement (including the Initial Purchasers) severally and not jointly agrees to indemnify and hold harmless (i) the Company, (ii) each of its directors, (iii) each of its officers and (iv) each person who controls the Company within the meaning of either the

Act or the Exchange Act to the same extent as the foregoing indemnity from the Company to each such Holder, but only with reference to written information relating to such Holder furnished to the Company by or on behalf of such Holder specifically for inclusion in the documents referred to in

16

17

the foregoing indemnity. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. Notwithstanding the foregoing, the indemnifying party shall not, in the connection with any one action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate counsel (in addition to one separate local counsel) at any time for the indemnified party or parties, unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties or (y) a conflict or potential conflict exists or may exist (based on advice of counsel to an indemnified party) between such indemnified party and any other indemnified parties or (z) an indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels. Neither an indemnifying party nor an indemnified party will, without the prior written consent of the other parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which

17

18

indemnification or contribution may be sought hereunder (whether or not such other parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of such other parties from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 5 is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall have an obligation to



contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses"), as incurred, to which such indemnified party may be subject in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party, on the one hand, and such indemnified party, on the other hand, from the Initial Placement and any sales of Securities under the Shelf Registration Statement; provided, however, that in no case shall the Initial Purchasers be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to the Securities, as set forth in the Purchase Agreement. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the indemnifying party and the indemnified party shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of such indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Relative fault shall be determined by reference to whether any untrue statement or omission or alleged untrue statement or omission relates to information provided by the indemnifying party, on the one hand, or by the indemnified party, on the other hand. The parties agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 5, each person who controls a Holder within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of such Holder shall have the same rights to contribution as such Holder, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company and each director of the Company shall have the same rights to contribution as the Company, and each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each officer and director of each Underwriter shall have the same rights to contribution as such Underwriter, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The provisions of this Section 5 will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder, any Underwriter or the Company or any of the officers, directors or controlling persons

18

19

referred to in Section 5 hereof, and will survive the sale by a Holder of Securities or shares of Common Stock covered by a Shelf Registration Statement.

6. Miscellaneous.

(a) No Inconsistent Agreements. The Company has not, as of the date hereof, entered into nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, qualified, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the Majority Holders; provided that with respect to any matter that directly or indirectly affects the rights of the Initial Purchasers hereunder, the Company shall obtain the written consent of each of the Initial Purchasers against which such amendment, qualification, supplement, waiver or consent is to be effective. Notwithstanding the foregoing (except the foregoing proviso), a waiver or consent to departure from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders whose Securities or Common Stock are being sold pursuant to a Shelf Registration Statement and that does not directly or indirectly affect the rights of other Holders may be given by the Majority Holders, determined on the basis of Securities or Common Stock issued upon conversion thereof being sold rather than registered under such Shelf Registration Statement.

(c) Notices. All notices and other communications provided

for or permitted hereunder shall be made in writing by hand-delivery, first-class mail, telecopier, or air courier guaranteeing overnight delivery:

(1) if to the Representatives, initially at the address set forth in the Purchase Agreement;

(2) if to any other Holder, at the most current address given by such Holder to the Company in accordance with the provisions of this Section 6(c), which address initially is, with respect to each Holder, the address of such Holder maintained by the Registrar under the Indenture or, in the case of Common Stock, the address maintained by the registrar of the Common Stock, with a copy in like manner to the Representatives; and

(3) if to the Company, initially at its address set forth in the Purchase Agreement.

All such notices and communications shall be deemed to have been duly given when received, if delivered by hand or air courier, and when sent, if sent by first-class mail or telecopier.

19

20

The Initial Purchasers or the Company by notice to the other may designate additional or different addresses for subsequent notices or communications.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without the need for an express assignment or any consent by the Company thereto, subsequent Holders. The Company hereby agrees to extend the benefits of this Agreement to any Holder and Underwriter and any such Holder and Underwriter may specifically enforce the provisions of this Agreement as if an original party hereto. In the event that any other person shall succeed to the Company under the Indenture as provided in Article V thereof, then such successor shall enter into an agreement, in form and substance reasonably satisfactory to the Initial Purchasers, whereby such successor shall assume all of the Company's obligations under this Agreement.

(e) Counterparts. This agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SAID STATE, WITHOUT REGARD, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO THE CONFLICTS OF LAW RULES THEREOF.

(h) Severability. In the event that any one of more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or affected thereby, it being intended that all of the rights and privileges of the parties shall be enforceable to the fullest extent permitted by law.

Securities Held by the Company, etc. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities or the Common Stock issuable upon conversion thereof is required hereunder, Securities or the Common Stock issued upon conversion thereof held by the Company or its Affiliates (other than subsequent Holders of Securities or the Common Stock issued upon conversion thereof if such subsequent Holders are deemed to be Affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

20

21

Please confirm that the foregoing correctly sets forth the agreement between the Company and you.

Very truly yours,

AMKOR TECHNOLOGY, INC.

/s/ Kenneth Joyce

-----  
Name: Kenneth Joyce  
Title: Chief Financial Officer

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

SALOMON SMITH BARNEY INC.

By /s/ Lee J. Tawil

-----  
Name: Lee J. Tawil  
Title: Director

For itself and the other Initial  
Purchasers named in Schedule I to the  
Purchase Agreement

22

EXHIBIT A

Amkor Technology, Inc.

Notice of Registration Statement

and

Selling Securityholder Questionnaire

Reference is hereby made to the Registration Agreement (the "Registration Agreement") between Amkor Technology, Inc., a Delaware corporation (the "Company"), and the Initial Purchasers named therein. Pursuant to the Registration Agreement, the Company has filed or will file with the United States Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Company's 5.75% Convertible Subordinated Notes due 2006 (the "Securities"), and the shares of the Company's common stock, par value \$.001 per share (the "Common Stock"), issuable upon conversion thereof. A copy of the Registration Agreement is attached hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Agreement.

Each holder and beneficial owner of Transfer Restricted Securities is entitled to have its Transfer Restricted Securities included in the Shelf Registration Statement. In order to have Transfer Restricted Securities included in the Shelf Registration Statement, this Notice of Registration Statement and Selling Securityholder Questionnaire ("Notice and Questionnaire") must be completed, executed and delivered to the Company's counsel at the following address, for receipt ON OR BEFORE [DEADLINE FOR RESPONSE]: [NAME AND ADDRESS OF COUNSEL]. Holders or beneficial owners of Transfer Restricted Securities who do not complete, execute and return this Notice and Questionnaire by such date (i) will not be named as selling securityholders in the Shelf Registration Statement and (ii) may not use the Prospectus forming a part thereof for resales of Transfer Restricted Securities, subject, however, to the Company's obligations under Section 2(b)(2) of the Registration Agreement.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and related Prospectus. Accordingly, holders and beneficial owners of Transfer Restricted Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf

ELECTION

The undersigned (the "Selling Securityholder") hereby elects to include in the Shelf Registration Statement the Transfer Restricted Securities held or beneficially owned by it and listed below in Item (3) (b). The undersigned, by signing and returning this Notice and Questionnaire, agrees to be bound with respect to such Transfer Restricted Securities by the terms and conditions of this Notice and Questionnaire and the Registration Agreement, including, without limitation, the indemnification set forth in Section 5 of the Registration Agreement, as if the undersigned Selling Securityholder were an original party thereto.

QUESTIONNAIRE

(1) (a) Full legal name of Selling Securityholder:

(b) Full legal name of registered holder (if not the same as in (a) above) of Transfer Restricted Securities listed in (3) below (if the Transfer Restricted Securities are held through a broker-dealer or other third party and, as a result, you do not know the legal name of the registered holder, please complete Item (1) (c) below):

(c) Full legal name of broker-dealer or other third party through which Transfer Restricted Securities listed in (3) below are held:

(2) Address for notices to Selling Securityholder:

Telephone:

Fax:

Contact Person:

(3) Beneficial ownership of Transfer Restricted Securities.

Except as set forth below in this Item (3), the undersigned does not beneficially own any Securities or shares of Common Stock which constitute Transfer Restricted Securities.

(a) Principal amount of Securities constituting Transfer Restricted Securities beneficially owned:

Number of shares of Common Stock, if any, constituting Transfer Restricted Securities (include only shares of Common Stock which have actually been issued, not shares issuable upon future conversion of Securities):

The undersigned also may be deemed to beneficially own such number of shares of Common Stock as may be issued from time to time upon conversion of the Securities listed in Item (3) (a) above.

(b) Principal amount of Securities and number of shares of outstanding Common Stock constituting Transfer Restricted Securities which the undersigned wishes to be included in the Shelf Registration Statement:

Unless otherwise indicated in the space provided below, all Securities, all shares of Common Stock listed in response to Item (3) (a) above, and all shares of Common Stock issuable upon conversion of the Securities listed in response to Item (3) (b) above, will be included in the Shelf Registration Statement. If the undersigned does not wish all such Securities or shares of Common Stock to be so included, please indicate below the number of such shares to be included:

(4) Beneficial ownership of other securities of the Company:

Except as set forth below in this item (4), the undersigned Selling Securityholder is not the beneficial or registered owner of any shares of Common Stock or any other securities of the Company, other than Securities and shares of Common Stock listed above in Item (3).

State any exceptions here:

(5) Relationships with the Company:

Except as set forth below, neither the Selling Securityholder nor any of its officers, directors or 5% or greater stockholders has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

(6) Plan of Distribution:

Except as set forth below, the undersigned Selling Securityholder intends to distribute the Transfer Restricted Securities listed above in Item (3) only as follows (if at all): Such Transfer Restricted Securities may be sold from time to time by the undersigned Selling Securityholder (i) to or through underwriters, brokers or dealers; (ii) directly to one or more other purchasers; (iii) through agents on a best-efforts basis or

A-3

25

otherwise; or (iv) through a combination of any such methods of sale. Such Transfer Restricted Securities may be sold from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale, or at negotiated prices. Such sales may be effected in transactions (which may involve crosses or block transactions) (i) on any national securities exchange or quotation service on which the Transfer Restricted Securities may be listed or quoted at the time of sale, (ii) in the over-the-counter market, (iii) in transactions otherwise than on such exchanges or services or in the over-the-counter market, or (iv) through the writing of options. In connection with sales of the Transfer Restricted Securities or otherwise, the Selling Securityholder may enter into hedging transactions with brokers-dealers or others, which may in turn engage in short sales of the Transfer Restricted Securities in the course of hedging the positions they assume. The Selling Securityholder may also sell Transfer Restricted Securities short and deliver Transfer Restricted Securities to close out such short positions, or loan or pledge Transfer Restricted Securities to brokers-dealers or others that in turn may sell such securities. The Selling Securityholder may pledge or grant a security interest in some or all of the Transfer Restricted Securities owned by it and, if it defaults in the performance of its secured obligations, the pledgees or secured parties may offer and sell the Transfer Restricted Securities from time to time pursuant to the Prospectus. The Selling Securityholder also may transfer and donate shares in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling stockholders for purposes of the Prospectus. The Selling Securityholder may sell short the Common Stock and may deliver the Prospectus in connection with such short sales and use the shares covered by the Prospectus to cover such short sales.

State any exceptions here:

By signing below, the Selling Securityholder acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, particularly Regulation M and the prospectus delivery requirements under the Securities Act.

In the event that the Selling Securityholder transfers all or any portion of the Transfer Restricted Securities listed in Item (3) above after the date on which such information is provided to the Company (other than a transaction as a result of which such securities shall no longer be Transfer Restricted Securities), the Selling Securityholder agrees to notify the transferees at the time of the transfer of its rights and obligations under this Notice and Questionnaire and the Registration Agreement.

By signing below, the Selling Securityholder consents to the disclosure of the information contained herein in its answers to Items (1) through (6) above and the

A-4

26

inclusion of such information in the Shelf Registration Statement and related Prospectus. The Selling Securityholder understands that such information will be relied upon by the Company in connection with the preparation of the Shelf Registration Statement and related Prospectus.

The Selling Securityholder agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein which may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains in effect. All notices hereunder and pursuant to the Registration Agreement shall be made in writing, by hand-delivery, first-class mail, or air courier guaranteeing overnight delivery as follows:

Amkor Technology, Inc.  
345 Enterprise Drive  
West Chester, PA 19380  
Attention: Ken Joyce

Once this Notice and Questionnaire is executed by the Selling Securityholder and received by the Company, the terms of this Notice and Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives, and assigns of the Company and the Selling Securityholder (with respect to the Transfer Restricted Securities beneficially owned by such Selling Securityholder and listed in Item (3)(b) above). This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Selling Securityholder  
(Print/type full legal name of  
beneficial owner of Transfer  
Restricted Securities).

By:

-----  
Name:  
Title:

A-5

AMENDED AND RESTATED CREDIT AGREEMENT

DATED AS OF MARCH 30, 2001

AMONG

AMKOR TECHNOLOGY, INC.

AS BORROWER

AND

THE INITIAL LENDERS AND INITIAL ISSUING BANKS

NAMED HEREIN

AS INITIAL LENDERS AND INITIAL ISSUING BANKS

AND

SALOMON SMITH BARNEY INC.

AS SOLE BOOK MANAGER

AND

CITICORP USA, INC.

AS ADMINISTRATIVE AGENT AND AS COLLATERAL AGENT

AND

DEUTSCHE BANC ALEX. BROWN INC.

AS SYNDICATION AGENT

AND

SALOMON SMITH  
BARNEY INC.

DEUTSCHE BANC  
ALEX. BROWN INC.

AS ARRANGERS

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT dated as of March 30, 2001 (as amended, supplemented or otherwise modified from time to time, this "Agreement") among AMKOR TECHNOLOGY, INC., a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders listed on the signature pages hereof as the Lenders as of the date hereof (the "Initial Lenders"), the banks listed on the signature pages hereof as the Issuing Banks as of the date hereof (the "Initial Issuing Banks"), SALOMON SMITH BARNEY INC. ("SSBI") as sole book manager (the "Book Manager"), CITICORP USA, INC. ("CUSA"), as administrative agent (together with any successor administrative agent appointed pursuant to Article VII, the "Administrative Agent") for the Lender Parties (as hereinafter defined) and as collateral agent (together with any successor collateral agent appointed pursuant to Article VII, the "Collateral Agent"), DEUTSCHE BANC ALEX. BROWN INC. ("DBAB"), as syndication

agent (the "Syndication Agent"; together with the Administrative Agent and the Collateral Agent, the "Agents"), and SSBI and DBAB, as arrangers (the "Arrangers"), amends and restates in its entirety the Existing Credit Agreement (as defined below).

PRELIMINARY STATEMENTS:

WHEREAS, the Borrower is a party to a Credit Agreement dated as of April 28, 2000 (as amended through the date hereof, the "Existing Credit Agreement") among the Borrower, the Initial Lenders, the Initial Issuing Banks, the SSBI, as book manager, Societe Generale ("SG"), as administrative agent (the "Existing Administrative Agent") and collateral agent (the "Existing Collateral Agent"), SSBI and SG, as syndication agents, SSBI, SG Cowen Securities Corporation and DBAB, as arrangers, and DBAB, as documentation agent;

WHEREAS, on February 16, 2001 SG resigned as Existing Administrative Agent and Existing Collateral Agent as to all of the Facilities pursuant to Section 7.06 of the Existing Credit Agreement;

WHEREAS, the Existing Administrative Agent, the Existing Collateral Agent, the Administrative Agent and the Collateral Agent have concurrently herewith (but prior to the effectiveness of this Agreement) entered into the Assignment and Release Agreement dated the date hereof (the "Assignment and Release Agreement") pursuant to which (i) the resignation by SG of its duties as Existing Administrative Agent and Existing Collateral Agent are confirmed, (ii) the Existing Administrative Agent and the Existing Collateral Agent have assigned all their respective rights, title and interest in, to and under the Existing Credit Agreement and the Loan Documents (as defined in the Existing Credit Agreement) and delegated all of their respective obligations thereunder and with respect thereto to the Administrative Agent or the Collateral Agent, as applicable, and (iii) CUSA, as the successor Administrative Agent and Collateral Agent has accepted such assignment and delegation;

WHEREAS, on February 20, 2001 the Borrower issued \$500,000,000 of 9.25% senior notes due 2008 (the "Senior Notes (2001)"), the Net Cash Proceeds of which were applied by the Borrower in prepayment of certain of the Advances under the Existing Credit Agreement (including the repayment in full of the Term A Advances) and for its general corporate and working capital purposes;

WHEREAS, the Borrower has requested that the Lender Parties amend and restate the Existing Credit Agreement on the terms set forth in this Agreement, which Agreement shall become effective upon satisfaction of certain conditions precedent set forth herein;

1

3

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement or evidence payment of all or any of such obligations and liabilities (other than the repayment in full of the Term A Advances referred to above), that this Agreement amend and restate in its entirety the Existing Credit Agreement, and that from and after the Effective Date the Existing Credit Agreement be of no further force or effect except as to evidence the incurrence of the "Obligations" thereunder and the representations and warranties made thereunder;

NOW, THEREFORE, in consideration of the above premises, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1 CERTAIN DEFINED TERMS. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acquisition Agreement" means the asset purchase agreement dated as of January 14, 2000 between AT Korea and Anam.

"Administrative Agent" has the meaning specified in the recital of parties to this Agreement.



"Administrative Agent's Account" means the account of the Administrative Agent maintained by the Administrative Agent with Citibank at its office in New York, New York, ABA No. 021-0000-89, Account No. 36852248, Attention: Jason Trala.

"Advance" means a Term B Advance, a Revolving Credit Advance or a Letter of Credit Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 10% or more of the Voting Interests of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

"Affiliate Restricted Investment Amount" means, at any time (without duplication) an amount equal to (a) the sum of (i) the amount of all cash Investments of the Borrower and its Restricted Subsidiaries, or which any of the Borrower and its Restricted Subsidiaries has assumed a legally binding commitment to make, on or after the Effective Date, in, (ii) the aggregate outstanding amount of all Contingent Obligations (including Contingent Obligations and reimbursement obligations in respect of letters of credit) of the Borrower and its Restricted Subsidiaries at such time in respect of obligations of, and (iii) (to the extent contributed, sold or otherwise transferred at less than its Fair Market Value, or, if leased) the Fair Market Value of all assets (other than cash) of the Borrower and its Restricted Subsidiaries contributed, sold or otherwise transferred or leased on or after the Effective Date to, any Non Wholly-Owned Affiliate, minus (b) (subject to any adjustment required pursuant to clause (i) (y) (B) of the definition of Maximum Restricted Investment Amount) the sum of any cash

2

4

dividends, cash distributions or other return of capital or cash repayments of Debt owing to, or rental and other cash payments pursuant to any lease of assets granted by, the Borrower or any Wholly-Owned Restricted Subsidiary (but not intercompany loans to the Borrower or any Wholly-Owned Restricted Subsidiary) received after the Effective Date by the Borrower or any Wholly-Owned Restricted Subsidiary (in each case) in respect of any Investments made by them in any Non Wholly-Owned Affiliate.

"Agents" has the meaning specified in the recital of parties to this Agreement.

"Agreement Value" means, for each Hedge Agreement, on any date of determination, an amount determined by the Administrative Agent equal to: (a) in the case of a Hedge Agreement documented pursuant to the Master Agreement (Multicurrency-Cross Border) published by the International Swap and Derivatives Association, Inc. (the "Master Agreement"), the amount, if any, that would be payable by any Loan Party or any of its Subsidiaries to its counterparty to such Hedge Agreement, as if (i) such Hedge Agreement was being terminated early on such date of determination, (ii) such Loan Party or Subsidiary was the sole "Affected Party", and (iii) the Administrative Agent was the sole party determining such payment amount (with the Administrative Agent making such determination pursuant to the provisions of the form of Master Agreement); or (b) in the case of a Hedge Agreement traded on an exchange, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party party to such Hedge Agreement determined by the Administrative Agent based on the settlement price of such Hedge Agreement on such date of determination, or (c) in all other cases, the mark-to-market value of such Hedge Agreement, which will be the unrealized loss on such Hedge Agreement to the Loan Party or Subsidiary of a Loan Party party to such Hedge Agreement determined by the Administrative Agent as the amount, if any, by which (i) the present value of the future cash flows to be paid by such Loan Party or Subsidiary exceeds (ii) the present value of the future cash flows to be received by such Loan Party or Subsidiary pursuant to such Hedge Agreement; capitalized terms used and not otherwise defined in this definition shall have the respective meanings set forth in the above described Master Agreement.

"Anam" means Anam Semiconductor, Inc., a Korean coproation.

"Applicable Lending Office" means, with respect to each Lender Party, such Lender Party's Domestic Lending Office in the case of a Base Rate Advance and such Lender Party's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" means (a) with respect to the Term B Facility, 3.00% per annum in the case of Eurodollar Rate Advances, and 2.00% per annum in the case of Base Rate Advances and (b) with respect to the Revolving Credit Facility, (i) for the period from the Initial Closing Date to the six-month anniversary of the Initial Closing Date, 2.75% per annum in the case of Eurodollar Rate Advances, and 1.75% per annum in the case of Base Rate Advances, and (ii) thereafter, a percentage per annum determined by reference to the Leverage Ratio as set forth below:

LEVERAGE RATIO	BASE RATE ADVANCES	EURODOLLAR RATE ADVANCES
Level I		
less than or equal to 1.25:1.0	1.00%	2.00%
Level II		
greater than 1.25:1.0 and less than or equal to 1.75:1.0	1.25%	2.25%

Level III		
greater than 1.75:1.0 and less than or equal to 2.25:1.0	1.50%	2.50%
Level IV		
greater than 2.25:1.0	1.75%	2.75%

For the purposes of this clause (b)(ii), the Applicable Margin for each Base Rate Advance shall be determined by reference to the Leverage Ratio in effect from time to time and the Applicable Margin for each Eurodollar Rate Advance shall be determined by reference to the Leverage Ratio in effect on the first day of each Interest Period for such Advance; provided, however, that (A) no change in the Applicable Margin shall be effective until three Business Days after the date on which the Administrative Agent receives the financial statements required to be delivered pursuant to Section 5.3(b) or (c), as the case may be, and a certificate of the Chief Financial Officer of the Borrower demonstrating such Leverage Ratio, (B) the Applicable Margin shall be at Level IV for so long as the Borrower has not submitted to the Administrative Agent the information described in clause (A) of this proviso as and when required under Section 5.3(b) or (c), as the case may be and (C) the Applicable Margin shall be at Level IV in the event a Default has occurred and is continuing.

"Application Date" has the meaning specified in Section 2.6(b)(vi).

"Appropriate Lender" means, at any time, with respect to (a) any of the Facilities, a Lender that has a Commitment with respect to such Facility at such time and (b) the Letter of Credit Facility, (i) any Issuing Bank and

(ii) if the other Revolving Credit Lenders have made Letter of Credit Advances pursuant to Section 2.3(c) that are outstanding at such time, each such other Revolving Credit Lender.

"Approved Fund" means, with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Arrangers" has the meaning specified in the recital of parties to this Agreement.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender Party and an Eligible Assignee, and accepted by the Administrative Agent, in accordance with Section 8.7 and in substantially the form of Exhibit C hereto.

"Assignment and Release Agreement" has the meaning specified in the preliminary statements to this Agreement.

"Assuming Lender" has the meaning specified in Section 2.17(d).

"Assumption Agreement" has the meaning specified in Section 2.17(d) (ii).

"AT Korea" means Amkor Technology Korea, Inc., an indirect Wholly-Owned Subsidiary of the Borrower.

"AT Korea Bonds" means \$385,000,000 of bonds issued by AT Korea to the Borrower on May 11, 1999 and \$625,000,000 of bonds issued by AT Korea to the Borrower on May 2, 2000.

4

6

"Available Amount" of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate; and

(b) 1/2 of 1% per annum above the Federal Funds Rate.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.7(a) (i).

"Board of Directors" means the Board of Directors of the Borrower or any duly authorized committee of the Board of Directors.

"Book Manager" has the meaning specified in the recital of parties to this Agreement.

"Borrower" has the meaning specified in the recital of parties to this Agreement.

"Borrower's Account" means the account of the Borrower maintained by the Borrower with Citibank in New York, New York, ABA No. 021000089, Account No. 40568602.

"Borrowing" means a Term B Borrowing or a Revolving Credit Borrowing.

"Borrowing Base Certificate" means a certificate in substantially the form of Exhibit D hereto, duly certified by the chief financial officer of the Borrower.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are

carried on in the London interbank market.

"Capital Expenditures" means, for any Person for any period, the sum of, without duplication, (a) all expenditures made, directly or indirectly, by such Person or any of its Subsidiaries during such period for equipment, fixed assets, real property or improvements, or for replacements or substitutions therefor or additions thereto, that have been or should be, in accordance with GAAP, reflected as additions to property, plant or equipment on a Consolidated balance sheet of such Person or have a useful life of more than one year plus (b) the aggregate principal amount of all Debt (including Obligations under Capitalized Leases) assumed or incurred in connection with any such expenditures.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"Cash Equivalents" means any of the following, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens other than Liens created under the Collateral Documents and Permitted Liens and having a maturity of not greater than 180 days from the date of issuance thereof: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally

5

7

guaranteed by the full faith and credit of the Government of the United States, (b) insured certificates of deposit of or time deposits with any commercial bank that is a Lender Party or a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least \$1 billion, (c) commercial paper maturing no more than 12 months from the date of creation thereof and having at the time of acquisition thereof, a rating of at least "Prime-1" (or the then equivalent grade) from Moody's Investors Service, Inc. ("Moody's") or "A-1" (or the then equivalent grade) from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") or (d) Investments, classified in accordance with GAAP as Current Assets of the Borrower or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

"Cayman Share Mortgage" means the Cayman law Share Mortgage in respect of shares in Amkor International Holdings dated as of April 28, 2000, as supplemented by a Guaranty and Security Confirmation dated as of the Effective Date, between Guardian Assets, Inc. and the Collateral Agent.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"CERCLIS" means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

"Change of Control" means the occurrence of any of the following: (a) the first date during any consecutive two year period on which a majority of the members of the board of directors of the Borrower are not Continuing Directors; or (b) any Person or two or more Persons (other than the Existing Stockholders) acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of control over Voting Interests of the Borrower (or other securities convertible into such Voting Interests) representing 25% or more of the combined voting power of all Voting Interests of the Borrower.

"Citibank" means Citibank, N.A., a national banking association.

"Collateral" means all "Collateral" referred to in the Collateral Documents and all other property that is or is intended to be subject to any Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"Collateral Agent" has the meaning specified in the recital of parties to this Agreement.

"Collateral Documents" means the Security Agreement, the Mortgages, the Cayman Share Mortgage, the Korean Collateral Documents, the Guaranty and Security Confirmations and any other agreement that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

"Commitment" means a Term B Commitment, a Revolving Credit Commitment or a Letter of Credit Commitment.

6

8

"Commitment Date" has the meaning specified in Section 2.17(b).

"Commitment Increase" has the meaning specified in Section 2.17(a).

"Confidential Information" means information that any Loan Party furnishes to any Agent or any Lender Party in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to such Agent or such Lender Party from a source other than the Loan Parties.

"Consolidated" refers to the consolidation of accounts in accordance with GAAP.

"Contingent Obligation" means, with respect to any Person, any Obligation or arrangement of such Person to guarantee or intended to guarantee any Debt, leases, dividends or other payment Obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the Obligation of a primary obligor, (b) the Obligation to make take-or-pay or similar payments, if required, regardless of nonperformance by any other party or parties to an agreement or (c) any Obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder), as determined by such Person in good faith.

"Continuing Directors" means (i) members of the board of directors on the Effective Date; and (ii) other Persons nominated or elected to the board of directors with the approval of a majority of the Continuing Directors who were members of the board of directors at the time of such election or nomination.

"Conversion", "Convert" and "Converted" each refer to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.9 or 2.10.

"Convertible Subordinated Notes (1998)" means the 53/4% Convertible Subordinated Notes due 2003 issued pursuant to the Convertible Subordinated Notes Indenture.

"Convertible Subordinated Notes (2000)" means the 5% Notes issued pursuant to the 2000 Convertible Subordinated Notes Indenture.

"Convertible Subordinated Notes Indenture (1998)" means the Indenture dated as of May 6, 1998 between the Borrower and State Street Bank and Trust Company, as trustee, pursuant to which the Convertible Subordinated Notes (1998) were issued.

7

9

"Convertible Subordinated Notes Indenture (2000)" means the Indenture dated as of March 22, 2000 between the Borrower and State Street Bank and Trust Company, as trustee, pursuant to which the Convertible Subordinated Notes (2000) were issued.

"Current Assets" of any Person means all assets of such Person that would, in accordance with GAAP, be classified as current assets of a company conducting a business the same as or similar to that of such Person, after deducting adequate reserves in each case in which a reserve is proper in accordance with GAAP.

"Current Liabilities" of any Person means (a) all Debt of such Person that by its terms is payable on demand or matures within one year after the date of determination (excluding any Debt renewable or extendible, at the option of such Person, to a date more than one year from such date or arising under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date), (b) all amounts of Funded Debt of such Person required to be paid or prepaid within one year after such date and (c) all other items (including taxes accrued as estimated) that in accordance with GAAP would be classified as current liabilities of such Person.

"CUSA" has the meaning specified in the recital of parties to this Agreement.

"DBAB" has the meaning specified in the recital of parties to this Agreement.

"Debt" of any Person means, without duplication for purposes of calculating financial ratios, (a) all Obligations in respect of indebtedness of such Person for borrowed money, (b) all Obligations of such Person for the deferred purchase price of property or services, (c) all Obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all Obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Obligations of such Person as lessee under Capitalized Leases, (f) all Obligations of such Person under acceptance, letter of credit or similar facilities, (g) all Obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person or any warrants, rights or options to acquire such capital stock, valued, in the case of Redeemable Preferred Interests, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (h) all Obligations of such Person in respect of Hedge Agreements, valued at the Agreement Value thereof, (i) all Contingent Obligations of such Person and (j) all indebtedness and other payment Obligations referred to in clauses (a) through (i) above of another Person secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person to the extent of the value of such property, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment Obligations. Notwithstanding the foregoing, in no event shall the term "Debt" include (i) any lease properly classified as an operating lease in accordance with GAAP (other than a "synthetic lease" or a similar transaction in which the obligation is considered Debt for Borrowed Money for tax purposes), (ii) any trade payable arising in the ordinary course of business, provided that no material part of such account payable is more than ninety (90) days past due (unless subject to a bona fide dispute for which adequate reserves have been established), (iii) any obligations under open purchase orders to acquire tangible personal property entered into in the ordinary course of business and not yet due or payable, (iv) any accrued expenses or (v) any income taxes not at the time delinquent.

8

"Debt for Borrowed Money" of any Person means all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Defaulted Advance" means, with respect to any Lender Party at any time, the portion of any Advance required to be made by such Lender Party to the Borrower pursuant to Section 2.1 or 2.2 at or prior to such time which has not been made by such Lender Party or by the Administrative Agent for the account of such Lender Party pursuant to Section 2.2(d) as of such time. In the event that a portion of a Defaulted Advance shall be deemed made pursuant to Section 2.15(a), the remaining portion of such Defaulted Advance shall be considered a Defaulted Advance originally required to be made pursuant to Section 2.1 on the same date as the Defaulted Advance so deemed made in part.

"Defaulted Amount" means, with respect to any Lender Party at any time, any amount required to be paid by such Lender Party to any Agent or any other Lender Party hereunder or under any other Loan Document at or prior to such time which has not been so paid as of such time, including any amount required to be paid by such Lender Party to (a) any Issuing Bank pursuant to Section 2.3(c) to purchase a portion of a Letter of Credit Advance made by such Issuing Bank, (b) the Administrative Agent pursuant to Section 2.2(d) to reimburse the Administrative Agent for the amount of any Advance made by the Administrative Agent for the account of such Lender Party, (c) any other Lender Party pursuant to Section 2.13 to purchase any participation in Advances owing to such other Lender Party and (d) any Agent or any Issuing Bank pursuant to Section 7.5 to reimburse such Agent or such Issuing Bank for such Lender Party's ratable share of any amount required to be paid by the Lender Parties to such Agent or such Issuing Bank as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.15(b), the remaining portion of such Defaulted Amount shall be considered a Defaulted Amount originally required to be paid hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

"Defaulting Lender" means, at any time, any Lender Party that, at such time, (a) owes a Defaulted Advance or a Defaulted Amount or (b) shall take any action or be the subject of any action or proceeding of a type described in Section 6.1(f).

"Domestic Lending Office" means, with respect to any Lender Party, the office of such Lender Party specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party, as the case may be, or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrower and the Administrative Agent.

"Domestic Loan Parties" means the Borrower and the Subsidiary Guarantors.

"Domestic Subsidiary" means any Subsidiary of the Borrower other than a Foreign Subsidiary; provided that none of the Equity Interests of a Domestic Subsidiary may be owned by a Foreign Subsidiary.

"EBITDA" means, for any period, the sum, determined on a Consolidated basis, of (a) Net Income, (b) interest expense, (c) income tax expense, (d) to the extent included in Consolidated Net Income, non-cash foreign currency loss (or less any non-cash foreign currency gain), (e) to the extent included in Net Income, non-cash equity in loss of Affiliates (or less any non-cash equity in income of Affiliates), (f) depreciation expense and (g) amortization expense,

in each case of the Borrower and its Restricted Subsidiaries, determined in accordance with GAAP for such period.

"Effective Date" has the meaning specified in Section 3.1.

"Eligible Assignee" means (a) with respect to any Facility (other than the Letter of Credit Facility), (i) a Lender; (ii) an Affiliate of a Lender; (iii) an Approved Fund and (iv) any other Person approved by the Agents and, unless a Default has occurred and is continuing at the time any assignment is effected pursuant to Section 8.7, the Borrower, such approval not to be unreasonably withheld or delayed, and (b) with respect to the Letter of Credit Facility, a commercial bank approved by each of the Agents and, unless a Default has occurred and is continuing at the time any assignment is effected pursuant to Section 8.7, the Borrower, such approval not to be unreasonably withheld or delayed; provided, however, that neither any Loan Party nor any Affiliate of a Loan Party shall qualify as an Eligible Assignee under this definition.

"Eligible Collateral" means, collectively, Eligible Inventory and Eligible Receivables.

"Eligible Inventory" means the Inventory of the Domestic Loan Parties (other than the classes of excluded Inventory set forth below). The value of such Inventory shall be determined by the Administrative Agent in its reasonable judgment taking into consideration, among other factors, the lowest of its cost, its book value determined in accordance with GAAP and its liquidation value. The Administrative Agent may consider any of the following classes of Inventory not to be Eligible Inventory:

- (a) Inventory located on leaseholds as to which the lessor has not entered into a consent and agreement providing the Collateral Agent with the right to receive notice of default, the right to repossess such Inventory at any time and such other rights as may be reasonably required by the Collateral Agent;
- (b) Inventory that is obsolete, unusable or otherwise unavailable for sale;
- (c) Inventory with respect to which the representations and warranties set forth in Section 9 of the Security Agreement applicable to Inventory are not true and correct in all material respects;
- (d) Inventory that fails to meet all standards imposed by any governmental agency, or department or division thereof, having regulatory authority over such Inventory or its use or sale;
- (e) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from whom any Domestic Loan Party has received notice of a dispute in respect of any such agreement to the extent of such dispute;
- (f) Inventory that is not in the possession of or under the sole control of the Domestic Loan Parties;
- (g) Inventory consisting of work in progress; and
- (h) Inventory in respect of which the Security Agreement, after giving effect to the related filings of financing statements that have then been made, if any, does not or

10

12

has ceased to create a valid and perfected first priority lien or security interest in favor of the Collateral Agent for the benefit of the Secured Parties securing the Secured Obligations.

"Eligible Receivables" means the Receivables of the Domestic Loan Parties other than the classes of excluded Receivables set forth below. The value of such Receivables shall be determined by the Administrative Agent in its reasonable judgment taking into consideration, among other factors, their book value determined in accordance with GAAP. The Administrative Agent may consider any of the following classes of Receivables not to be Eligible Receivables:

- (a) Receivables that do not arise out of sales of goods or rendering of services in the ordinary course of the business of the Domestic Loan Parties;
- (b) Receivables on terms other than those normal or customary in the business of the Domestic Loan Parties;



(c) Receivables owing from any Person that is an Affiliate of any Loan Party or any of its Subsidiaries;

(d) Receivables more than 120 days past original invoice date or more than 90 days past the date due;

(e) Receivables owing from any Person from which an aggregate amount of more than 20% of the Receivables owing is more than 90 days past due;

(f) Receivables owing from any Person that (i) has disputed liability for any Receivable owing from such Person or (ii) has otherwise asserted any claim, demand or liability against any Loan Party or any of its Subsidiaries, whether by action, suit, counterclaim or otherwise;

(g) Receivables owing from any Person that shall take or be the subject of any action or proceeding of a type described in Section 6.1(f);

(h) Receivables (i) owing from any Person that is also a supplier to or creditor of any Domestic Loan Party unless such Person has waived any right of set-off in a manner acceptable to the Administrative Agent or (ii) representing any manufacturer's or supplier's credits, discounts, incentive plans or similar arrangements entitling the Borrower to discounts on future purchase therefrom;

(i) Receivables arising out of sales to account debtors outside the United States unless such Receivables are (i) fully backed by an irrevocable letter of credit on terms, and issued by a financial institution, acceptable to the Administrative Agent and such irrevocable letter of credit is in the possession of the Collateral Agent or the Administrative Agent or (ii) owing from an account debtor that is a foreign subsidiary or division of a Person organized and in good standing under the laws of a jurisdiction within the United States;

(j) Receivables arising out of sales on a guaranteed sale, sale-or-return, sale on approval or consignment basis or subject to any right of return, set-off or charge-back;

(k) Receivables owing from an account debtor that is an agency, department or instrumentality of the United States or any State thereof unless the Borrower shall have

11

13

satisfied the requirements of the Assignment of Claims Act of 1940, and any similar State legislation and the Administrative Agent is satisfied as to the absence of set-offs, counterclaims and other defenses on the part of such account debtor;

(l) Receivables the full and timely payment of which the Administrative Agent in its reasonable judgment believes to be doubtful; and

(m) Receivables in respect of which the Security Agreement, after giving effect to the related filings of financing statements that have then been made, if any, does not or has ceased to create a valid and perfected first priority lien or security interest in favor of the Collateral Agent for the benefit of the Secured Parties securing the Secured Obligations.

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Interests" means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination; provided, however, that the Convertible Subordinated Notes (1998) or the Convertible Subordinated Notes (2000) shall not be Equity Interests prior to conversion of such notes.

"ERISA" means the Employee Retirement Income Security Act of 1974 and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person that for purposes of Title IV of ERISA is a member of the controlled group of any Loan Party, or under common control with any Loan Party, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice

12

14

requirement with respect to such event has been waived by the PBGC or (ii) the requirements of Section 4043 (b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of any Loan Party or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by any Loan Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

"Eurocurrency Liabilities" has the meaning specified in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender Party, the office of such Lender Party specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender Party as such Lender Party may from time to time specify to the Borrower and the

Administrative Agent.

"Eurodollar Rate" means, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. dollars at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period (provided that, if for any reason such rate is not available, the term "Eurodollar Rate" shall mean, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates) by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period.

"Eurodollar Rate Advance" means an Advance that bears interest as provided in Section 2.7(a)(ii).

"Eurodollar Rate Reserve Percentage" for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including any emergency, supplemental or other

13

15

marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.1.

"Excess Cash Flow" means, for any period,

(a) the sum of:

(i) Net Income of the Borrower and its Restricted Subsidiaries for such period plus

(ii) the aggregate amount of all non-cash charges deducted in arriving at such Net Income plus

(iii) if there was a net increase in Consolidated Current Liabilities of the Borrower and its Restricted Subsidiaries during such period, the amount of such net increase plus

(iv) if there was a net decrease in Consolidated Current Assets (excluding cash and Cash Equivalents) of the Borrower and its Restricted Subsidiaries during such period, the amount of such net decrease less

(b) the sum of:

(i) the aggregate amount of all non-cash credits included in arriving at such Net Income plus

(ii) if there was a net decrease in Consolidated Current Liabilities of the Borrower and its Restricted Subsidiaries during such period, the amount of such net decrease plus

(iii) if there was a net increase in Consolidated

Current Assets (excluding cash and Cash Equivalents) of the Borrower and its Restricted Subsidiaries during such period, the amount of such net increase plus

(iv) the aggregate amount of Capital Expenditures of the Borrower and its Restricted Subsidiaries paid in cash during such period to the extent permitted by this Agreement plus

(v) the aggregate amount of all regularly scheduled principal payments of Funded Debt made during such period plus

(vi) the aggregate principal amount of all optional prepayments of Term B Advances made during such period pursuant to Section 2.6(a) plus

(vii) cash investments in Non Wholly-Owned Affiliates (other than Restricted Subsidiaries) made during such period pursuant to Section 5.2(f)(vii) plus

14

16

(viii) income attributed during such period to minority Investments made pursuant to Section 5.2(f)(vii) to the extent such income is not received by the Borrower or any of its Restricted Subsidiaries plus

(ix) \$100,000,000.

"Existing Credit Agreement" has the meaning specified in the preliminary statements to this Agreement.

"Existing Debt" has the meaning specified in Section 4.1(s) hereof.

"Existing Stockholders" means James J. Kim, Agnes C. Kim, David D. Kim Trust of December 31, 1987, John T. Kim Trust of December 31, 1987, Susan Y. Kim Trust of December 31, 1987 and Mr. H.S. Kim.

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person by way of proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings) and condemnation awards (and payments in lieu thereof); provided, however, that an Extraordinary Receipt shall not include cash receipts received from proceeds of insurance or condemnation awards (or payments in lieu thereof) to the extent that such proceeds, awards or payments in respect of loss or damage to equipment, fixed assets or real property are applied (or in respect of which expenditures were previously incurred) to replace or repair the equipment, fixed assets or real property in respect of which such proceeds, awards or payments were received in accordance with the terms of the Loan Documents, so long as such application is made within 180 days after the occurrence of such damage or loss.

"Fab Transaction" means one or more transactions which are designed to create an international subsidiary-contract wafer foundry business to be owned by an entity formed for such purpose ("Newco"), which transactions shall consist of any or all of the following: (a) the acquisition of all or substantially all of Anam's semiconductor wafer fabrication assets by Newco or a Subsidiary of Newco, (b) the exchange of Anam shares by the Borrower or any of its Subsidiaries for Equity Interests of Newco and, if applicable, of such Subsidiary of Newco; provided that, following such exchange the Borrower will own, after giving effect to such exchange, directly or indirectly, at least 30% of the issued and outstanding Equity Interests of Newco (on a fully diluted basis), (c) the transfer of the Borrower's wafer fabrication services business to Newco in exchange for Equity Interests of Newco or cash, or any combination thereof, (provided that, to the extent such transfer shall be made in exchange for cash, it shall be made for Fair Market Value) and (d) the exchange of Equity Interests of Newco for Equity Interests of any entity engaged in the same business ("Newco Successor") where the Equity Interests of such entity are traded on any stock exchange located in the United States or quoted on the NASDAQ National Market; provided, however, that (i) Newco (and Newco Successor) shall be incorporated in the United States, the Netherlands, Bermuda, Ireland, Luxembourg or another jurisdiction reasonably acceptable to the Agents, (ii) the Borrower's stock of Newco (and Newco Successor) shall not be subject to any

restrictions on transfer that are more onerous to the Lender Parties as those applicable to the Borrower's stock of Anam on the Effective Date (it being understood that any restrictions on transfer resulting solely from such stock being "restricted securities" under Rule 144 of the Securities Act of 1933, as amended, shall not be deemed to be more onerous on the Lender parties), (iii) any Equity Interests of Newco and Newco Successor held by the Borrower, directly or indirectly, shall be pledged to the Lender Parties and (iv) as a result of any transaction constituting a "Fab Transaction" the Borrower shall not incur any dilution of the economic benefit in its aggregate Equity Interests in Anam and, in the event of a

15

17

transfer in exchange for Equity Interests referred to in clause (c) above, any dilution of its economic benefit derived from the wafer fabrication services business (after taking into account tax and other economic benefits reasonably derived from the implementation of the Fab Transaction) in comparison to the Borrower's Equity Interests in Newco or Newco Successor, as the case may be; provided further, that Newco or Newco successor shall be formed as a corporation, limited liability company or other form of entity with limited liability to shareholders.

"Facility" means the Term B Facility, the Revolving Credit Facility or the Letter of Credit Facility.

"Fair Market Value" means (a) with respect to any asset or group of assets (other than a marketable debt or equity security) at any date, the value of the consideration obtainable in a sale of such asset at such date assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined by any of the chief financial officer, the chief executive officer, the corporate controller or the president of the Borrower, or, if such asset shall have been the subject of a relatively contemporaneous appraisal by an independent third party appraiser, the basic assumptions underlying which have not materially changed since its date, the value set forth in such appraisal, and (b) with respect to any marketable debt or equity security at any date, the closing sale price of such marketable debt or equity security on the Business Day next preceding such date, as appearing in any published list of any national securities exchange or the Nasdaq Stock Market or, if there is no such closing sale price of such marketable debt or equity security, the final price for the purchase of such marketable debt or equity security at face value quoted on such business day by a financial institution of recognized standing which regularly deals in securities of such type selected by the Administrative Agent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fee Letter" means the fee letter dated March 30, 2001 between the Borrower and CUSA.

"Fiscal Year" means a fiscal year of the Borrower and its Consolidated Subsidiaries ending on December 31 in any calendar year.

"Fixed Charge Coverage Ratio" means, at any date of determination, the ratio of (a) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries minus Capital Expenditures plus (as of the last day of the relevant Measurement Period) all cash (including Cash Equivalents) of the Borrower and its Restricted Subsidiaries to (b) the sum of (i) income taxes that have been paid in cash plus (ii) interest payable in cash on all Debt for Borrowed Money plus (iii) scheduled principal amounts of all Debt for Borrowed Money payable, in each case, of or by the Borrower and its Restricted Subsidiaries for the most recent Measurement Period ending on or prior to such date.

16

"Foreign Subsidiary" means a Subsidiary of the Borrower organized under the laws of a jurisdiction other than the United States or any State thereof.

"Funded Debt" of any Person means Debt in respect of the Advances, in the case of the Borrower, and all other Debt of such Person that by its terms matures more than one year after the date of determination or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year after such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year after such date, including all amounts of Funded Debt of such Person required to be paid or prepaid within one year after the date of determination.

"GAAP" has the meaning specified in Section 1.3.

"Granting Lender" has the meaning specified in Section 8.7(i).

"Guaranties" means each Subsidiary Guaranty and each Intercompany Guaranty.

"Guarantors" means each Subsidiary Guarantor and each Intercompany Guarantor.

"Guaranty and Security Confirmation" means each agreement, pursuant to which a Loan Party reaffirms its obligations under, and affecting certain amendments to, the Guaranties and the Collateral Documents.

"Hazardous Materials" means (a) petroleum or petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Hedge Agreements" means (i) interest rate swap, cap or collar agreements and (ii) interest rate future or option contracts, currency swap agreements, currency future or option contracts and other hedging agreements.

"Hedge Bank" means any Lender Party or an Affiliate of a Lender Party in its capacity as a party to a Secured Hedge Agreement.

"Increase Date" has the meaning specified in Section 2.17(a).

"Increasing Lender" has the meaning specified in Section 2.17(b).

"Indemnified Costs" has the meaning specified in Section 7.5(a).

"Indemnified Party" has the meaning specified in Section 8.4(b).

"Indentures" means the Senior Notes Indenture (1999), the Senior Notes Indenture (2001), the Senior Subordinated Notes Indenture, the Convertible Subordinated Notes Indenture (1998) and the Convertible Subordinated Notes Indenture (2000) and any other indenture governing the terms of Subordinated Debt incurred or issued pursuant to clauses (v) or (vi) of Section 5.2(b).

"Information Memorandum" means the confidential information memorandum dated March 2001 used by the Arrangers in connection with the amendment hereby of the Existing Credit Agreement.

"Initial Closing Date" means April 28, 2000, the date of the Initial Extension of Credit.

"Initial Extension of Credit" means the initial Borrowing under the Existing Credit Agreement.

"Initial Issuing Banks" has the meaning specified in the recital of parties to this Agreement.

"Initial Lenders" has the meaning specified in the recital of

parties to this Agreement.

"Insufficiency" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Intercompany Guarantor" means each Subsidiary of the Borrower listed on Schedule III hereto and each other Subsidiary of the Borrower that has executed and delivered a guaranty pursuant to Section 5.1(j)(i)(B).

"Intercompany Guaranty" means the guaranty dated as of April 28, 2000 among the Intercompany Guarantors, the Borrower and the Restricted Subsidiaries and any other guaranty which from time to time is executed and delivered by an Intercompany Guarantor pursuant to Section 5.1(j)(i)(B).

"Intercompany Notes" means promissory notes, in form and substance satisfactory to the Agents, evidencing Debt permitted pursuant to Section 5.2(iv)(B), and shall include, without limitation, the AT Korea Bonds.

"Interest Coverage Ratio" means, at any date of determination, the ratio of (a) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries to (b) interest payable in cash on all Debt for Borrowed Money of or by the Borrower and its Restricted Subsidiaries for the most recent Measurement Period ending on or prior to such date.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into such Eurodollar Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(a) the Borrower may not select any Interest Period with respect to any Eurodollar Rate Advance under a Facility that ends after any principal repayment installment date for such Facility unless, after giving effect to such selection, the aggregate principal amount of Base Rate Advances and of Eurodollar Rate Advances

18

20

having Interest Periods that end on or prior to such principal repayment installment date for such Facility shall be at least equal to the aggregate principal amount of Advances under such Facility due and payable on or prior to such date;

(b) Interest Periods commencing on the same date for Eurodollar Rate Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day; provided, however, that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(d) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"Internal Revenue Code" means the Internal Revenue Code of 1986 and the regulations promulgated and rulings issued thereunder.

"Inventory" means all Inventory referred to in Section 1(b) of the Security Agreement.

"Investment" in any Person means any loan or advance to such Person, any deposit with such Person, any prepayment of the services of such Person (other than in the ordinary course of business), any purchase or other acquisition of any Equity Interests or Debt or the assets comprising a division or business unit or a substantial part or all of the business of such Person, any capital contribution to such Person or any other direct or indirect investment in such Person, including any acquisition by way of a merger or consolidation and any arrangement pursuant to which the investor incurs Debt of the types referred to in clause (i) or (j) of the definition of "Debt" in respect of such Person.

"Issuing Banks" means each Initial Issuing Bank and any other Revolving Credit Lender approved as an Issuing Bank by each of the Agents and any Eligible Assignee to which a Letter of Credit Commitment hereunder has been assigned pursuant to Section 8.7 so long as each such Revolving Credit Lender or each such Eligible Assignee expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as an Issuing Bank and notifies the Administrative Agent of its Applicable Lending Office and the amount of its Letter of Credit Commitment (which information shall be recorded by the Administrative Agent in the Register).

"Korean Collateral Documents" means (a) the Korean law securities Pledge Agreement dated as of June 8, 2000, as supplemented by a Guaranty and Security Confirmation dated as of the Effective Date, between the Borrower and the Collateral Agent and (b) the New York law Collateral Trust Agreement dated as of April 28, 2000, as supplemented by a Guaranty and Security Confirmation dated as of the Effective Date, between the Borrower and the Collateral Agent.

"L/C Collateral Account" has the meaning specified in the Security Agreement.

19

21

"L/C Related Documents" has the meaning specified in Section 2.4(c)(ii)(A).

"Lender Party" means any Lender or any Issuing Bank.

"Lenders" means the Initial Lenders and each Person that shall become a Lender hereunder pursuant to Section 8.7 for so long as such Initial Lender or Person, as the case may be, shall be a party to this Agreement.

"Letter of Credit Advance" means an advance made by any Issuing Bank or any Revolving Credit Lender pursuant to Section 2.3(c).

"Letter of Credit Agreement" has the meaning specified in Section 2.3(a).

"Letter of Credit Commitment" means, with respect to any Issuing Bank at any time, the amount set forth opposite such Issuing Bank's name on Schedule I hereto under the caption "Letter of Credit Commitment" or, if such Issuing Bank has entered into one or more Assignment and Acceptances, set forth for such Issuing Bank in the Register maintained by the Administrative Agent pursuant to Section 8.7(d) as such Issuing Bank's "Letter of Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.5.

"Letter of Credit Facility" means, at any time, an amount equal to the lesser of (a) the aggregate amount of the Issuing Banks' Letter of Credit Commitments at such time and (b) \$50,000,000, as such amount may be reduced at or prior to such time pursuant to Section 2.5.

"Letters of Credit" has the meaning specified in Section 2.1(d).

"Leverage Ratio" means, at any date of determination, the ratio of Consolidated total Debt for Borrowed Money of the Borrower and its Restricted Subsidiaries to Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the most recent Measurement Period ending on or prior to such date.



"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement which is intended to serve as the functional equivalent of security, including the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Loan Documents" means (a) for purposes of this Agreement and the Notes and any amendment, supplement or modification hereof or thereof, (i) this Agreement, (ii) the Notes, (iii) the Guaranties, (iv) the Collateral Documents, (v) each Letter of Credit Agreement, (vi) each Intercompany Note, and (vii) the Fee Letter and (b) for purposes of the Guaranties and the Collateral Documents and for all other purposes other than for purposes of this Agreement and the Notes, (i) this Agreement, (ii) the Notes, (iii) the Guaranties, (iv) the Collateral Documents, (v) each Letter of Credit Agreement, (vi) each Secured Hedge Agreement, (vii) each Intercompany Note, and (viii) the Fee Letter.

"Loan Parties" means the Borrower, the Guarantors and AT Korea.

"Loan Value" means (a) with respect to Eligible Receivables, up to 85% of the value of Eligible Receivables; and (b) with respect to Eligible Inventory, up to 50% of the value of Eligible Inventory.

"Margin Stock" has the meaning specified in Regulation U.

20

22

"Material Adverse Change" means any material adverse change in the business, assets, properties, liabilities (actual and contingent), condition (financial or otherwise), operations or prospects of the Borrower and its Subsidiaries, taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, properties, liabilities (actual and contingent), operations, condition (financial or otherwise), or prospects of the Borrower and its Subsidiaries, taken as a whole, (b) the rights and remedies of any Agent or any Lender Party under any Transaction Document or (c) the ability of any Loan Party to perform its Obligations under any Transaction Document to which it is or is to be a party.

"Material Contract" means, at any date, the contracts and agreements filed, or required to be filed as an exhibit to the Borrower's Form 10-K, as if such Form 10-K were being filed on such date and including (whether or not required to be so filed) the Toshiba JV Agreement.

"Maximum Restricted Investment Amount" means an amount not to exceed \$175,000,000 during the period beginning on the Effective Date and ending on the date (the "Delivery Date") that the Administrative Agent receives the financial statements required to be delivered pursuant to Section 5.3(b) for the Fiscal Year ending December 31, 2001, which amount shall increase (a) on the Delivery Date, by 25% of Net Income of the Borrower and its Restricted Subsidiaries for such Fiscal Year, (b) on the first anniversary of the Delivery Date, by 35% of Net Income of the Borrower and its Restricted Subsidiaries for the Fiscal Year ending December 31, 2002 and (c) on each subsequent anniversary of the Delivery Date thereafter, by 50% of Net Income of the Borrower and its Restricted Subsidiaries for the Fiscal Year most recently ended as of such anniversary; provided, however, that (i) if on the Delivery Date, or on any anniversary thereof, Net Income of the Borrower and its Restricted Subsidiaries for the Fiscal Year most recently ended as of such date is a negative amount, then (x) the "Maximum Restricted Investment Amount" shall on such date be reduced by 100% of such negative amount of Net Income except that such reduced "Maximum Restricted Investment Amount" shall not be less than the then outstanding Affiliate Restricted Investment Amount and (y) in the event that following such reduction there is any remaining unabsorbed portion of negative amount of Net Income, such remaining unabsorbed portion shall (until fully absorbed) be deducted from (A) any amounts received by the Borrower and its Restricted Subsidiaries under clause (b) of the definition of Affiliate Restricted Investment Amount in the calculation thereof and (B) thereafter, to the extent remaining on any anniversary of the Delivery Date, the applicable percentage of Net Income for the relevant Fiscal Year for the purpose of any subsequent adjustment of the "Maximum Restricted Investment Amount" in accordance with the provisions of this paragraph; and (ii) at no time shall the "Maximum Restricted Investment Amount" exceed \$350,000,000.

"Measurement Period" means, at any date of determination, the most recent four consecutive fiscal quarters ending on or prior to such date; provided that, (a) for determination on December 31, 2000, Measurement Period shall mean (i) for purposes of determining the Fixed Charge Coverage Ratio, the two fiscal quarters most recently ended multiplied by two and (ii) for all other purposes, the three fiscal quarters most recently ended multiplied by 4/3; and (b) for determination solely in respect of the Fixed Charge Coverage Ratio on March 31, 2001, Measurement Period shall mean the three fiscal quarters most recently ended multiplied by 4/3.

"Mortgages" means each mortgage, deed of trust, trust deed, leasehold mortgage or leasehold deed of trust delivered pursuant to Section 5.1(j) or 5.1(p).

"Mortgage Policies" has the meaning specified in Section 5.1(p) (i) (B).

21

23

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a) (3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a) (15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and at least one Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Net Cash Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset or the incurrence or issuance of any Debt or the sale or issuance of any Equity Interests (including any capital contribution) by any Person, or any Extraordinary Receipt received by or paid to or for the account of any Person, the aggregate amount of cash received from time to time (whether as initial consideration or through payment or disposition of deferred consideration) by or on behalf of such Person in connection with such transaction after deducting therefrom only (without duplication) (a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees, finder's fees and other similar fees and commissions, (b) the amount of taxes payable in connection with or as a result of such transaction and (c) the amount of any Debt secured by a Lien on such asset that, by the terms of the agreement or instrument governing such Debt, is required to be repaid upon such disposition, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid to a Person that is not an Affiliate of such Person or any Loan Party or any Affiliate of any Loan Party and are properly attributable to such transaction or to the asset that is the subject thereof.

"Net Income" means, for any Person for any period, the net income (or net loss) of such Person for such period, determined on a Consolidated basis in conformity with GAAP, excluding any extraordinary gains or losses and other gains or losses arising from asset sales and dispositions other than in the ordinary course of business and, to the extent included in net income, non-cash charges recorded in connection with the early conversion of convertible debt and the prepayment of Term A Advances with the Net Cash Proceeds of issuance of the Senior Notes (2001); provided, however, that (a) the net income of any other Person in which such Person or one of its Subsidiaries has a joint interest with a third party (which interest does not cause the net income of such other Person to be consolidated into the net income of such Person in accordance with GAAP) shall be included only to the extent of the amount of dividends or distributions paid to such Person or Subsidiary and (b) the net income of any Subsidiary of such Person that is not a Wholly-Owned Subsidiary shall be reduced on a proportionate basis by a percentage equal to the percentage of the Equity Interests in such Subsidiary not owned directly or indirectly by the Borrower.

"Non Wholly-Owned Affiliate" means any Unrestricted Subsidiary, Permitted Joint Venture or Restricted Subsidiary (other than a Wholly-Owned Restricted Subsidiary).

"Note" means a Term B Note or a Revolving Credit Note.

2.2(a). "Notice of Borrowing" has the meaning specified in Section

"Notice of Issuance" has the meaning specified in Section 2.3(a).

22

24

"Notice of Renewal" has the meaning specified in Section 2.1(d).

2.1(d). "Notice of Termination" has the meaning specified in Section

"NPL" means the National Priorities List under CERCLA.

"Obligation" means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 6.1(f). Without limiting the generality of the foregoing, the Obligations of any Loan Party under the Loan Documents include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by such Loan Party under any Loan Document and (b) the obligation of such Loan Party to reimburse any amount in respect of any of the foregoing that any Lender Party, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

"OECD" means the Organization for Economic Cooperation and Development.

"Open Year" has the meaning specified in Section 4.1(r)(ii).

"Other Taxes" has the meaning specified in Section 2.12(b).

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Permitted Acquisition" means the acquisition by the Borrower or any Restricted Subsidiary of all of the outstanding Equity Interests of any Person, or (if such Person is organized under the laws of a jurisdiction other than the United States or any State thereof ) 90% or more of such outstanding Equity Interests; provided, however, that (a) such acquisition shall be consensual and shall have been approved by the board of directors (or the equivalent governing body) of such Person, (b) such Person shall be engaged in business which is the same as, or related to, the business engaged in by the Borrower and (c) no Default shall have occurred and be continuing or would result therefrom and the representations and warranties referred to in Section 3.2(i) would be true as though made on the date of consummation of such acquisition.

"Permitted Joint Venture" means Anam, the Toshiba JV and each other joint venture permitted to be established under the terms of this Agreement; provided, however, that (a) each such joint venture shall at no time own any Equity Interests in a Restricted Subsidiary nor at any time itself have been a Restricted Subsidiary; (b) each such joint venture that is a Subsidiary of the Borrower shall meet the requirements of an Unrestricted Subsidiary (unless at the time it becomes a Subsidiary it is a Restricted Subsidiary); and (c) any Contingent Obligation, including any contractually binding commitment to make future capital contributions, assumed by the Borrower or its Restricted Subsidiaries in respect thereof can be quantified in order to ensure compliance with the restrictions in Section 5.2(b)(ix).

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.1(b); (b) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of

23

business securing obligations that are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings, provided, that any reserves required by GAAP shall have been made; (c) zoning restrictions, easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (d) Liens arising from judgments or decrees in circumstances not constituting an Event of Default so long as such Lien is adequately bonded; (e) Liens on insurance proceeds in favor of insurance companies with respect to the financing of insurance premiums on policies under which such proceeds are to be paid; (f) Liens incurred or deposits made under worker's compensation, unemployment insurance and other types of social security or to secure the performance of bids, tenders, contracts (other than for the payment of money), surety and appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business; (g) Liens incurred in connection with leases and subleases (other than Capitalized Leases) or licenses and sublicenses which (in each case) do not interfere in any material respect with the business of the Borrower or its Restricted Subsidiaries and any interest or title of a lessee or licensee under any such leases, subleases, licenses or sublicenses; (h) Liens arising out of consignment or similar arrangements for the sale of goods in the ordinary course of business; and (i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Pledged Debt" has the meaning specified in the Security Agreement.

"Pledged Shares" has the meaning specified in the Security Agreement.

"Preferred Interests" means, with respect to any Person, Equity Interests issued by such Person that are entitled to a preference or priority over any other Equity Interests issued by such Person upon any distribution of such Person's property and assets, whether by dividend or upon liquidation, provided that the Convertible Subordinated Notes (1998) or the Convertible Subordinated Notes (2000) shall not be "Preferred Interests" for the purposes of this Agreement prior to the conversion of such Convertible Subordinated Notes (1998) or Convertible Subordinated Notes (2000).

"Pro Forma Basis" means, with respect to any determination for any period, that such determination shall be made giving pro forma effect (i) in the case of the use of "Pro Forma Basis" in Section 5.2(b)(v), to the incurrence of Debt anticipated to occur during such period and (ii) in the case of the use of "Pro Forma Basis" in Section 5.2(o), to each acquisition (by purchase or otherwise) or disposition (by sale or otherwise) of a Person or all or substantially all of the business or assets of a Person consummated by the Borrower or any of its Restricted Subsidiaries during such period, together with all transactions relating thereto consummated during such period (including any incurrence, assumption, refinancing or repayment of Debt), as if such incurrence of Debt or acquisition, disposition and related transactions had been consummated on the first day of such period, in each case (i) based on historical results accounted for in accordance with GAAP and, to the extent applicable, reasonable assumptions that are specified in reasonable detail in the relevant compliance certificate furnished to the Administrative Agent pursuant to Section 5.3(b) or (c) and (ii) prepared in accordance with Regulation S-X under the Securities Act of 1933 or, if not in accordance with Regulation S-X, accompanied by a certificate

of the Borrower's chief financial officer certifying that such determination (including all related results and assumptions) has been made in a manner not inconsistent with GAAP and has been approved in writing by the Borrower's Board

of Directors (or the audit committee thereof, if any).

"Pro Rata Share" of any amount means, with respect to any Revolving Credit Lender at any time, the product of such amount times a fraction the numerator of which is the amount of such Lender's Revolving Credit Commitment at such time (or, if the Commitments shall have been terminated pursuant to Section 2.5 or 6.1, such Lender's Revolving Credit Commitment as in effect immediately prior to such termination) and the denominator of which is the Revolving Credit Facility at such time (or, if the Commitments shall have been terminated pursuant to Section 2.5 or 6.1, the Revolving Credit Facility as in effect immediately prior to such termination).

"Receivables" means all Receivables referred to in Section 1(c) of the Security Agreement.

"Redeemable" means, with respect to any Equity Interest, any Debt or any other right or Obligation, any such right or Obligation that (a) the issuer has undertaken to redeem at a fixed or determinable date or dates, whether by operation of a sinking fund or otherwise, or upon the occurrence of a condition not solely within the control of the issuer or (b) is redeemable at the option of the holder.

"Register" has the meaning specified in Section 8.7(d).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Related Documents" means the Acquisition Agreement, the Senior Note Documents, the Subordinated Debt Documents, the AT Korea Bonds, and each other document and instrument executed and delivered in connection with the consummation of the Transactions (other than the Loan Documents) and the Indentures and each other document and instrument which governs or evidences any Debt incurred under Section 5.2(b)(vi) (to the extent that such Debt extends, refunds or refinances, in whole or in part, any Debt which is governed or evidenced by any of the foregoing documents and instruments or by the Loan Documents).

2.12(h). "Replaced Lender Party" has the meaning specified in Section

2.12(h). "Replacement Effective Date" has the meaning specified in Section

2.12(h). "Replacement Lender Party" has the meaning specified in Section

"Required Lenders" means, at any time, Lenders owed or holding at least a majority in interest of the sum of (a) the aggregate principal amount of the Advances outstanding at such time, (b) the aggregate Available Amount of all Letters of Credit outstanding at such time and (c) the aggregate Unused Revolving Credit Commitments at such time; provided, however, that if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required Lenders at such time (A) the aggregate principal amount of the Advances owing to such Lender (in its capacity as a Lender) and outstanding at such time, (B) such Lender's Pro Rata Share of the aggregate Available Amount of all Letters of Credit outstanding at such time and (C) the Unused Revolving Credit Commitment of such Lender at such time. For purposes of this definition, the aggregate principal amount of Letter of Credit Advances owing to any Issuing Bank and the Available Amount of each Letter of Credit shall be

considered to be owed to the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments.

"Responsible Officer" means any officer of any Loan Party or any of its Subsidiaries.

"Restricted Subsidiary" means any Subsidiary of the Borrower that is not an Unrestricted Subsidiary or a Permitted Joint Venture; provided, however, no Unrestricted Subsidiary or Permitted Joint Venture may be designated

a Restricted Subsidiary unless (a)(i) in the case of a Domestic Subsidiary, such Subsidiary is a Wholly-Owned Subsidiary and (ii) in the case of a Foreign Subsidiary, the Borrower, or a Wholly-Owned Subsidiary of the Borrower, owns 90% or more of the outstanding Equity Interests of such Foreign Subsidiary and (b) at the time of such designation, no Default shall have occurred and be continuing or would result therefrom.

"Revolving Credit Advance" has the meaning specified in Section 2.1(c).

"Revolving Credit Availability " means, at any date of determination, an amount which is (a) the lesser of (i) the Revolving Credit Facility on such date and (ii) the Loan Value of Eligible Collateral on such date minus (b) the sum of the aggregate principal amount of (x) the Revolving Credit Advances then outstanding, (y) the Letter of Credit Advances then outstanding and (z) the aggregate Available Amount of all Letters of Credit then outstanding.

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Advances of the same Type made by the Revolving Credit Lenders.

"Revolving Credit Commitment" means, with respect to any Revolving Credit Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Revolving Credit Commitment" or, if such Lender has entered into one or more Assignment and Acceptances after the Effective Date, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.7(d) as such Lender's "Revolving Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.5.

"Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

"Revolving Credit Lender" means any Lender that has a Revolving Credit Commitment.

"Revolving Credit Note" means a promissory note of the Borrower payable to the order of any Revolving Credit Lender, in substantially the form of Exhibit A-2 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Revolving Credit Advances made by such Lender.

"Secured Hedge Agreement" means any Hedge Agreement required or permitted under Article V that is entered into by and between any Loan Party and any Hedge Bank.

"Secured Obligations" has the meaning specified in the Security Agreement.

"Secured Parties" means the Agents, the Lender Parties and any other holder of the Obligations of the Loan Parties under the Loan Documents.

"Security Agreement" means the Security Agreement dated as of April 28, 2000, as supplemented by a Guaranty and Security Confirmation dated as of the Effective Date, among the Borrower, each Subsidiary Guarantor and the Collateral Agent.

"Senior Debt Ratio" means, at any date of determination, the ratio of (a) the sum of (i) outstanding Advances, (ii) the Available Amount of outstanding Letters of Credit, and (iii) all other secured outstanding Debt (other than Subordinated Debt), in each case, as at the end of the most recently ended fiscal quarter of the Borrower for which financial statements are required to be delivered to the Lender Parties pursuant to Section 5.3(b) or (c), as the case may be, to (b) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for such fiscal quarter and the immediately preceding three fiscal quarters, as adjusted to give pro forma effect to any Investment made since the last day of such fiscal quarter or to be made within 90 days after such date of determination pursuant to an executed purchase agreement as though such Investment had been made at the beginning of such four fiscal quarter period.

"Senior Notes (1999)" means the Series A and Series B 91/4% Senior Notes due 2006 issued pursuant to the Senior Notes Indenture (1999).

"Senior Notes (2001)" has the meaning specified in the preliminary statements of this Agreement.

"Senior Note Documents" means the Senior Notes (1999), the Senior Notes Indenture (1999), the Senior Notes (2001) and the Senior Notes Indenture (2001).

"Senior Notes Indenture (1999)" means the Indenture dated as of May 13, 1999 between the Borrower and State Street Bank and Trust Company, as trustee, pursuant to which the Senior Notes (1999) were issued.

"Senior Notes Indenture (2001)" means the Indenture dated as of February 20, 2001 between the Borrower and State Street Bank and Trust Company, as trustee, pursuant to which the Senior Notes (2001) were issued.

"Senior Subordinated Notes" means the Series A and Series B 101/2% Senior Subordinated Notes due 2009 issued pursuant to the Senior Subordinated Notes Indenture.

"Senior Subordinated Notes Indenture" means the Indenture dated as of May 13, 1999 between the Borrower and State Street Bank and Trust Company, as trustee, pursuant to which the Senior Subordinated Notes were issued.

"SG" has the meaning specified in the preliminary statements to this Agreement.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Solvent" and "Solvency" mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does

not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"SPC" has the meaning specified in Section 8.7(i).

"SSBI" has the meaning specified in the recital of parties to this Agreement.

"Standby Letter of Credit" means any Letter of Credit issued under the Letter of Credit Facility, other than a Trade Letter of Credit.

"Subordinated Debt" means the Debt evidenced by the Senior Subordinated Notes, the Convertible Subordinated Notes (1998), the Convertible Subordinated Notes (2000) and any Debt of the Borrower incurred or issued pursuant to clauses (v) or (vi) of Section 5.2(b) that is subordinated to the Obligations of the Borrower under the Loan Documents.

"Subordinated Debt Documents" means the Senior Subordinated Notes, the Senior Subordinated Notes Indenture, the Convertible Notes (1998),

the Convertible Notes Indenture (1998), the Convertible Subordinated Notes (2000), the Convertible Subordinated Notes Indenture (2000) and any other Indenture or instrument evidencing any Subordinated Debt.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time Equity Interests in any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Subsidiary Guarantor" means Guardian Assets, Inc. and each other Subsidiary of the Borrower that shall be required to execute and deliver a guaranty pursuant to Section 5.1(j) (i) (A).

"Subsidiary Guaranty" means the guaranty dated as of April 28, 2000, as supplemented by a Guaranty and Security Confirmation dated as of the Effective Date, made by each Subsidiary Guarantor in favor of the Lender Parties, and any other guaranty which from time to time is executed and delivered by a Subsidiary Guarantor in favor of the Lender Parties pursuant to Section 5.1(j) (i) (A).

"Syndication Agent" has the meaning specified in the recital of parties to this Agreement.

"Tangible Net Worth" shall mean, at the end of any fiscal quarter, the sum of the capital stock (including Debt converted into or exchanged for capital stock or otherwise capitalized) and additional paid-in capital, plus retained earnings (or minus accumulated deficit)

28

30

as determined on a consolidated basis in accordance with GAAP, minus any goodwill and intangibles, all as determined in accordance with GAAP.

"Taxes" has the meaning specified in Section 2.12(a).

"Term A Advances" means the term loans in an aggregate principal amount of \$350,000,000 made to the Borrower on the Initial Closing Date pursuant to Section 2.1(a) of the Existing Credit Agreement.

"Term A Facility" has the meaning specified in the Existing Credit Agreement.

"Term B Advance" has the meaning specified in Section 2.1(b).

"Term B Borrowing" means a borrowing consisting of simultaneous Term B Advances of the same Type made by the Term B Lenders.

"Term B Commitment" means, with respect to any Term B Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Term B Commitment" or, if such Lender has entered into one or more Assignment and Acceptances after the Effective Date, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.7(d) as such Lender's "Term B Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.5.

"Term B Facility" means, at any time, the aggregate amount of the Term B Lenders' Term B Commitments at such time.

"Term B Lender" means any Lender that has a Term B Commitment.

"Term B Note" means a promissory note of the Borrower payable to the order of any Term B Lender, in substantially the form of Exhibit A-1 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from the Term B Advance made by such Lender.



"Termination Date" means the earlier of (a) the date of termination in whole of the Revolving Credit Commitments, the Letter of Credit Commitments and the Term B Commitments pursuant to Section 2.5 or 6.1 and (b) (i) for purposes of the Revolving Credit Facility and the Letter of Credit Facility, March 31, 2005 and (ii) for purposes of the Term B Facility and for all other purposes, the date that is the earlier of (A) September 30, 2005 and (B) six (6) months prior to maturity of the Senior Notes (1999).

"Toshiba JV" means the joint venture established pursuant to the Toshiba JV Agreement.

"Toshiba JV Agreement" means the Joint Venture Agreement dated December 7, 2000, among the Borrower, Toshiba Corporation and Iwate Toshiba Electronics Company Ltd., a copy of which has been delivered to the Administrative Agent and the Required Lenders.

"Trade Letter of Credit" means any Letter of Credit that is issued under the Letter of Credit Facility for the benefit of a supplier of Inventory to the Borrower or any of its Subsidiaries to effect payment for such Inventory, the conditions to drawing under which include the presentation to the Issuing Bank that issued such Letter of Credit of negotiable bills of lading, invoices and related documents sufficient, in the judgment of such Issuing Bank, to create a valid

29

31

and perfected lien on or security interest in such Inventory, bills of lading, invoices and related documents in favor of such Issuing Bank.

"Transaction Documents" means, collectively, the Loan Documents and the Related Documents.

"Transactions" means the transactions contemplated by the Transaction Documents.

"Type" refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at the Eurodollar Rate.

"Unrestricted Subsidiary" means any Subsidiary of the Borrower, designated as an "unrestricted Subsidiary" by the board of directors of the Borrower (and shall in any event include Anam if such entity becomes a Subsidiary of the Borrower); provided that each such Subsidiary shall at all times: (a) account for and manage all of its assets and liabilities, and maintain its books, financial statements and accounting and other records, separately from those of the Borrower and its Restricted Subsidiaries, (b) deal with the Borrower and its Restricted Subsidiaries on arms' length terms and (c) not own any capital stock of a Restricted Subsidiary nor at any times itself have been a Restricted Subsidiary.

"Unused Revolving Credit Commitment" means, with respect to any Revolving Credit Lender at any time, (a) such Lender's Revolving Credit Commitment at such time minus (b) the sum of (i) the aggregate principal amount of all Revolving Credit Advances and Letter of Credit Advances made by such Lender (in its capacity as a Lender) and outstanding at such time plus (ii) such Lender's Pro Rata Share of (A) the aggregate Available Amount of all Letters of Credit outstanding at such time and (B) the aggregate principal amount of all Letter of Credit Advances made by the Issuing Banks pursuant to Section 2.3(c) and outstanding at such time.

"Voting Interests" means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"Welfare Plan" means a welfare plan, as defined in Section 3(1) of ERISA, that is maintained for employees of any Loan Party or in respect of which any Loan Party could have liability.

"Wholly-Owned Restricted Subsidiary" means any Restricted Subsidiary of the Borrower that is (a) a Wholly-Owned Subsidiary or (b) a

Foreign Subsidiary (which is not a Wholly-Owned Subsidiary) and (i) 90% or more of the outstanding Equity Interests of such Foreign Subsidiary are owned by the Borrower, or a Wholly-Owned Subsidiary of the Borrower, and (ii) applicable law does not enable the Borrower, or a Wholly-Owned Subsidiary of the Borrower, to compulsorily acquire the remaining outstanding minority Equity Interests of such Foreign Subsidiary (which are not owned by the Borrower or Wholly-Owned Subsidiary) from the holders thereof on terms which are commercially reasonable in the circumstances (provided, that the Borrower shall deliver to the Administrative Agent a certificate of its chief financial officer demonstrating in detail that any such Foreign Subsidiary falls within this clause (ii) and such Foreign Subsidiary shall be treated as a "Wholly-Owned Restricted Subsidiary" unless the Administrative Agent or the Required Lenders notify the Borrower within 21 days of receipt of

30

32

such certificate that they are not satisfied (acting reasonably) as to the matters detailed in such certificate.

"Wholly-Owned Subsidiary" of any Person, means any other Person, all of the outstanding Equity Interests of which (other than director's qualifying shares or other de minimis nominal shareholdings, to the extent that they are, in each case, be required by law) is owned by such Person directly or by other Wholly-Owned Subsidiaries of such Person.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.2. COMPUTATION OF TIME PERIODS; OTHER DEFINITIONAL PROVISIONS.

(a) In this Agreement and the other Loan Documents in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

(b) The words "herein," "hereof" and "hereunder" and similar words refer to this Agreement as a whole, and not to any particular Article, Section, subsection or clause in, this Agreement.

(c) References in this Agreement to an Exhibit, Schedule, Article, Section, subsection or clause refer to the appropriate Exhibit or Schedule to, or Article, Section, subsection or clause in this Agreement.

(d) Each agreement defined in this Article I shall include all appendices, exhibits and schedules thereto. If the prior written consent of the Required Lenders is required hereunder for an amendment, restatement, supplement or other modification to any such agreement and such consent is obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

(e) References in this Agreement to any statute shall be to such statute as amended or modified and in effect at the time any such reference is operative.

(f) The term "including" when used in any Loan Document means "including, without limitation," except when used in the computation of time periods.

(g) The terms "Lender," "Issuing Bank" and "Administrative Agent" and "Collateral Agent" include their respective successors.

(h) Upon the appointment of any successor Administrative Agent or Collateral Agent pursuant to Section 7.6, references to SSBI and CUSA in Section 7.3 and to Citibank in the definition of Base Rate shall be deemed to refer to the financial institution then acting as the Administrative Agent or one of its Affiliates if it so designates.

SECTION 1.3. ACCOUNTING TERMS. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.1(g) ("GAAP").

## ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES  
AND THE LETTERS OF CREDIT

## SECTION 2.1. THE ADVANCES AND THE LETTERS OF CREDIT.

(a) The Term A Advances. On the Initial Closing Date, the Term A Lenders (as defined in the Existing Credit Agreement) made the Term A Advances to the Borrower. Prior to the Effective Date, the Borrower repaid the Term A Advances in full from the Net Cash Proceeds of the Senior Notes (2001) as required by the terms of the Existing Credit Agreement. The Term A Facility is hereby canceled.

(b) The Term B Advances. Pursuant to the Existing Credit Agreement, the Term B Lenders, severally, made (ratably according to their Term B Commitments) a single advance in the aggregate principal amount of \$350,000,000 (a "Term B Advance") to the Borrower on the Initial Closing Date, of which \$347,375,000 is outstanding as of the date of this Agreement. Amounts of the Term B Advances which have been repaid or prepaid or which hereafter may be repaid or prepaid may not be reborrowed.

(c) The Revolving Credit Advances. Each Revolving Credit Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each a "Revolving Credit Advance") to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date in an amount for each such Advance not to exceed such Lender's Pro Rata Share of the Revolving Credit Availability at such time. Each Revolving Credit Borrowing shall be in an aggregate amount of \$2,500,000 or an integral multiple of \$500,000 in excess thereof (other than a Borrowing the proceeds of which shall be used solely to repay or prepay in full outstanding Letter of Credit Advances) and shall consist of Revolving Credit Advances made simultaneously by the Revolving Credit Lenders ratably according to their Revolving Credit Commitments. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment in effect from time to time and subject to the terms and conditions hereinafter set forth, the Borrower may borrow under this Section 2.1(c), prepay pursuant to Section 2.6(a) and reborrow under this Section 2.1(c).

(d) Letters of Credit. Each Issuing Bank severally agrees, on the terms and conditions hereinafter set forth, to issue (or cause its Affiliate that is a commercial bank to issue on its behalf) letters of credit (the "Letters of Credit") for the account of the Borrower from time to time on any Business Day during the period from the Effective Date until 60 days before the Termination Date in an aggregate Available Amount (i) for all Letters of Credit issued by such Issuing Bank not to exceed at any time the lesser of (x) the Letter of Credit Facility at such time and (y) such Issuing Bank's Letter of Credit Commitment at such time and (ii) for each such Letter of Credit not to exceed the Revolving Credit Availability at such time. No Letter of Credit shall have an expiration date (including all rights of the Borrower or the beneficiary to require renewal) later than the earlier of 60 days before the Termination Date and (A) in the case of a Standby Letter of Credit, one year after the date of issuance thereof, but may by its terms be renewable annually upon notice (a "Notice of Renewal") given to the Issuing Bank that issued such Standby Letter of Credit and the Administrative Agent on or prior to any date for notice of renewal set forth in such Letter of Credit but in any event at least three Business Days prior to the date of the proposed renewal of such Standby Letter of Credit and upon fulfillment of the applicable conditions set forth in Article III unless such Issuing Bank has notified the Borrower (with a copy to the Administrative Agent) on or prior to the date for notice of termination set forth in such Letter of Credit but in any event at least 30 Business Days prior to the date of

automatic renewal of its election not to renew such Standby Letter of Credit (a "Notice of Termination") and (B) in the case of a Trade Letter of Credit, 60

days after the date of issuance thereof; provided that the terms of each Standby Letter of Credit that is automatically renewable annually shall (x) require the Issuing Bank that issued such Standby Letter of Credit to give the beneficiary named in such Standby Letter of Credit notice of any Notice of Termination, (y) permit such beneficiary, upon receipt of such notice, to draw under such Standby Letter of Credit prior to the date such Standby Letter of Credit otherwise would have been automatically renewed and (z) not permit the expiration date (after giving effect to any renewal) of such Standby Letter of Credit in any event to be extended to a date later than 60 days before the Termination Date. If either a Notice of Renewal is not given by the Borrower or a Notice of Termination is given by the relevant Issuing Bank pursuant to the immediately preceding sentence, such Standby Letter of Credit shall expire on the date on which it otherwise would have been automatically renewed; provided, however, that even in the absence of receipt of a Notice of Renewal the relevant Issuing Bank may in its discretion, unless instructed to the contrary by the Administrative Agent or the Borrower, deem that a Notice of Renewal had been timely delivered and in such case, a Notice of Renewal shall be deemed to have been so delivered for all purposes under this Agreement. Within the limits of the Letter of Credit Facility, and subject to the limits referred to above, the Borrower may request the issuance of Letters of Credit under this Section 2.1(d), repay any Letter of Credit Advances resulting from drawings thereunder pursuant to Section 2.3(c) and request the issuance of additional Letters of Credit under this Section 2.1(d).

#### SECTION 2.2. MAKING THE ADVANCES.

(a) Except as otherwise provided in Section 2.2(b) or 2.3, each Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances, or the first Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Appropriate Lender prompt notice thereof by telex or telecopier. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telephone, confirmed immediately in writing, or telex or telecopier, in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Facility under which such Borrowing is to be made, (iii) Type of Advances comprising such Borrowing, (iv) aggregate amount of such Borrowing and (v) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Appropriate Lender shall, before 11:00 A.M. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at the Administrative Agent's Account, in same day funds, such Lender's ratable portion of such Borrowing in accordance with the respective Commitments under the applicable Facility of such Lender and the other Appropriate Lenders. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower by crediting the Borrower's Account; provided, however, that, in the case of any Revolving Credit Borrowing, the Administrative Agent shall first make a portion of such funds equal to the aggregate principal amount of any Letter of Credit Advances made by any Issuing Bank, as the case may be, and by any other Revolving Credit Lender and outstanding on the date of such Revolving Credit Borrowing, plus interest accrued and unpaid thereon to and as of such date, available to such Issuing Bank, as the case may be, and such other Revolving Credit Lenders for repayment of such Letter of Credit Advances.

33

35

(b) Anything in subsection (a) above to the contrary notwithstanding, the Borrower may not select Eurodollar Rate Advances (i) for the Borrowing on the Initial Closing Date, (ii) for any Borrowing if the aggregate amount of such Borrowing is less than \$5,000,000 or (iii) if the obligation of the Appropriate Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.9 or 2.10. In addition, the Revolving Credit Advances may not be outstanding as part of more than 12 separate Borrowings.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Appropriate Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the

date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III, including any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice from an Appropriate Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.2 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay or pay to the Administrative Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid or paid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at such time under Section 2.7 to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for all purposes.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

#### SECTION 2.3. ISSUANCE OF AND DRAWINGS AND REIMBURSEMENT UNDER LETTERS OF CREDIT.

(a) Request for Issuance. Each Letter of Credit shall be issued upon notice, given not later than 11:00 A.M. (New York City time) on the fifth Business Day prior to the date of the proposed issuance of such Letter of Credit, by the Borrower to any Issuing Bank, which shall give to the Administrative Agent and each Revolving Credit Lender prompt notice thereof by telex or telecopier. Each such notice of issuance of a Letter of Credit (a "Notice of Issuance") shall be by telephone, confirmed immediately in writing, or telex or telecopier, specifying therein the requested (A) date of such issuance (which shall be a Business Day), (B) Available Amount of such Letter of Credit, (C) expiration date of such Letter of Credit, (D) name and address of the beneficiary of such Letter of Credit and (E) form of such Letter of Credit, and shall be

34

36

accompanied by such application and agreement for letter of credit as such Issuing Bank may specify to the Borrower for use in connection with such requested Letter of Credit (a "Letter of Credit Agreement"). If (x) the requested form of such Letter of Credit is acceptable to such Issuing Bank in its sole discretion and (y) it has not received notice of objection to such issuance from Lenders holding at least 50% of the Revolving Credit Commitments, such Issuing Bank will, upon fulfillment of the applicable conditions set forth in Article III, make such Letter of Credit available to the Borrower at its office referred to in Section 8.2 or as otherwise agreed with the Borrower in connection with such issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern.

(b) Letter of Credit Reports. Each Issuing Bank shall furnish (A) to the Administrative Agent on the first Business Day of each week a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the previous week and drawings during such week under all Letters of Credit issued by such Issuing Bank, (B) to each Revolving Credit Lender on the first Business Day of each month a written report summarizing issuance and expiration dates of Letters of Credit issued by such Issuing Bank during the preceding month and drawings during such month under all Letters of Credit issued by such Issuing Bank and (C) to the Administrative Agent and each

Revolving Credit Lender on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit issued by such Issuing Bank.

(c) Drawing and Reimbursement. The payment by any Issuing Bank of a draft drawn under any Letter of Credit shall constitute for all purposes of this Agreement the making by such Issuing Bank of a Letter of Credit Advance, which shall be a Base Rate Advance, in the amount of such draft. Upon written demand by any Issuing Bank with an outstanding Letter of Credit Advance, with a copy of such demand to the Administrative Agent, each Revolving Credit Lender shall purchase from such Issuing Bank, and such Issuing Bank shall sell and assign to each such Revolving Credit Lender, such Lender's Pro Rata Share of such outstanding Letter of Credit Advance as of the date of such purchase, by making available for the account of its Applicable Lending Office to the Administrative Agent for the account of such Issuing Bank, by deposit to the Administrative Agent's Account, in same day funds, an amount equal to the portion of the outstanding principal amount of such Letter of Credit Advance to be purchased by such Lender. Promptly after receipt thereof, the Administrative Agent shall transfer such funds to such Issuing Bank. The Borrower hereby agrees to each such sale and assignment. Each Revolving Credit Lender agrees to purchase its Pro Rata Share of an outstanding Letter of Credit Advance on (i) the Business Day on which demand therefor is made by the Issuing Bank which made such Advance, provided that notice of such demand is given not later than 11:00 A.M. (New York City time) on such Business Day, or (ii) the first Business Day next succeeding such demand if notice of such demand is given after such time. Upon any such assignment by an Issuing Bank to any Revolving Credit Lender of a portion of a Letter of Credit Advance, such Issuing Bank represents and warrants to such other Lender that such Issuing Bank is the legal and beneficial owner of such interest being assigned by it, free and clear of any liens, but makes no other representation or warranty and assumes no responsibility with respect to such Letter of Credit Advance, the Loan Documents or any Loan Party. If and to the extent that any Revolving Credit Lender shall not have so made the amount of such Letter of Credit Advance available to the Administrative Agent, such Revolving Credit Lender agrees to pay to the Administrative Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by such Issuing Bank until the date such amount is paid to the Administrative Agent, at the Federal Funds Rate for its account or the account of such Issuing

Bank, as applicable. If such Lender shall pay to the Administrative Agent such amount for the account of such Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Letter of Credit Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Letter of Credit Advance made by such Issuing Bank shall be reduced by such amount on such Business Day.

(d) Failure to Make Letter of Credit Advances. The failure of any Lender to make the Letter of Credit Advance to be made by it on the date specified in Section 2.3(c) shall not relieve any other Lender of its obligation hereunder to make its Letter of Credit Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make the Letter of Credit Advance to be made by such other Lender on such date.

SECTION 2.4. REPAYMENT OF ADVANCES.

(a) Term B Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Term B Lenders the aggregate principal amount of the Term B Advances outstanding on the date of this Agreement on the following dates in the amounts indicated (which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.6):

Date	Amount
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March 31, 2001	\$875,000
June 30, 2001	\$875,000

September 30, 2001	\$875,000
December 31, 2001	\$875,000
March 31, 2002	\$875,000
June 30, 2002	\$875,000
September 30, 2002	\$875,000
December 31, 2002	\$875,000
March 31, 2003	\$875,000
June 30, 2003	\$875,000
September 30, 2003	\$875,000
December 31, 2003	\$42,000,000
March 31, 2004	\$42,000,000
June 30, 2004	\$42,000,000
September 30, 2004	\$42,000,000
December 31, 2004	\$42,000,000
March 31, 2005	\$42,000,000
June 30, 2005	\$42,000,000
September 30, 2005	\$43,750,000

provided, however, that the final principal installment shall be repaid on the Termination Date and in any event shall be in an amount equal to the aggregate principal amount of the Term B Advances outstanding on such date.

(b) Revolving Credit Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Revolving Credit Lenders on the Termination Date the aggregate outstanding principal amount of the Revolving Credit Advances then outstanding.

36

38

(c) Letter of Credit Advances.

(i) The Borrower shall repay to the Administrative Agent for the account of each Issuing Bank and each other Revolving Credit Lender that has made a Letter of Credit Advance on the earlier of demand and the Termination Date the outstanding principal amount of each Letter of Credit Advance made by each of them.

(ii) The Obligations of the Borrower under this Agreement, any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including the following circumstances (it being understood that any such payment by the Borrower is without prejudice to, and does not constitute a waiver of, any rights the Borrower might have or might acquire as a result of the payment by any Issuing Bank of any draft or the reimbursement by the Borrower thereof):

(A) any lack of validity or enforceability of any Loan Document, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (all of the foregoing being, collectively, the "L/C Related Documents");

(B) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of the Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(C) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Bank or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(D) any statement or any other document presented under a Letter of Credit proving to be forged,

fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(E) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or certificate or other document that does not strictly comply with the terms of such Letter of Credit;

(F) any exchange, release or non-perfection of any Collateral or other collateral, or any release or amendment or waiver of or consent to departure from the Guaranties or any other guarantee, for all or any of the Obligations of the Borrower in respect of the L/C Related Documents; or

(G) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or a guarantor.

37

39

#### SECTION 2.5. TERMINATION OR REDUCTION OF THE COMMITMENTS.

(a) Optional. The Borrower may, upon at least three Business Days' notice to the Administrative Agent, terminate in whole or reduce in part the unused portion of the Letter of Credit Facility and the Unused Revolving Credit Commitments; provided, however, that each partial reduction of a Facility (i) shall be in an aggregate amount of \$2,500,000 or an integral multiple of \$500,000 in excess thereof and (ii) shall be made ratably among the Appropriate Lenders in accordance with their Commitments with respect to such Facility.

(b) Mandatory.

(i) Upon each repayment or prepayment of the Term B Advances, the aggregate Term B Commitments of the Term B Lenders shall be automatically and permanently reduced, on a pro rata basis, by an amount equal to the amount by which the aggregate Term B Commitments immediately prior to such reduction exceed the aggregate unpaid principal amount of the Term B Advances then outstanding.

(ii) The Letter of Credit Facility shall be permanently reduced from time to time on the date of each reduction in the Revolving Credit Facility by the amount, if any, by which the amount of the Letter of Credit Facility exceeds the Revolving Credit Facility after giving effect to such reduction of the Revolving Credit Facility.

#### SECTION 2.6. PREPAYMENTS.

(a) Optional. The Borrower may, upon at least three Business Days' notice to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding aggregate principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of \$2,500,000 or an integral multiple of \$500,000 in excess thereof and (y) if any prepayment of a Eurodollar Rate Advance is made on a date other than the last day of an Interest Period for such Advance, the Borrower shall also pay any amounts owing pursuant to Section 8.4(c).

(b) Mandatory.

(i) The Borrower shall, on the 90th day following the end of each Fiscal Year, prepay an aggregate principal amount of the Term B Advances comprising part of the same Term B Borrowings equal to 25% of the amount of Excess Cash Flow for such Fiscal Year.

(ii) The Borrower shall, within 3 Business Days of the date of receipt (or such later date as may be specified in Section



5.2(e)(ii)) of the Net Cash Proceeds by the Borrower or any of its Restricted Subsidiaries from (A) the sale, lease, transfer or other disposition of any assets (other than payments of cash or Cash Equivalents) of the Borrower or any of its Restricted Subsidiaries (other than any sale, lease, transfer or other disposition of assets pursuant to clauses (i) and (iii) through (ix) of Section 5.2(e)) (provided that the Borrower shall only be required, on the 180th day after the date of receipt of such Net Cash Proceeds, to prepay the Advances in an amount equal to the amount of such Net Cash Proceeds not reinvested in like-kind assets or fixed assets (which are used in or are useful to the business of the Borrower at such time) during such

38

40

180-day period), (B) the incurrence or issuance by the Borrower or any of its Restricted Subsidiaries of any Debt (except Debt incurred or issued pursuant to clauses (i) through (iv) and clauses (vi) through (xii) of Section 5.2(b)), (C) any Extraordinary Receipt received by or paid to or for the account of the Borrower or any of its Restricted Subsidiaries and not otherwise included in clause (A) above, prepay an aggregate principal amount of the Term B Advances comprising part of the same Term B Borrowings equal to 100% of such Net Cash Proceeds; provided, however, that if such Net Cash Proceeds arise from the incurrence or issuance of Subordinated Debt pursuant to Section 5.2(b)(v), only 50% of such Net Cash Proceeds shall be required to be applied to the Term B Advances in accordance with this clause (b)(ii).

(iii) The Borrower shall, on each Business Day, prepay an aggregate principal amount of the Revolving Credit Advances comprising part of the same Borrowings and the Letter of Credit Advances equal to the amount by which (A) the sum of the aggregate principal amount of (x) the Revolving Credit Advances and (y) the Letter of Credit Advances then outstanding plus the aggregate Available Amount of all Letters of Credit then outstanding exceeds (B) the lesser of the Revolving Credit Facility and the Loan Value of Eligible Collateral on such Business Day.

(iv) The Borrower shall, on each Business Day, pay to the Administrative Agent for deposit in the L/C Collateral Account an amount sufficient to cause the aggregate amount on deposit in such Account to equal the amount by which the aggregate Available Amount of all Letters of Credit then outstanding exceeds the Letter of Credit Facility on such Business Day.

(v) Prepayments of the Revolving Credit Facility made pursuant to clause (iii) or (iv) above shall be first applied to prepay Letter of Credit Advances then outstanding until such Advances are paid in full and second applied to prepay Revolving Credit Advances then outstanding comprising part of the same Borrowings until such Advances are paid in full and third deposited in the L/C Collateral Account to cash collateralize 100% of the Available Amount of the Letters of Credit then outstanding. Upon the drawing of any Letter of Credit for which funds are on deposit in the L/C Collateral Account, such funds shall be applied to reimburse the relevant Issuing Bank or Revolving Credit Lenders, as applicable.

(vi) Anything contained in this Section 2.6(b) to the contrary notwithstanding, (A) if, following the occurrence of any "Asset Sale" (as such term is defined in any Indenture, if applicable) by any Loan Party or any of its Subsidiaries, the Borrower is required to commit by a particular date (a "Commitment Date") to apply or cause its Subsidiaries to apply an amount equal to any of the "Net Proceeds" (as such term is defined in such Indenture, if applicable) thereof in a particular manner, or to apply by a particular date (an "Application Date") an amount equal to any such "Net Proceeds" in a particular manner, in either case in order to excuse the Borrower from being required to make an "Asset Sale Offer" (as such term is defined in such Indenture, if applicable) in connection with such "Asset Sale," and the Borrower shall have failed to so commit or to so apply an amount equal to such "Net Proceeds" at least 60 days before the applicable Commitment Date or Application Date, as the case may be, or (B) if the Borrower at any other time shall have failed to apply or commit or cause to be applied an amount equal to any such "Net Proceeds," and, within 60 days

thereafter assuming no further application or commitment of an amount equal to such "Net Proceeds" the Borrower would otherwise be required to make an "Asset Sale Offer" in respect thereof, then in either such case the Borrower shall immediately apply or cause to be applied an amount equal to

39

41

such "Net Proceeds" to the payment of the Advances in the manner set forth in Section 2.6(b)(ii) in such amounts as shall excuse the Borrower from making any such "Asset Sale Offer."

(vii) All prepayments under this subsection (b) shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

(c) Application. Each prepayment under the Term B Facility will be applied to remaining installments of the Term B Advances under Section 2.4(a) on a pro rata basis.

#### SECTION 2.7. INTEREST.

(a) Scheduled Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (A) the Base Rate in effect from time to time plus (B) the Applicable Margin in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. During such periods as such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (A) the Eurodollar Rate for such Interest Period for such Advance plus (B) the Applicable Margin in effect on the first day of such Interest Period, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such Eurodollar Rate Advance shall be Converted or paid in full.

(b) Default Interest. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and upon the request of the Required Lenders shall, require that the Borrower pay interest on (i) the unpaid principal amount of each Advance owing to each Lender, payable in arrears on the dates referred to in clause (a)(i) or (a)(ii) above and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid on such Advance pursuant to clause (a)(i) or (a)(ii) above and (ii) to the fullest extent permitted by law, the amount of any interest, fee or other amount payable under the Loan Documents that is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to 2% per annum above the rate per annum required to be paid, in the case of interest, on the Type of Advance on which such interest has accrued pursuant to clause (a)(i) or (a)(ii) above and, in all other cases, on Base Rate Advances pursuant to clause (a)(i) above, provided, however, that, following acceleration of the advances pursuant to Section 6.1, interest shall accrue and be payable at the rate required by this Section 2.7(b) whether or not requested by the Administrative Agent or the Required Lenders.

(c) Notice of Interest Rate. Promptly after receipt of a Notice of Borrowing pursuant to Section 2.2(a), a notice of Conversion pursuant to Section 2.9 or a notice of selection of an Interest Period pursuant to the terms of the definition of "Interest Period," the Administrative Agent shall give notice to the Borrower and each Appropriate Lender of the

40

applicable Interest Period and the applicable interest rate determined by the Administrative Agent for purposes of clause (a)(i) or (a)(ii) above.

#### SECTION 2.8. FEES.

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of the Lenders a commitment fee, from the Effective Date in the case of each Initial Lender and from the effective date specified in the Assumption Agreement or in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date, payable in arrears quarterly on the last day of each March, June, September and December, commencing March 31, 2001, and on the Termination Date, at the rate of 1/2 of 1% per annum on the actual daily Unused Revolving Credit Commitment of such Lender; provided, however, that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and provided further that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(b) Letter of Credit Fees, Etc.

(i) The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender a commission, payable in arrears quarterly on the last day of each March, June, September and December, commencing March 31, 2001, and on the earliest to occur of the full drawing, expiration, termination or cancellation of any Letter of Credit and on the Termination Date, on such Lender's Pro Rata Share of the actual daily aggregate Available Amount during such quarter of all Letters of Credit outstanding from time to time at the rate per annum equal to the Applicable Margin then in effect for Revolving Credit Advances that are Eurodollar Rate Advances (including default interest, if any).

(ii) The Borrower shall pay to each Issuing Bank, for its own account, (A) a fronting fee, payable in arrears quarterly on the last day of each March, June, September and December, commencing March 31, 2001, and on the Termination Date, on the average daily amount of its Letter of Credit Commitment during such quarter, from the Effective Date until the Termination Date, at the rate of 0.25% per annum and an issuance fee for each Letter of Credit issued by such Issuing Bank in an amount equal to 0.25% of the Available Amount of such Letter of Credit on the date of issuance of such Letter of Credit, payable on such date; provided that, in no event shall such issuance fee be less than \$500, (B) such other commissions, transfer fees and other fees and charges in connection with the issuance or administration of each Letter of Credit as the Borrower and such Issuing Bank shall agree.

(iii) Agents' Fees. The Borrower shall pay to each Agent for its own account such fees as may from time to time be agreed between the Borrower and such Agent.

#### SECTION 2.9. CONVERSION OF ADVANCES.

(a) Optional. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business

Day prior to the date of the proposed Conversion and subject to the provisions of Section 2.10, Convert all or any portion of the Advances of one Type comprising the same Borrowing into Advances of the other Type; provided, however, that any Conversion of Eurodollar Rate Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such Eurodollar Rate Advances, any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.2(b), no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.2(b) and each Conversion of Advances

comprising part of the same Borrowing under any Facility shall be made ratably among the Appropriate Lenders in accordance with their Commitments under such Facility. Each such notice of Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted and (iii) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for such Advances. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Mandatory.

(i) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$2,500,000, such Advances shall automatically Convert into Base Rate Advances.

(ii) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.1, the Administrative Agent will forthwith so notify the Borrower and the Appropriate Lenders, whereupon each such Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance.

(iii) Upon the occurrence and during the continuance of a Default under Section 6.1(a) or 6.1(f) or any Event of Default, (x) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

#### SECTION 2.10. INCREASED COSTS, ETC.

(a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender Party of agreeing to make or of making, funding or maintaining Eurodollar Rate Advances or of agreeing to issue or of issuing or maintaining or participating in Letters of Credit or of agreeing to make or of making or maintaining Letter of Credit Advances (excluding, for purposes of this Section 2.10, any such increased costs resulting from (x) Taxes or Other Taxes (as to which Section 2.12 shall govern) and (y) changes in the basis of taxation of overall net income or overall gross income by the United States or by the foreign jurisdiction or state under the laws of which such Lender Party is organized or has its Applicable Lending Office or any political subdivision thereof), then the Borrower shall from time to time, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party additional amounts sufficient to compensate such Lender Party for such increased cost. A

42

44

certificate as to the amount of such increased cost, submitted to the Borrower by such Lender Party, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender Party determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender Party or any corporation controlling such Lender Party and that the amount of such capital is increased by or based upon the existence of such Lender Party's commitment to lend or to issue or participate in Letters of Credit hereunder and other commitments of such type or the issuance or maintenance of or participation in the Letters of Credit (or similar contingent obligations), then, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender Party, from time to time as specified by such Lender Party, additional amounts sufficient to compensate such Lender Party in the light of such circumstances, to the extent that such Lender Party reasonably determines such increase in capital to be allocable to the existence of such

Lender Party's commitment to lend or to issue or participate in Letters of Credit hereunder or to the issuance or maintenance of or participation in any Letters of Credit. A certificate as to such amounts submitted to the Borrower by such Lender Party shall be conclusive and binding for all purposes, absent manifest error.

(c) If, with respect to any Eurodollar Rate Advances under any Facility, Lenders owed at least 50% of the then aggregate unpaid principal amount thereof notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Lenders of making, funding or maintaining their Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Appropriate Lenders, whereupon (i) each such Eurodollar Rate Advance under such Facility will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Appropriate Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority shall assert that it is unlawful, for any Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) each Eurodollar Rate Advance under each Facility under which such Lender has a Commitment will automatically, upon such demand, Convert into a Base Rate Advance and (ii) the obligation of the Appropriate Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist.

#### SECTION 2.11. PAYMENTS AND COMPUTATIONS.

(a) The Borrower shall make each payment hereunder and under the Notes, irrespective of any right of counterclaim or set-off (except as otherwise provided in Section 2.15), not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at the Administrative Agent's Account in same day funds, with payments being received by the Administrative Agent after such time being deemed to have been received

43

45

on the next succeeding Business Day. The Administrative Agent will promptly thereafter cause like funds to be distributed (i) if such payment by the Borrower is in respect of principal, interest, commitment fees or any other Obligation then payable hereunder and under the Notes to more than one Lender Party, to such Lender Parties for the account of their respective Applicable Lending Offices ratably in accordance with the amounts of such respective Obligations then payable to such Lender Parties and (ii) if such payment by the Borrower is in respect of any Obligation then payable hereunder to one Lender Party, to such Lender Party for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.7(d), from and after the effective date of such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender Party assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender Party, if and to the extent payment owed to such Lender Party is not made when due hereunder or, in the case of a Lender, under the Note held by such Lender, to charge from time to time against any or all of the Borrower's accounts with such Lender Party any amount so due.

(c) All computations of interest based on the Base Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar

Rate or the Federal Funds Rate and of fees and Letter of Credit commissions shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable. Each determination by the Administrative Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee or Letter of Credit fee, as the case may be; provided, however, that, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender Party hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each such Lender Party on such due date an amount equal to the amount then due such Lender Party. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each such Lender Party shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender Party together with interest thereon, for each day from the date such amount is distributed to such Lender Party until the date such Lender Party repays such amount to the Administrative Agent, at the Federal Funds Rate.

(f) If the Administrative Agent receives funds for application to the Obligations under the Loan Documents under circumstances for which the Loan Documents do

44

46

not specify the Advances or the Facility to which, or the manner in which, such funds are to be applied, the Administrative Agent may, but shall not be obligated to, elect to distribute such funds to each Lender Party ratably in accordance with such Lender Party's proportionate share of the principal amount of all outstanding Advances and the Available Amount of all Letters of Credit then outstanding, in repayment or prepayment of such of the outstanding Advances or other Obligations owed to such Lender Party, and for application to such principal installments, as the Administrative Agent shall direct.

#### SECTION 2.12. TAXES.

(a) Except as otherwise provided herein, any and all payments by the Borrower hereunder or under the Notes shall be made, in accordance with Section 2.11, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender Party and each Agent, taxes that are imposed on its overall net income by the United States and taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction under the laws of which such Lender Party or such Agent, as the case may be, is organized or any political subdivision thereof and, in the case of each Lender Party, taxes that are imposed on its overall net income (and franchise taxes imposed in lieu thereof) by the state or foreign jurisdiction of such Lender Party's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities in respect of payments hereunder or under the Notes being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender Party or any Agent, (i) the sum payable by the Borrower shall be increased as may be necessary so that after the Borrower and the Administrative Agent have made all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Lender Party or such Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make all such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, performance under, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) Except as otherwise provided herein, the Borrower shall indemnify each Lender Party and each Agent for and hold them harmless against the full amount of Taxes and Other Taxes, and for the full amount of taxes of any kind imposed by any jurisdiction on amounts payable under this Section 2.12, imposed on or paid by such Lender Party or such Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses, except to the extent that such penalties, additions, interest and expenses accrue as a result of the failure of the relevant Lender Party or Agent to demand payment from the Borrower within 30 days of it becoming aware of the circumstances which entitle it to make such demand) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender Party or such Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 8.2, the original or a certified copy of a receipt evidencing such payment. In the case of any payment hereunder or

45

47

under the Notes by or on behalf of the Borrower through an account or branch outside the United States or by or on behalf of the Borrower by a payor that is not a United States person, if the Borrower determines that no Taxes are payable in respect thereof, the Borrower shall furnish, or shall cause such payor to furnish, to the Administrative Agent, at such address, an opinion of counsel acceptable to the Administrative Agent stating that such payment is exempt from Taxes. For purposes of subsections (d) and (e) of this Section 2.12, the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Internal Revenue Code.

(e) Each Lender Party organized under the laws of a jurisdiction outside the United States shall, on or prior to the date of its execution and delivery of this Agreement in the case of each Initial Lender or Initial Issuing Bank, as the case may be, and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender Party in the case of each other Lender Party, and from time to time thereafter as requested in writing by the Borrower (but only so long thereafter as such Lender Party remains lawfully able to do so), provide each of the Administrative Agent and the Borrower with two original Internal Revenue Service forms W-8ECI or W-8BEN (and, if such Lender Party delivers a form W-8BEN, a certificate representing that such Lender Party is not a "bank" for purposes of Section 881(c) of the Internal Revenue Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Internal Revenue Code)), as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender Party is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement or the Notes or, in the case of a Lender Party providing a form W-8BEN, certifying that such Lender Party is a foreign corporation, partnership, estate or trust. If the forms provided by a Lender Party at the time such Lender Party first becomes a party to this Agreement indicate a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender Party provides the appropriate forms certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such forms; provided, however, that if, at the effective date of the Assignment and Acceptance pursuant to which a Lender Party becomes a party to this Agreement, the Lender Party assignor was entitled to payments under subsection (a) of this Section 2.12 in respect of United States withholding tax with respect to interest paid at such date, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includable in Taxes) United States withholding tax, if any, applicable with respect to the Lender Party assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other

than information necessary to compute the tax payable and information required on the Effective Date by Internal Revenue Service form W-8BEN or W-8ECI (or the related certificate described above), that the Lender Party reasonably considers to be confidential, the Lender Party shall give notice thereof to the Borrower and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender Party has failed to provide the Borrower with the appropriate form described in subsection (e) above (other than if such failure is due to a change in law occurring after the date on which a form originally was required to be provided or if such form otherwise is not required under subsection (e) above), such Lender Party shall not be entitled to indemnification under subsection (a) or (c) of this Section 2.12 with respect to Taxes imposed by the United States by reason of such failure; provided, however, that should a Lender Party become subject to Taxes because of its failure to deliver a form required

46

48

hereunder, the Borrower shall take such steps as such Lender Party shall reasonably request to assist such Lender Party to recover such Taxes.

(g) Any Lender Party claiming any additional amounts payable pursuant to this Section 2.12 agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Eurodollar Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender Party, be otherwise disadvantageous to such Lender Party.

(h) The Borrower may replace any Lender Party that has requested additional amounts from such Borrower under this Section 2.12, by written notice to such Lender Party and the Administrative Agent and identifying one or more persons each of which shall be reasonably acceptable to the Administrative Agent (each, a "Replacement Lender Party," and collectively, the "Replacement Lender Parties") to replace such Lender Party (the "Replaced Lender Party"); provided that (i) the notice from such Borrower to the Replaced Lender Party and the Administrative Agent provided for hereinabove shall specify an effective date for such replacement (the "Replacement Effective Date"), which shall be at least five (5) Business Days after such notice is given and (ii) as of the relevant Replacement Effective Date, each Replacement Lender Party shall enter into an Assignment and Acceptance with the Replaced Lender Party pursuant to Section 8.7(a) (but shall not be required to pay the processing fee otherwise payable to the Administrative Agent pursuant to Section 8.7(a)), pursuant to which such Replacement Lender Parties collectively shall acquire, in such proportion among them as they may agree with such Borrower and the Administrative Agent, all (but not less than all) of the Commitments and outstanding Advances of the Replaced Lender Party, and, in connection therewith, shall pay to the Replaced Lender Party, as the purchase price in respect thereof, an amount equal to the sum as of the Replacement Effective Date, without duplication, of (x) the unpaid principal amount of, and all accrued but unpaid interest on, all outstanding Advances of the Replaced Lender Party and (y) the Replaced Lender Party's ratable share of all accrued but unpaid fees owing to the Replaced Lender Party hereunder.

SECTION 2.13. SHARING OF PAYMENTS, ETC. If any Lender Party shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise, other than as a result of an assignment pursuant to Section 8.7) (a) on account of Obligations due and payable to such Lender Party hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender Party at such time to (ii) the aggregate amount of the Obligations due and payable to all Lender Parties hereunder and under the Notes at such time) of payments on account of the Obligations due and payable to all Lender Parties hereunder and under the Notes at such time obtained by all the Lender Parties at such time or (b) on account of Obligations owing (but not due and payable) to such Lender Party hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing to such Lender Party at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lender Parties hereunder and under the Notes at such time) of payments on account of the Obligations owing (but not due and payable) to all Lender Parties hereunder and under the Notes at such time obtained by all of the



Lender Parties at such time, such Lender Party shall forthwith purchase from the other Lender Parties such interests or participating interests in the Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender Party to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender Party, such purchase from each other Lender

47

49

Party shall be rescinded and such other Lender Party shall repay to the purchasing Lender Party the purchase price to the extent of such Lender Party's ratable share (according to the proportion of (i) the purchase price paid to such Lender Party to (ii) the aggregate purchase price paid to all Lender Parties) of such recovery together with an amount equal to such Lender Party's ratable share (according to the proportion of (i) the amount of such other Lender Party's required repayment to (ii) the total amount so recovered from the purchasing Lender Party) of any interest or other amount paid or payable by the purchasing Lender Party in respect of the total amount so recovered; provided further that, so long as the Obligations under the Loan Documents shall not have been accelerated, any excess payment received by any Appropriate Lender shall be shared on a pro rata basis only with other Appropriate Lenders. The Borrower agrees that any Lender Party so purchasing an interest or participating interest from another Lender Party pursuant to this Section 2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such interest or participating interest as fully as if such Lender Party were the direct creditor of the Borrower in the amount of such interest or participating interest.

SECTION 2.14. USE OF PROCEEDS. The Revolving Credit Advances and the issuances of the Letters of Credit from and after the Effective Date shall be made available (and the Borrower agrees that it shall use the proceeds thereof and such Letters of Credit) for general corporate purposes of the Borrower and its Restricted Subsidiaries to the extent permitted under this Agreement.

SECTION 2.15 DEFAULTING LENDERS.

(a) In the event that, at any one time, (i) any Lender Party shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Advance to the Borrower and (iii) the Borrower shall be required to make any payment hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower may, so long as no Default shall occur or be continuing at such time and to the fullest extent permitted by applicable law, set off and otherwise apply the Obligation of the Borrower to make such payment to or for the account of such Defaulting Lender against the obligation of such Defaulting Lender to make such Defaulted Advance. In the event that, on any date, the Borrower shall so set off and otherwise apply its obligation to make any such payment against the obligation of such Defaulting Lender to make any such Defaulted Advance on or prior to such date, the amount so set off and otherwise applied by the Borrower shall constitute for all purposes of this Agreement and the other Loan Documents an Advance by such Defaulting Lender made on the date of such setoff under the Facility pursuant to which such Defaulted Advance was originally required to have been made pursuant to Section 2.1. Such Advance shall be considered, for all purposes of this Agreement, to comprise part of the Borrowing in connection with which such Defaulted Advance was originally required to have been made pursuant to Section 2.1, even if the other Advances comprising such Borrowing shall be Eurodollar Rate Advances on the date such Advance is deemed to be made pursuant to this subsection (a). The Borrower shall notify the Administrative Agent at any time the Borrower exercises its right of set-off pursuant to this subsection (a) and shall set forth in such notice (A) the name of the Defaulting Lender and the Defaulted Advance required to be made by such Defaulting Lender and (B) the amount set off and otherwise applied in respect of such Defaulted Advance pursuant to this subsection (a). Any portion of such payment otherwise required to be made by the Borrower to or for the account of such Defaulting Lender which is paid by the Borrower, after giving effect to the amount set off and otherwise applied by the Borrower pursuant to this subsection (a), shall be applied by the Administrative Agent as specified in subsection (b) or (c) of this Section 2.15.

48

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(b) In the event that, at any one time, (i) any Lender Party shall be a Defaulting Lender, (ii) such Defaulting Lender shall owe a Defaulted Amount to any Agent or any of the other Lender Parties and (iii) the Borrower shall make any payment hereunder or under any other Loan Document to the Administrative Agent for the account of such Defaulting Lender, then the Administrative Agent may, on its behalf or on behalf of such other Agents or such other Lender Parties and to the fullest extent permitted by applicable law, apply at such time the amount so paid by the Borrower to or for the account of such Defaulting Lender to the payment of each such Defaulted Amount to the extent required to pay such Defaulted Amount. In the event that the Administrative Agent shall so apply any such amount to the payment of any such Defaulted Amount on any date, the amount so applied by the Administrative Agent shall constitute for all purposes of this Agreement and the other Loan Documents payment, to such extent, of such Defaulted Amount on such date. Any such amount so applied by the Administrative Agent shall be retained by the Administrative Agent or distributed by the Administrative Agent to such other Agents or such other Lender Parties, ratably in accordance with the respective portions of such Defaulted Amounts payable at such time to the Administrative Agent, such other Agents and such other Lender Parties and, if the amount of such payment made by the Borrower shall at such time be insufficient to pay all Defaulted Amounts owing at such time to the Administrative Agent, such other Agents and such other Lender Parties, in the following order of priority:

(i) first, to the Administrative Agent for any Defaulted Amounts then owing to the Administrative Agent, ratably in accordance with such respective Defaulted Amounts then owing to Administrative Agent;

(ii) second, to the Issuing Banks for any Defaulted Amounts then owing to them, in their capacities as such, ratably in accordance with such respective Defaulted Amounts then owing to such Issuing Banks; and

(iii) third, to any other Lender Parties for any Defaulted Amounts then owing to such other Lender Parties, ratably in accordance with such respective Defaulted Amounts then owing to such other Lender Parties.

Any portion of such amount paid by the Borrower for the account of such Defaulting Lender remaining, after giving effect to the amount applied by the Administrative Agent pursuant to this subsection (b), shall be applied by the Administrative Agent as specified in subsection (c) of this Section 2.15.

(c) In the event that, at any one time, (i) any Lender Party shall be a Defaulting Lender, (ii) such Defaulting Lender shall not owe a Defaulted Advance or a Defaulted Amount and (iii) the Borrower, any Agent or any other Lender Party shall be required to pay or distribute any amount hereunder or under any other Loan Document to or for the account of such Defaulting Lender, then the Borrower or such Agent or such other Lender Party shall pay such amount to the Administrative Agent to be held by the Administrative Agent, to the fullest extent permitted by applicable law, in escrow or the Administrative Agent shall, to the fullest extent permitted by applicable law, hold in escrow such amount otherwise held by it. Any funds held by the Administrative Agent in escrow under this subsection (c) shall be deposited by the Administrative Agent in an account with Citibank, in the name and under the control of the Administrative Agent, but subject to the provisions of this subsection (c). The terms applicable to such account, including the rate of interest payable with respect to the credit balance of such account from time to time, shall be Citibank's standard terms applicable to escrow accounts maintained with it. Any interest credited to such account from time to time shall be held by the Administrative Agent in escrow under, and applied by the Administrative Agent from time to

time in accordance with the provisions of, this subsection (c). The Administrative Agent shall, to the fullest extent permitted by applicable law, apply all funds so held in escrow from time to time to the extent necessary to make any Advances required to be made by such Defaulting Lender and to pay any amount payable by such Defaulting Lender hereunder and under the other Loan Documents to the Administrative Agent or any other Lender Party, as and when such Advances or amounts are required to be made or paid and, if the amount so

held in escrow shall at any time be insufficient to make and pay all such Advances and amounts required to be made or paid at such time, in the following order of priority:

(i) first, to the Administrative Agent for any amounts then due and payable by such Defaulting Lender to the Administrative Agent hereunder, ratably in accordance with such amounts then due and payable to the Administrative Agent;

(ii) second, to the Issuing Banks for any amounts then due and payable to them hereunder, in their capacities as such, by such Defaulting Lender, ratably in accordance with such amounts then due and payable to such Issuing Banks;

(iii) third, to any other Lender Parties for any amount then due and payable by such Defaulting Lender to such other Lender Parties hereunder, ratably in accordance with such respective amounts then due and payable to such other Lender Parties; and

(iv) fourth, to the Borrower for any Advance then required to be made by such Defaulting Lender pursuant to a Commitment of such Defaulting Lender.

In the event that any Lender Party that is a Defaulting Lender shall, at any time, cease to be a Defaulting Lender, any funds held by the Administrative Agent in escrow at such time with respect to such Lender Party shall be distributed by the Administrative Agent to such Lender Party and applied by such Lender Party to the Obligations owing to such Lender Party at such time under this Agreement and the other Loan Documents ratably in accordance with the respective amounts of such Obligations outstanding at such time.

(d) The rights and remedies against a Defaulting Lender under this Section 2.15 are in addition to other rights and remedies that the Borrower may have against such Defaulting Lender with respect to any Defaulted Advance and that any Agent or any Lender Party may have against such Defaulting Lender with respect to any Defaulted Amount.

#### SECTION 2.16. EVIDENCE OF DEBT.

(a) The Borrower agrees that upon notice by any Lender to the Borrower (with a copy of such notice to the Administrative Agent) to the effect that a Note is required or appropriate in order for such Lender to evidence (whether for purposes of pledge, enforcement or otherwise) the Advances owing to, or to be made by, such Lender, the Borrower shall promptly execute and deliver to such Lender a Note payable to the order of such Lender in a principal amount up to the Commitment of such Lender. Each Lender that does not receive a Note pursuant to the preceding sentence shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder in respect of such Advances.

(b) The Register maintained by the Administrative Agent pursuant to Section 8.7(d) shall include a control account and a subsidiary account for each Lender, in which

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52

accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the Type of Advances comprising such Borrowing and, if appropriate, the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender's share thereof.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to subsection (b) above, and by each Lender in its account or accounts pursuant to subsection (a) above, shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement, absent

manifest error; provided, however, that the failure of the Administrative Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement.

(d) Any reference to a Note or Notes made in this Agreement shall be a reference to a Note or Notes only to the extent such Note or Notes have been requested and issued pursuant to subsection (a) above.

SECTION 2.17. INCREASE IN THE AGGREGATE COMMITMENTS.

(a) The Borrower may, at any time prior to the Termination Date, by notice to the Administrative Agent, request the addition of a new facility pursuant to an increase in the Commitments (each, a "Commitment Increase") equal to \$50,000,000 (or an integral multiple of \$10,000,000 in excess thereof) to be effective as of a date that is at least 90 days prior to the scheduled Termination Date then in effect (the "Increase Date") as specified in the related notice to the Administrative Agent; provided, however, that (i) in no event shall the aggregate amount of all of the Commitment Increases exceed \$100,000,000, (ii) on the date of any request by the Borrower for a Commitment Increase and on the related Increase Date, the applicable conditions set forth in Section 3.2 and in clause (d) of this Section 2.17 shall be satisfied, (iii) the Borrower will only be able to make one request hereunder, (iv) the final maturity of the Advances and Commitments under any such new facility shall be no shorter than the final maturity of the Term B Facility and (v) such new facility shall contain other terms as may be agreed by the Borrower and the Agents.

(b) The Administrative Agent shall promptly notify the Lenders of a request by the Borrower for a Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Increase Date and (iii) the date by which Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments (the "Commitment Date"). Each Lender that is willing to participate in the requested Commitment Increase (each an "Increasing Lender") shall, in its sole discretion, give written notice to the Administrative Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment. If the Lenders notify the Administrative Agent that they are willing to increase the amount of their respective Commitments by an aggregate amount that exceeds the amount of the requested Commitment Increase, the requested Commitment Increase shall be allocated among the Lenders willing to participate therein in such amounts as are agreed between the Borrower and the Administrative Agent.

(c) Promptly following the Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate

51

53

in the requested Commitment Increase. If the aggregate amount by which the Lenders are willing to participate in the requested Commitment Increase on any such Commitment Date is less than the requested Commitment Increase, then the Borrower may extend offers to one or more Eligible Assignees to participate in any portion of the requested Commitment Increase that has not been committed to by the Lenders as of the Commitment Date; provided, however, that the Commitment of each such Eligible Assignee shall be in an amount of \$2,500,000 or an integral multiple of \$1,000,000 in excess thereof.

(d) On the Increase Date, each Eligible Assignee that accepts an offer to participate in a requested Commitment Increase in accordance with Section 2.17(c) (each such Eligible Assignee, an "Assuming Lender") shall become a Lender party to this Agreement as of the Increase Date and the Commitment of each Increasing Lender for such Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to the last sentence of Section 2.17(b)) as of the Increase Date; provided, however, that the Administrative Agent shall have received on or before the Increase Date the following, each dated such date:

(i) (A) certified copies of resolutions of the Board of Directors of the Borrower approving the Commitment Increase and the corresponding modifications to this Agreement and (B) an opinion of counsel for the Borrower (which may be in-house counsel), in a form reasonably satisfactory to the Administrative Agent;

(ii) an assumption agreement from each Assuming Lender, if any, in form and substance satisfactory to the Borrower and the Administrative Agent (each an "Assumption Agreement"), duly executed by such Eligible Assignee, the Administrative Agent and the Borrower; and

(iii) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing satisfactory to the Borrower and the Administrative Agent.

On the Increase Date, upon fulfillment of the conditions set forth in the immediately preceding sentence of this Section 2.17(d), the Administrative Agent shall notify the Lenders (including each Assuming Lender) and the Borrower, on or before 1:00 P.M. (New York City time), by telecopier or telex, of the occurrence of the Commitment Increase to be effected on the Increase Date and shall record in the Register the relevant information with respect to each Increasing Lender and each Assuming Lender on such date.

### ARTICLE III

#### CONDITIONS OF LENDING AND ISSUANCES OF LETTERS OF CREDIT

SECTION 3.1 CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS AGREEMENT. This Agreement shall become effective on the date (the "Effective Date") on which all of the following conditions precedent have been first satisfied:

(a) The Agents shall have received, in form and substance satisfactory to the Agents (unless otherwise specified) and in sufficient copies for each Lender Party:

(i) This Agreement, duly executed by the Borrower and the Required Lenders.

52

54

(ii) The Assignment and Release Agreement, duly executed by the Existing Administrative Agent, the Existing Collateral Agent, the Administrative Agent and the Collateral Agent and acknowledged and agreed to by the Borrower, including executed UCC-3 financing statements, intellectual property assignments and all other recordings, filings, documents and instruments as may be necessary or desirable to give effect to assignments set forth therein, together with:

(A) all certificates representing the Pledged Shares, undated stock powers or share transfer forms and all other instruments, certificates, agreements and documents which are held by the Existing Collateral Agent in respect of the Collateral; and

(B) evidence that all other action that the Administrative Agent may deem necessary or desirable in order to perfect (or continue to perfect) and protect the first priority Liens created under the Security Agreement and the other Collateral Documents has been taken.

(iii) The Guaranty and Security Confirmations, duly executed by each Loan Party.

(iv) Certified copies of the resolutions of the Board of Directors of each Loan Party approving the transactions contemplated by this Agreement and of all documents evidencing other necessary corporate action and governmental and other third party approvals and consents, if any, with respect to the Transactions and each Transaction Document to which it is or is to be a party.

(v) A copy of a certificate of the Secretary of State or other appropriate governmental official of the jurisdiction of incorporation of each Loan Party, dated reasonably near the Effective Date, certifying, where applicable, that such Loan Party has paid all

franchise taxes to the date of such certificate and such Loan Party is duly incorporated and in good standing or presently subsisting under the laws of the jurisdiction of its incorporation.

(vi) A certificate of each Loan Party, signed on behalf of such Loan Party by its President or a Vice President and its Secretary or any Assistant Secretary, dated the Effective Date (the statements made in which certificate shall be true on and as of the date of the Effective Date), certifying as to (A) the absence of any amendments to the charter and bylaws of such Loan Party since the Initial Closing Date (unless true, complete and up to date copies of any such amendments are delivered with such certificate), (B) the due incorporation and good standing or valid existence of such Loan Party as a corporation organized under the laws of the jurisdiction of its incorporation, and the absence of any proceeding for the dissolution or liquidation of such Loan Party, (C) the truth of the representations and warranties contained in the Loan Documents as though made on and as of the Effective Date and (D) the absence of any event occurring and continuing, or resulting from the Transactions, that constitutes a Default.

(vii) A certificate of the Secretary or an Assistant Secretary of each Loan Party certifying the names and true signatures of the officers of such Loan Party authorized to sign each Transaction Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder.

53

55

(viii) Certified copies of each of the Related Documents (other than those delivered in connection with the Existing Credit Agreement), duly executed by the parties thereto and in form and substance satisfactory to the Lender Parties, together with all agreements, instruments and other documents delivered in connection therewith as the Administrative Agent shall request.

(ix) Such financial, business and other information regarding each Loan Party and its Subsidiaries as the Lender Parties shall have requested.

(x) Evidence of insurance naming the CUSA, as successor Collateral Agent, as additional insured and loss payee with such responsible and reputable insurance companies or associations, and in such amounts and covering such risks, as is satisfactory to the Lender Parties, including business interruption insurance.

(xi) A favorable opinion of (A) Wilson Sonsini Goodrich & Rosati, counsel for the Loan Parties, in form and substance satisfactory to the Lender Parties, (B) local counsel in the jurisdictions and from the law firms listed in Schedule III in form and substance satisfactory to the Lender Parties and (C) Weil, Gotshal & Manges LLP, counsel to the Agents, in form and substance satisfactory to the Agents.

(xii) The Transaction Documents shall not have been altered, amended or otherwise changed or supplemented in any material respect or any condition therein waived without the prior written consent of the Lender Parties; and the Transactions shall have been consummated in accordance with the terms of the Transaction Documents and in compliance with applicable law and regulatory approvals.

(xiii) Before giving effect to the Transactions, there shall have occurred no Material Adverse Change since December 31, 2000.

(xiv) The Borrower shall have paid all accrued fees of the Agents and the Lender Parties and all accrued expenses of the Agents (including the accrued fees and expenses of advisors and counsel to the Agents and local counsel for the Lender Parties).

(xv) The representations and warranties contained in each Loan Document are correct on and as of the Effective Date as though made on and as of such date other than any such representations or warranties that, by their terms, refer to a specific date other than the

Effective Date, in which case as of such specific date.

(xvi) On the Effective Date no event has occurred and is continuing that constitutes a Default.

SECTION 3.2. CONDITIONS PRECEDENT TO EACH BORROWING AND ISSUANCE AND RENEWAL. The obligation of each Appropriate Lender to make an Advance (other than a Letter of Credit Advance made by an Issuing Bank or a Revolving Credit Lender pursuant to Section 2.3(c)) on the occasion of each Borrowing, each Commitment Increase, and the obligation of each Issuing Bank to issue a Letter of Credit or renew a Letter of Credit, shall be subject to the further conditions precedent that on the date of such Borrowing or the applicable Increase Date or issuance or renewal (a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing, request for Commitment Increase, Notice of Issuance or Notice of Renewal and the acceptance by the Borrower of the proceeds of such Borrowing or of such Letter of Credit or the renewal of such Letter of Credit shall constitute a representation and

54

56

warranty by the Borrower that both on the date of such notice and on the date of such Borrowing, such Increase Date or issuance or renewal such statements are true):

(i) the representations and warranties contained in each Loan Document are correct on and as of such date, before and after giving effect to such Borrowing, such Increase Date or issuance or renewal and to the application of the proceeds therefrom, as though made on and as of such date other than any such representations or warranties that, by their terms, refer to a specific date other than such Borrowing, issuance or renewal, in which case as of such specific date;

(ii) no event has occurred and is continuing, or would result from such Borrowing, such Increase Date or issuance or renewal or from the application of the proceeds therefrom, that constitutes a Default; and

(iii) for each Revolving Credit Advance or issuance or renewal of any Letter of Credit, the sum of the Loan Values of the Eligible Collateral exceeds the aggregate principal amount of the Revolving Credit Advances plus Letter of Credit Advances to be outstanding plus the aggregate Available Amount of all Letters of Credit to be outstanding after giving effect to such Advance or issuance or renewal, respectively;

and (b) the Administrative Agent shall have received such other approvals, opinions or documents as any Appropriate Lender through the Administrative Agent may reasonably request.

SECTION 3.3. DETERMINATIONS UNDER SECTION 3.1. For purposes of determining compliance with the conditions specified in Section 3.1, each Lender Party shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender Parties unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender Party prior to the Effective Date specifying its objection thereto.

#### ARTICLE IV

##### REPRESENTATIONS AND WARRANTIES

SECTION 4.1. REPRESENTATIONS AND WARRANTIES OF THE BORROWER. The Borrower represents and warrants as follows:

(a) Corporate Existence; Corporate Power. Each Loan Party and each of its Subsidiaries (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed could not be reasonably likely to have a

Material Adverse Effect and (iii) has all requisite corporate power and authority (including all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. All of the outstanding Equity Interests in the Borrower have been validly issued and are non-assessable.

(b) Ownership of Subsidiaries. Set forth on Schedule 4.1(b) is a complete and accurate list of all Subsidiaries of each Loan Party, showing as of the Effective Date (as to

55

57

each such Subsidiary) the jurisdiction of its incorporation, the number of shares of each class of its Equity Interests authorized, and the number outstanding, on the Effective Date and the percentage of each such class of its Equity Interests owned (directly or indirectly) by such Loan Party and the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the Effective Date. All of the outstanding Equity Interests in each Loan Party's Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by such Loan Party or one or more of its Subsidiaries free and clear of all Liens, except those created under the Collateral Documents. Each Subsidiary of the Borrower which is a Restricted Subsidiary is a Subsidiary Guarantor, an Intercompany Guarantor or both.

(c) Authorization; No Conflicts. The execution, delivery and performance by each Loan Party of each Transaction Document to which it is or is to be a party, and the consummation of the Transactions, are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Loan Party's charter or bylaws, (ii) violate any law, rule, regulation (including Regulation U and Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, any of its Subsidiaries or any of their properties or (iv) except for the Liens created under the Loan Documents and Permitted Liens, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries. No Loan Party or any of its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which could be reasonably likely to have a Material Adverse Effect.

(d) Governmental and Third-Party Approvals. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for (i) the due execution, delivery, recordation, filing or performance by any Loan Party of any Transaction Document to which it is or is to be a party, or for the consummation of the Transactions, (ii) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (iii) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (iv) the exercise by any Agent or any Lender Party of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for the authorizations, approvals, actions, notices and filings listed on Schedule 4.1(d) hereto, all of which have been duly obtained, taken, given or made and are in full force and effect. All applicable waiting periods in connection with the Transactions have expired without any action having been taken by any competent authority restraining, preventing or imposing materially adverse conditions upon the Transactions or the rights of the Loan Parties or their Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them. The Transactions have been consummated in accordance with the Transaction Documents and applicable law.

(e) Enforceable Obligations. This Agreement has been, and each other Transaction Document when delivered hereunder will have been, duly executed and delivered by each Loan Party party thereto. This Agreement is, and each other Transaction Document when delivered hereunder will be, the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.



(f) Litigation. There is no action, suit, investigation, litigation or proceeding affecting any Loan Party or any of its Subsidiaries, including any Environmental Action, pending or threatened before any court, governmental agency or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the Transactions.

(g) Financial Statements. The Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2000, and the related Consolidated statement of income and Consolidated statement of cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an unqualified opinion of Arthur Andersen, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2000, and the related Consolidated statement of income and Consolidated statement of cash flows of the Borrower and its Subsidiaries for the twelve months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender Party, fairly present the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles applied on a consistent basis, and since December 31, 2000, there has been no Material Adverse Change.

(h) Financial Projections. The Consolidated forecasted balance sheet, statement of income and statement of cash flows of the Borrower and its Subsidiaries delivered to the Lender Parties pursuant to Section 5.3 were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in the light of conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's best estimate of its future financial performance.

(i) Full Disclosure. Neither the Information Memorandum nor any other information, exhibit or report (including the information memorandum as defined in the Existing Credit Agreement) furnished by or on behalf of any Loan Party to any Agent or any Lender Party in connection with the negotiation of the Loan Documents or pursuant to the terms of the Loan Documents contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading; provided, however, that to the extent that any such statement constitutes a projection of future financial performance, such statement is only represented and warranted hereby to have been made in good faith on the basis of the assumptions stated therein, which assumptions were fair in the light of conditions existing at the time of delivery of the Information Memorandum or other information, exhibit or report, and represented, at the time of delivery, the Borrower's best estimate of such future financial performance.

(j) Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Advance or drawings under any Letter of Credit will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

(k) Investment Company Act; Public Utility Holding Company Act. Neither any Loan Party nor any of its Subsidiaries is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940. Neither any Loan Party nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935. Neither the making of any

Advances, nor the issuance of any Letters of Credit, nor the application of the

proceeds or repayment thereof by the Borrower, nor the consummation of the other Transactions, will violate any provision of any such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(l) No Burdensome Restrictions. Neither any Loan Party nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or corporate restriction that would reasonably be expected to have a Material Adverse Effect.

(m) Collateral Documents. The Collateral Documents create a valid and perfected first priority security interest in the Collateral subject only to Permitted Liens, securing the payment of the Secured Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken. The Loan Parties are the legal and beneficial owners of the Collateral free and clear of any Lien, except for the liens and security interests created or permitted under the Loan Documents.

(n) Solvency. Each Loan Party is, individually and together with its Subsidiaries, Solvent.

(o) ERISA.

(i) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan.

(ii) Neither any Loan Party nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan.

(iii) Neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA.

(iv) Schedule B (Actuarial Information) to the most recent annual report (Form 5500 Series) for each Plan, copies of which have been filed with the Internal Revenue Service and furnished to the Lender Parties, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule B there has been no material adverse change in such funding status.

(v) Set forth on Schedule 4.1(o) is a complete and accurate list of all Plans, Multiemployer Plans and Welfare Plans.

(p) Environmental Matters.

(i) The operations and properties of each Loan Party and each of its Subsidiaries comply in all material respects with all applicable Environmental Laws and Environmental Permits, all past non-compliance with such Environmental Laws and Environmental Permits has been resolved without ongoing obligations or costs, and no circumstances exist that could be reasonably likely to (A) form the basis of an Environmental Action against any Loan Party or any of its Subsidiaries or any of their properties that could have a Material Adverse Effect or (B) cause any such property to be

subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(ii) None of the properties currently or formerly owned or operated by any Loan Party or any of its Subsidiaries is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; there are no and never have been any underground or aboveground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or any of its Subsidiaries or, to the best of its knowledge, on any

property formerly owned or operated by any Loan Party or any of its Subsidiaries; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or any of its Subsidiaries; and Hazardous Materials have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries.

(iii) Neither any Loan Party nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any governmental or regulatory authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party or any of its Subsidiaries.

(q) Taxes.

(i) Each Loan Party and each of its Subsidiaries has filed, has caused to be filed or has been included in all tax returns (U.S. Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties.

(ii) Set forth on Part I of Schedule 4.1(q) is a complete and accurate list, as of the Effective Date, of each taxable year of each Loan Party and each of its Subsidiaries for which U.S. Federal income tax returns have been filed and for which the expiration of the applicable statute of limitations for assessment or collection has not occurred by reason of extension or otherwise (an "Open Year").

(iii) The aggregate unpaid amount, as of the Effective Date, of adjustments to the Federal income tax liability of each Loan Party and each of its Subsidiaries proposed by the Internal Revenue Service with respect to Open Years equals \$0. No issues have been raised by the Internal Revenue Service in respect of Open Years that, in the aggregate, could be reasonably likely to have a Material Adverse Effect.

(iv) The aggregate unpaid amount, as of the Effective Date, of adjustments to the state, local and foreign tax liability of each Loan Party and its Subsidiaries proposed by all state, local and foreign taxing authorities (other than amounts arising from adjustments to Federal income tax returns) equals \$0. No issues have been raised by such taxing authorities that, in the aggregate, could be reasonably likely to have a Material Adverse Effect.

59

61

(v) No "ownership change" as defined in Section 382(g) of the Internal Revenue Code, and no event that would result in the application of the "separate return limitation year" or "consolidated return change of ownership" limitations under the Federal income tax consolidated return regulations, has occurred with respect to the Borrower or the Acquired Business since May 1, 1998.

(r) Labor Matters. Neither the business nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that could be reasonably likely to have a Material Adverse Effect.

(s) Existing Debt. Set forth on Schedule 4.1(s) is a complete and accurate list of all Debt (having a principal amount in excess of \$500,000) of the Borrower and its Subsidiaries outstanding on the Effective Date ("Existing Debt"), showing as of the Effective Date the principal amount outstanding thereunder, the maturity date thereof and the amortization schedule therefor.

(t) Owned Real Property. Set forth on Schedule 4.1(t) is a complete and accurate list of all real property owned by any Loan Party or any of its Subsidiaries, showing as of the Effective Date the street address, county or other relevant jurisdiction, state, record owner and book and estimated fair value thereof. Each Loan Party or such Subsidiary has good, marketable and insurable fee simple title to such real property, free and clear of all Liens, other than Liens created or permitted by the Loan Documents.

(u) Leased Real Property. Set forth on Schedule 4.1(u) is a complete and accurate list of all leases of real property under which any Loan Party or any of its Subsidiaries is the lessee, showing as of the Effective Date the street address, county or other relevant jurisdiction, state, lessor, lessee, expiration date and annual rental cost thereof. Each such lease is the legal, valid and binding obligation of the lessor thereof, enforceable in accordance with its terms.

(v) Existing Investments. Set forth on Schedule 4.1(v) is a complete and accurate list of all Investments held by any Loan Party or any of its Subsidiaries on the Effective Date, showing as of the Effective Date the amount, obligor or issuer and maturity, if any, thereof.

(w) Intellectual Property. Set forth on Schedule 4.1(w) is a complete and accurate list of all patents, trademarks, trade names, service marks and copyrights, and all applications therefor and licenses thereof, of each Loan Party or any of its Subsidiaries, showing as of the Effective Date the jurisdiction in which registered, the registration number, the date of registration and the expiration date.

(x) Material Contracts. Each Material Contract has been duly authorized, executed and delivered by all parties thereto, has not been amended or otherwise modified, is in full force and effect and is binding upon and enforceable against all parties thereto in accordance with its terms, and there exists no default under any Material Contract by any party thereto that (in each case) has or would reasonably be expected to have a Material Adverse Effect.

(y) Existing Liens. Set forth on Schedule 4.1(y) is a complete and accurate list of all Liens of the Borrower and its Restricted Subsidiaries outstanding on the Effective Date, showing as of the Effective Date the property subject to such Lien and the obligations of the Borrower or the Restricted Subsidiaries secured by such Lien.

60

62

(z) Use of Proceeds. The proceeds of the Term A Advances and the Term B Advances were used solely for the purposes set forth in Section 2.14 of the Existing Credit Agreement. The proceeds of the Revolving Credit Advances and the issuances of the Letters of Credit have been made available (and the Borrower agrees that it has used and shall use such proceeds and Letters of Credit) solely for the purposes set forth in Section 2.14 of the Existing Credit Agreement (with respect to such Advances made and Letters of Credit issued prior to the Effective Date) and in Section 2.14 (with respect to such Advances made and Letters of Credit issued on or after the Effective Date).

#### ARTICLE V

##### COVENANTS OF THE BORROWER

SECTION 5.1. AFFIRMATIVE COVENANTS. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, the Borrower will:

(a) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes and all material assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that,

if unpaid, might by law become a Lien (other than a Permitted Lien which is referred to in clauses (b), (d), (f) or (i) of the definition of such term in Section 1.1) upon its property; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Compliance with Environmental Laws. Comply, and cause each of its Subsidiaries and all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew and cause each of its Subsidiaries to obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws, except to the extent that the failure to do so would not have, or could not reasonably be expected to have, a Material Adverse Effect; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances.

(d) Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance (including business interruption insurance) with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried

61

63

by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

(e) Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its existence, legal structure, legal name, rights (charter and statutory), permits, licenses, approvals, privileges and franchises; provided, however, that the Borrower and its Subsidiaries may consummate mergers or consolidations permitted under Section 5.2(d); and, provided further, that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right, permit, license, approval, privilege or franchise if the Board of Directors of the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lender Parties.

(f) Visitation Rights. At any reasonable time and from time to time during regular business hours and with reasonable advance notice, permit any of the Agents or any of the Lender Parties or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants; provided, however, that any proprietary information shall only be disclosed with appropriate safeguard measures as may be mutually agreed to by the Borrower and the Agents.

(g) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with generally accepted accounting principles in effect from time to time.

(h) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(i) Transactions with Affiliates. Conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under

the Loan Documents with any of their Affiliates on terms that are fair and reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate; provided, however, that the following items shall not be transactions with Affiliates and, therefore, will not be subject to the provisions of the prior paragraph:

(i) any employment agreement or arrangement entered into by the Borrower or any of its Restricted Subsidiaries or any employee benefit plan available to the employees of the Borrower and its Subsidiaries generally, in each case in the ordinary course of business and consistent with the past practice of the Borrower or such Restricted Subsidiary;

(ii) transactions between or among the Borrower and/or its Restricted Subsidiaries;

(iii) payment of reasonable directors fees to Persons who are not otherwise Affiliates of the Borrower and indemnity provided on behalf of officers,

62

64

directors and employees of the Borrower or any of its Restricted Subsidiaries as determined in good faith by the Board of Directors of the Borrower;

(iv) any transaction specifically contemplated by the Related Documents; and

(v) any restricted payments that are permitted by Section 5.2(g) hereof.

(j) Covenant to Guarantee Obligations and Give Security. Upon (x) the request of the Collateral Agent following the occurrence and during the continuance of a Default, (y) the formation or acquisition of any new direct or indirect Subsidiaries by any Loan Party or (z) the acquisition of any property (having a Fair Market Value of at least \$5,000,000) by any Loan Party (but excluding any capital stock of Anam which is transferred by the Borrower to a Wholly-Owned Restricted Subsidiary), and such property, in the reasonable judgment of the Collateral Agent, shall not already be subject to a perfected first priority security interest in favor of the Collateral Agent for the benefit of the Secured Parties, then the Borrower shall, in each case at the Borrower's expense:

(i) (A) in connection with the formation or acquisition of a Domestic Subsidiary (other than an Unrestricted Subsidiary or a Permitted Joint Venture), within 10 days after such formation or acquisition, cause each such Subsidiary, and cause each direct and indirect parent of such Subsidiary (if it has not already done so), to duly execute and deliver to the Collateral Agent a guaranty or guaranty supplement, in form and substance satisfactory to the Collateral Agent, guaranteeing the other Loan Parties' obligations of the Borrower and the other Subsidiary Guarantors under the Loan Documents, (B) in connection with the formation or acquisition of a Foreign Subsidiary (other than an Unrestricted Subsidiary or a Permitted Joint Venture), within 10 days after such formation or acquisition, cause each such Subsidiary, and cause each direct and indirect parent of such Subsidiary (if it is a Foreign Subsidiary and if it has not already done so), to duly execute and deliver to the Collateral Agent a guaranty or guaranty supplement, in form and substance satisfactory to the Collateral Agent, guaranteeing the obligations of AT Korea and the other Intercompany Guarantors under the Loan Documents,

(ii) within 10 Business Days after such request, formation or acquisition, furnish to the Collateral Agent a description of the real and material personal properties of the Domestic Subsidiaries and their respective Subsidiaries in detail satisfactory to the Agent,

(iii) within 15 Business Days after such request, formation or acquisition, duly execute and deliver, and cause each such Domestic Subsidiary and each direct and indirect parent of such

Subsidiary (if it has not already done so) to duly execute and deliver, to the Collateral Agent a Mortgage or Mortgages (covering real property with a Fair Market Value in excess of \$5,000,000 for any individual real property or in excess of \$10,000,000 in the aggregate for all real property acquired after the Effective Date), pledges, assignments, security agreement supplements and other security agreements, as specified by and in form and substance satisfactory to the Collateral Agent, securing payment of all the Obligations of the applicable Loan Party, such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all such properties, and, in the case of such Mortgages, Mortgage

63

65

Policies, surveys and the other items described in Section 5.1(p) to the extent applicable to such Mortgages,

(iv) (A) in connection with the formation or acquisition of a Restricted Subsidiary which is owned by the Borrower or a Subsidiary Guarantor, within 10 days after such formation or acquisition, pledge and deliver, or cause such Subsidiary Guarantor to pledge and deliver, certificates representing (x) all of the Equity Interests in any such Restricted Subsidiary which is a Domestic Subsidiary or (y) 66% (or up to 100% to the extent that a pledge of any percentage equal to or greater than 66 2/3% would not result in adverse tax consequences to the Borrower) of the Equity Interests in any Restricted Subsidiary which is a Foreign Subsidiary and is owned by the Borrower or any Subsidiary Guarantor;

(B) in connection with the formation or acquisition of an Unrestricted Subsidiary that is a Domestic Subsidiary, within 10 days after such formation or acquisition, pledge and deliver, or cause such Subsidiary Guarantor to pledge and deliver, certificates representing all of the Equity Interests in any such Unrestricted Subsidiary; and

(C) in connection with the formation or acquisition of any Permitted Joint Venture that is a Domestic Subsidiary or that is organized under the laws of the United States or any state thereof, within 10 days after such formation or acquisition, pledge and deliver certificates representing all of the Equity Interests of the Borrower or such Subsidiary Guarantor in such Permitted Joint Venture,

Provided, that in connection with the execution and delivery of any Guaranty or Collateral Document pursuant to this Section 5.1(j), the Borrower shall ensure that (within 30 days thereof) a legal opinion in respect thereof is delivered to the Administrative Agent, issued by counsel, and in form and substance, which are in each case reasonably satisfactory to the Administrative Agent; and provided, further, that until such time as the Borrower has performed all its obligations pursuant to this Section 5.1(j) in respect of any of its Subsidiaries, such Subsidiary shall not be treated as a "Wholly-Owned Restricted Subsidiary" for the purposes of Sections 5.2(b), (d), (e) and (f).

(k) Further Assurances.

(i) Promptly upon request by any Agent, or any Lender Party through the Administrative Agent, correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and

(ii) Promptly upon request by any Agent, or any Lender Party through the Administrative Agent, do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, pledge agreements, Mortgages, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances and other instruments as any Agent, or any Lender Party through the Administrative Agent, may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Loan Documents, (B) to the fullest extent permitted by applicable law, subject any Loan Party's or any of its Domestic Subsidiaries' properties, assets, rights or

Liens now or hereafter intended to be covered by any of the Collateral Documents and to the extent Foreign Subsidiaries shall not suffer adverse tax consequences, subject any of such Foreign Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (C) maintain the validity and effectiveness of any Guaranty and to perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (D) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party.

(l) Performance of Related Documents. Perform and observe all of the terms and provisions of each Related Document to be performed or observed by it, maintain each such Related Document in full force and effect, enforce such Related Document in accordance with its terms and, upon request of the Administrative Agent, make to each other party to each such Related Document such demands and requests for information and reports or for action as the Borrower or any of its Subsidiaries is entitled to make under such Related Document.

(m) Preparation of Environmental Reports. At the reasonable request of the Collateral Agent from time to time, provide to the Lender Parties within 90 days after such request, at the expense of the Borrower, an environmental site assessment report for any of its or its Subsidiaries' properties described in such request, prepared by an environmental consulting firm acceptable to the Collateral Agent, indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance, removal or remedial action in connection with any Hazardous Materials on such properties; without limiting the generality of the foregoing, if the Collateral Agent determines at any time that a material risk exists that any such report will not be provided within the time referred to above, the Collateral Agent may retain an environmental consulting firm to prepare such report at the expense of the Borrower, and the Borrower hereby grants and agrees to cause any Subsidiary that owns any property described in such request to grant at the time of such request, to the Agents, the Lender Parties, such firm and any agents or representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants, to enter onto their respective properties to undertake such an assessment.

(n) Compliance with Terms of Leaseholds. Make all payments and otherwise perform all obligations in respect of all leases of real property to which the Borrower or any of its Subsidiaries is a party except, in any case, where the failure to do so, either individually or in the aggregate, would not have, or could not reasonably be expected to have, a Material Adverse Effect.

(o) Performance of Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, not voluntarily terminate any Material Contract, enforce each Material Contract in accordance with its terms and cause each of its Subsidiaries to do so except, in any case, where the failure to do so, either individually or in the aggregate, would not have, or could not reasonably be expected to have, a Material Adverse Effect.

(p) Conditions Subsequent.

(i) Deliver to the Administrative Agent as soon as possible and in any event no later than May 31, 2001, in form and substance satisfactory to the Lenders

(to the extent not previously delivered): A Mortgage covering the Borrower's Arizona facility duly executed by the Borrower, together



with:

(A) evidence that counterparts of such Mortgage have been duly recorded in all filing or recording offices that the Administrative Agent may deem necessary or desirable in order to create a valid first and subsisting Lien on the property described therein in favor of the Collateral Agent for the benefit of the Secured Parties and that all filing and recording taxes and fees have been paid,

(B) a fully paid American Land Title Association Lender's Extended Coverage title insurance policy (the "Mortgage Policy") in form and substance, with endorsements and in amount acceptable to the Administrative Agent, issued, coinsured and reinsured by title insurers acceptable to the Administrative Agent, insuring such Mortgage to be a valid first and subsisting Lien on the property described therein, free and clear of all defects (including mechanics' and materialmen's Liens) and encumbrances, excepting only Permitted Encumbrances, and providing for such other affirmative insurance (including endorsements for future advances under the Loan Documents and for mechanics' and materialmen's Liens) and such coinsurance and direct access reinsurance as the Administrative Agent may reasonably deem necessary or desirable,

(C) an American Land Title Association form survey certified to the Administrative Agent and the issuer of the Mortgage Policy in a manner reasonably satisfactory to the Administrative Agent by a land surveyor duly registered and licensed in the States in which the property described in such survey is located and reasonably acceptable to the Administrative Agent, showing all buildings and other improvements, (to the extent necessary for the use or enjoyment to the property) any off-site improvements, the location of any easements, parking spaces, rights of way, building set-back lines and other dimensional regulations and the absence of encroachments, either by such improvements or on to such property, and other defects, other than encroachments and other defects reasonably acceptable to the Administrative Agent,

(D) the Assignments of Leases and Rents referred to in such Mortgage, duly executed by the appropriate Loan Party,

(E) such consents and agreements of lessors and other third parties, and such estoppel letters and other confirmations, as the Administrative Agent may reasonably deem necessary or desirable,

(F) evidence of the insurance required by the terms of such Mortgage, and

(G) evidence that all other action that the Administrative Agent may reasonably deem necessary or desirable in order to create a valid first and subsisting Lien on the property described in such Mortgage has been taken.

66

68

(q) Ledger. The Borrower shall maintain or cause to be maintained at its address specified in Section 8.2 hereof a ledger or ledgers as evidence of Debt permitted pursuant to clauses (ii), (iii) and (iv) of Section 5.2(b).

(r) Permitted Joint Ventures, Permitted Acquisitions and Mergers. Upon the establishment of any Permitted Joint Venture, or upon the consummation of any Permitted Acquisition or Merger, notify the Administrative Agent of such transaction, and thereafter provide the Administrative Agent with such information as the Administrative Agent may reasonably request with respect thereto, including any memorandum of understanding and joint venture agreement and any acquisition or merger agreement prepared in connection therewith and any documents or instruments relating to or evidencing the incurrence or assumption of Debt by such Permitted Joint Venture or any Subsidiary (including any Person

which becomes a Subsidiary) of the Borrower in connection with such transaction (to the extent that such Debt is subject to the provisions of Section 5.2(b)).

SECTION 5.2. NEGATIVE COVENANTS. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, the Borrower will not, at any time:

(a) Liens, Etc. Create, incur, assume or suffer to exist, or permit any of its Restricted Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its properties (whether real, personal, mixed or intangible (including accounts)) whether now owned or hereafter acquired, or sign or file or suffer to exist, or permit any of its Restricted Subsidiaries to sign or file or suffer to exist, under the Uniform Commercial Code of any jurisdiction, a financing statement (which evidences the existence of a Lien) that names the Borrower or any of its Subsidiaries as debtor, or sign or suffer to exist, or permit any of its Restricted Subsidiaries to sign or suffer to exist, any security agreement authorizing any secured party thereunder to file such financing statement, or (to the extent that the following would have a commercial effect which is substantially equivalent to a Lien) assign, or permit any of its Restricted Subsidiaries to assign, any accounts or other right to receive income, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Liens;

(iii) Liens existing on the Effective Date and described on Schedule 4.1(y) hereto;

(iv) Liens upon or in real property or equipment acquired or held by the Borrower or any of its Restricted Subsidiaries to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of any such property or equipment to be subject to such Liens, or Liens existing on any such property or equipment at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price), or extensions of maturity, renewals or replacements of any of the foregoing; provided, however, that no such Lien shall extend to or cover any property other than the property or equipment being acquired, constructed or improved, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the Lien being extended, renewed or replaced; and provided further that the aggregate principal amount of the Debt secured by Liens permitted by this

67

69

clause (iv) shall not exceed the amount permitted under Section 5.2(b)(x) at any time outstanding;

(v) Liens arising in connection with Capitalized Leases permitted under Section 5.2(b)(x); provided that no such Lien shall extend to or cover any Collateral or assets other than the assets subject to such Capitalized Leases; and

(vi) the replacement, extension or renewal of any Lien permitted by clause (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(b) Debt. Create, incur, assume or suffer to exist, or permit any of its Restricted Subsidiaries to create, incur, assume or suffer to exist, any Debt, except:

(i) Debt under the Loan Documents and Existing Debt;

(ii) intercompany Debt of the Borrower owed to a Restricted Subsidiary; provided that, (x) in the case of such Debt owed to a Foreign Subsidiary, such Debt shall be subordinated to the Obligations of the Borrower under the Loan Documents on terms reasonably

satisfactory to the Administrative Agent and (y) in the case of all such Debt, the outstanding amount of such Debt shall at all times be documented by the Borrower in accordance with Section 5.1(q);

(iii) in the case of any Domestic Subsidiary that is a Wholly-Owned Restricted Subsidiary, intercompany Debt owed to the Borrower or to another Domestic Subsidiary that is a Wholly-Owned Restricted Subsidiary; provided that, in each case, the outstanding amount of such Debt shall at all times be documented by the Borrower in accordance with Section 5.1(q);

(iv) in the case of any Foreign Subsidiary that is a Wholly-Owned Restricted Subsidiary, intercompany Debt owed to the Borrower or to another Foreign Subsidiary that is a Wholly-Owned Restricted Subsidiary; provided that, in the case of such intercompany Debt owed to the Borrower, such Debt (A) shall constitute Pledged Debt and (B) shall be evidenced by promissory notes in form and substance reasonably satisfactory to the Administrative Agent (the outstanding amount of which shall at all times be documented by the Borrower in accordance with Section 5.1(q));

(v) additional Subordinated Debt of the Borrower; provided that (x) upon issuance of such Subordinated Debt the Borrower shall be in compliance (on a Pro Forma Basis) with the financial covenants set forth in Section 5.4, (y) 50% of the Net Cash Proceeds of the issuance thereof shall be applied to the Term B Advances to the extent required by Section 2.6(b)(ii) and (z) such Debt shall meet the requirements of Section 5.2(b)(vi) as if such Debt were refinancing existing Subordinated Debt;

(vi) any Debt extending the maturity of, or refunding or refinancing, in whole or in part, any Debt (other than intercompany Debt) permitted under clauses (i) or (v) of this Section 5.2(b) or this clause (vi); provided that the terms of any such extending, refunding or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents; provided further that the principal amount of such Debt shall not be increased above the principal amount thereof outstanding immediately prior to such

68

70

extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing, provided still further that the terms relating to principal amount, amortization, maturity and subordination (if any), and other material terms taken as a whole, of any such extending, refunding or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lender Parties than the terms of any agreement or instrument governing the Debt being extended, refunded or refinanced (or in the case of a refinancing of the Obligations of the Loan Parties under the Loan Documents, the terms governing the Senior Notes (2001)) and the interest rate applicable to any such extending, refunding or refinancing Debt does not exceed the then applicable market interest rate;

(vii) Debt of the Borrower in respect of Hedge Agreements incurred in the ordinary course of business and consistent with prudent business practice with an aggregate Agreement Value not to exceed \$400,000,000 at any time outstanding; provided that the aggregate Agreement Value of Debt in respect of clause (ii) of the definition of Hedge Agreements shall not exceed \$100,000,000 at any time outstanding;

(viii) Debt arising from the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(ix) Contingent Obligations (including letters of credit) of the Borrower or any Restricted Subsidiary incurred (or issued) after the Effective Date in respect of the obligations of any Non Wholly-Owned Affiliate; provided that after giving effect to the incurrence of such Contingent Obligation (or issuance of such letter of

credit), (A) the Affiliate Restricted Investment Amount shall not exceed the Maximum Restricted Investment Amount and (B) at the time of such incurrence or issuance, no Default shall have occurred and be continuing or would result therefrom;

(x) Debt secured by Liens permitted by Section 5.2(a)(iv) and Capitalized Leases not to exceed an aggregate principal amount of \$150,000,000 at any time outstanding for all Debt permitted under this clause (b)(x);

(xi) other Debt; provided that the aggregate principal amount of such other Debt outstanding at any time does not exceed a principal amount of \$50,000,000;

(xii) Debt of Restricted Subsidiaries that are not Wholly-Owned Restricted Subsidiaries constituting Investments permitted under Section 5.2(f)(vii); and

(xiii) Debt of any Person existing at the time such Person is merged with or into Borrower or such Restricted Subsidiary, to the extent permitted as a merger under Section 5.2(d) and an Investment under Section 5.2(f), provided that (x) such Debt is not incurred in connection with or in contemplation of such merger and (y) in assuming such Debt the Borrower shall be in compliance (on a Pro Forma Basis) with the financial covenants set forth in Section 5.4.

(c) Change in Nature of Business. Enter or permit any of its Subsidiaries or Permitted Joint Ventures to enter into any line of business other than the line of business presently conducted by the Borrower and its Restricted Subsidiaries and/or lines of business reasonably related or supplementary thereto or reasonable extensions thereof, as determined by the board of directors of the Borrower from time to time.

69

71

(d) Mergers, Etc. Merge into or consolidate with any Person or permit any Person to merge into it, or permit - any of its Restricted Subsidiaries to do so, except that:

(i) any Restricted Subsidiary of the Borrower may merge into or consolidate with any other Restricted Subsidiary of the Borrower, provided that, in the case of any such merger or consolidation, the Person formed by such merger or consolidation shall be a Wholly-Owned Restricted Subsidiary; provided further that, in the case of any such merger or consolidation to which a Subsidiary Guarantor or an Intercompany Guarantor, as the case may be, is a party, the Person formed by such merger or consolidation shall be a Subsidiary Guarantor or an Intercompany Guarantor, as the case may be;

(ii) any Restricted Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that either (A) such Restricted Subsidiary shall be a special purpose holding company (with no operating or other material assets, other than cash Investments made pursuant to clause (vi), (vii) or (x) of Section 5.2(f)) established for the purpose of such merger or consolidation or (B) the Person surviving such merger, (x) if a Domestic Subsidiary, shall be a Wholly-Owned Restricted Subsidiary and (y), if a Foreign Subsidiary, shall be a Restricted Subsidiary, at least 90% of the Equity Interest in which are owned directly or indirectly by the Borrower; provided further that, in the case of any such merger or consolidation to which a Subsidiary Guarantor or an Intercompany Guarantor, as the case may be, is a party, the Person formed by such merger or consolidation shall be a Subsidiary Guarantor or an Intercompany Guarantor, as the case may be; and

(iii) any Restricted Subsidiary may merge into another Person in connection with the disposition of all its assets to the extent permitted under Section 5.2(e);

provided, however, that in each case, immediately before and after giving effect thereto, no event shall occur and be continuing that constitutes a Default and, in the case of any such merger to which the Borrower is a party, the Borrower is

the surviving corporation.

(e) Sales, Etc., of Assets. Sell, lease, transfer or otherwise dispose of, or permit any of its Restricted Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets (other than payments of cash or Cash Equivalents), or grant any option or other right to purchase (to the extent the exercise of such option or right to purchase would result in a transaction not otherwise permitted under this Section 5.2(e)), lease or otherwise acquire any assets (each of the foregoing being a "Disposition"), except:

(i) Dispositions (other than by way of lease) of Inventory in the ordinary course of its business;

(ii) Dispositions of (x) the Anam Shares at (unless any such Disposition is made pursuant to clauses (viii) or (ix) of this Section 5.2(e)) Fair Market Value and (y) other assets for cash and for a Fair Market Value in an aggregate amount not to exceed (in respect of this clause (y) only) \$25,000,000 in any Fiscal Year (provided, that in determining such amount in respect of any lease, such amount shall be the Fair Market Value of the assets subject to such lease);

70

72

(iii) Dispositions of surplus, damaged, worn or obsolete fixed assets in the ordinary course of business;

(iv) the making of Investments and Dispositions to the extent constituting Investments permitted by Section 5.2(f), provided that this clause (iv) shall not be construed so as to permit Dispositions of such Investments;

(v) sales or discounts without recourse of accounts receivables arising in the ordinary course of business in connection with the collection or compromise thereof;

(vi) sales of licenses or sublicenses by the Borrower or such Restricted Subsidiary of its patents, copyrights, trademarks, trade names and service marks in the ordinary course of business and which do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(vii) Dispositions of any interest in property through the granting of a Lien permitted under Section 5.2(a);

(viii) Dispositions of assets (A) among the Borrower and any of the Domestic Subsidiaries that are Wholly-Owned Restricted Subsidiaries, (B) among any of the Foreign Subsidiaries that are Wholly-Owned Restricted Subsidiaries and (C) from a Foreign Subsidiary that is not a Wholly-Owned Restricted Subsidiary to a Foreign Subsidiary that is a Wholly-Owned Restricted Subsidiary; provided that any such sale or disposition, in the case of this clause (C) only, is made on terms no less favorable to the applicable Wholly-Owned Restricted Subsidiary than would be provided for in an arm's length transaction; and

(ix) Dispositions of assets to Non Wholly-Owned Affiliates made after the Effective Date; provided that, after giving effect to such sale or disposition, (A) the Affiliate Restricted Investment Amount does not exceed the Maximum Restricted Investment Amount and (B) at the time of such sale or disposition, no Default shall have occurred and be continuing or would result therefrom.

(f) Investments in Other Persons. Make or hold, or permit any of its Restricted Subsidiaries to make or hold, any Investment in any Person, except:

(i) Investments by the Borrower and its Restricted Subsidiaries in their Subsidiaries outstanding on the Effective Date;

(ii) loans and advances to employees in the ordinary course of the business of the Borrower and its Restricted Subsidiaries as presently conducted (x) solely for the purpose of enabling such

employees to exercise stock options in respect of Equity Interests of the Borrower which have been granted to them by the Borrower in the ordinary course of business (as aforesaid) or (y) for any other purpose in an aggregate principal amount (in the case of this clause (y) only) not to exceed \$15,000,000 at any time outstanding;

(iii) Investments by the Borrower and its Restricted Subsidiaries in Cash Equivalents;

71

73

(iv) Investments existing on the Effective Date and described on Schedule 4.1(w);

(v) Investments by the Borrower in Hedge Agreements permitted under Section 5.2(b)(vii);

(vi) Investments consisting (A) of intercompany Debt permitted under clauses (ii), (iii) and (iv) of Section 5.2(b) (B) Dispositions of assets permitted under clause (viii) of Section 5.2(e) or (C) capital contributions or other Investments made by the Borrower or any of its Restricted Subsidiaries in any Wholly-Owned Restricted Subsidiary, the proceeds of which, in each case, are used for working capital purposes and for Capital Expenditures;

(vii) Investments made after the Effective Date (x) in any Permitted Acquisition made for consideration in cash or in contribution of assets (to the extent permitted by Section 5.2(e)); provided, that the sum of (1) the outstanding Affiliate Restricted Investment Amount plus (2) the aggregate cash consideration and the Fair Market Value of all assets contributed for all such Permitted Acquisitions made pursuant to this clause (x) on or after the Effective Date shall not at any time exceed the sum of the Maximum Restricted Investment Amount plus \$75,000,000, or (y) in Non Wholly-Owned Affiliates; provided, that (A) after giving effect to any such Investment pursuant to this clause (y), the Affiliate Restricted Investment Amount shall not exceed the Maximum Restricted Investment Amount, (B) at the time such Investment is made, no Default shall have occurred and be continuing or would result therefrom and (C) to the extent that such Investment constitutes Debt of a Non Wholly-Owned Affiliate owing to a Domestic Loan Party, such Debt shall constitute Pledged Debt and be evidenced by promissory notes in form and substance satisfactory to the Administrative Agent (the outstanding amount of which shall at all times be documented by the Borrower in accordance with Section 5.1(q));

(viii) Investments received (A) in satisfaction of judgments and (B) as payment on a claim made in connection with any bankruptcy, liquidation, receivership or other insolvent proceeding;

(ix) Investments in (A) negotiable instruments held for collection within the ordinary course of business, (B) accounts receivable arising in the ordinary course of business (and Investments obtained in exchange or settlement of accounts receivable for which the Borrower or such Subsidiary has determined collection is not likely) and (C) operating leases, deposits, utility and workers' compensation, performance and other similar deposits arising in the ordinary course of business;

(x) Investments made (in addition to those permitted under clause (b)(vii) above) from (A) the Net Cash Proceeds received from the issuance of, or in exchange for, Equity Interests in the Borrower or (B) up to 50% of Net Cash Proceeds of the incurrence or issuance of Subordinated Debt pursuant to Section 5.2(b)(v) used (in respect of this clause (B) only) in making Permitted Acquisitions; provided that (if any such Investment is made pursuant to this clause (x)) any such Net Cash Proceeds are in each case used within 120 days after the receipt thereof to make such Investments;

(xi) Investments received by the Borrower or such Restricted Subsidiary in connection with the bankruptcy or

suppliers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(xii) Investments consisting of the transfer of the semi-conductor wafer fabrication assets and associated exchange of shares made as part of a Fab Transaction; and

(xiii) other Investments; provided that the aggregate amount thereof shall at no time exceed \$5,000,000.

(g) Restricted Payments. Declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any of its Equity Interests now or hereafter outstanding, return any capital to its stockholders, partners or members (or the equivalent Persons thereof) as such, make any distribution of assets, Equity Interests, obligations or securities to its stockholders, partners or members (or the equivalent Persons thereof) as such or permit (x) any of its Restricted Subsidiaries to do any of the foregoing, (y) any of its Restricted Subsidiaries to issue or sell any of their Equity Interests to any Person other than to the Borrower or a Restricted Subsidiary, or (z) any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any Equity Interests in the Borrower, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(i) the Borrower may (A) declare and pay dividends and distributions payable only in capital stock of the Borrower and (B) purchase, redeem, retire, defease or otherwise acquire shares of its capital stock with the proceeds received contemporaneously from, or in exchange for, the issue of new shares of its capital stock with equal or inferior voting powers, designations, preferences and rights;

(ii) any Restricted Subsidiary of the Borrower may (A) declare and pay cash dividends to the Borrower and (B) declare and pay dividends to any Restricted Subsidiary of which it is a Subsidiary;

(iii) the Borrower may effect any repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower or any Restricted Subsidiary held by any employee of the Borrower or any Restricted Subsidiary pursuant to any employee equity subscription agreement, stock ownership plan or stock option agreement in effect from time to time in the event of the death or termination of such Employee; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed \$1,000,000 in any twelve-month period and \$5,000,000 in the aggregate;

(iv) the Borrower may make that portion of Investments permitted under Section 5.02(f) the payment for which consists of exclusively of Equity Interests of the Borrower;

(v) the Borrower may make other cash payments not otherwise permitted under this Section 5.2(g) in an aggregate amount not to exceed \$10,000,000; and

(vi) the repurchase of Equity Interests of the Borrower deemed to occur (excluding any payment in cash) upon the exercise of stock options if such Equity Interests represent a portion of the exercise price thereof.

(h) Amendments of Constitutive Documents. Amend, or permit

any of its Restricted Subsidiaries to amend, its certificate of incorporation or bylaws or other constitutive documents except for any amendment that could not be reasonably expected to materially and adversely affect the rights or interests of the Lender Parties; provided that any such amendment shall be delivered to the Administrative Agent at least 3 Business Days before the date such Amendment is to become effective.

(i) Accounting Changes. Make or permit, or permit any of its Restricted Subsidiaries to make or permit, any change in (i) accounting policies or reporting practices, except as permitted by generally accepted accounting principles or (ii) its Fiscal Year.

(j) Prepayments, Etc., of Debt. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of (A) the AT Korea Bonds, if as a result thereof the outstanding aggregate principal amount of the AT Korea Bonds would be less than the aggregate Commitments, or (B) any other Funded Debt (other than intercompany Debt), except (i) the prepayment of the Advances in accordance with the terms of this Agreement and (ii) regularly scheduled payments or required repayments or redemptions of Existing Debt and other Debt permitted under Section 5.2(b); provided that the Borrower may honor any holders request to convert any Convertible Subordinated Notes (1998) or Convertible Subordinated Notes (2000) in accordance with their respective terms (and make any payment in connection therewith representing the value of any fractional share); and provided further, that the Borrower may make any payment, on or with respect to, or in connection with, the legal defeasance, redemption, repurchase or repayment of Debt of the Borrower or any Restricted Subsidiary permitted under Section 5.2(b) with the Net Cash Proceeds from the incurrence of Debt permitted under clauses (v), (vi) and (xi) of Section 5.2(b). Notwithstanding anything herein to the contrary, the Borrower and its Restricted Subsidiaries shall be permitted to repay intercompany Debt incurred pursuant to clauses (ii), (iii) and (iv) of Section 5.2, or which constitutes Existing Debt, from time to time at the discretion of the Borrower; provided that at no time shall the outstanding aggregate principal amount of (x) all the AT Korea Bonds be less than the aggregate Commitments or (y) any AT Korea Bond be reduced to zero.

(k) Amendment, Etc., of Related Documents. Except to the extent permitted by paragraph (j) above or by Section 5.2(b)(vi), or in accordance with Section 8.1 in respect of the Loan Documents, cancel or terminate any Related Document or consent to or accept any cancellation or termination thereof, amend, modify or change in any manner any term or condition of any Related Document or give any consent, waiver or approval thereunder, waive any default under or any breach of any term or condition of any Related Document, agree in any manner to any other amendment, modification or change of any term or condition of any Related Document or take any other action in connection with any Related Document that in each case would impair the value of the interest or rights of any Loan Party thereunder or that would impair the rights or interests of any Agent or any Lender Party, or permit any of its Restricted Subsidiaries to do any of the foregoing.

(l) Negative Pledge. Enter into or suffer to exist, or permit any of its Restricted Subsidiaries to enter into or suffer to exist, any agreement (i) requiring the creation of Liens which are pari passu with, or in priority to, the Liens created by the Collateral Documents or (ii) prohibiting or conditioning the creation or assumption of any Lien upon any of its property or assets in favor of any Secured Party, except (x) in favor of the Secured Parties or (y) in connection with (A) any Existing Debt or Debt permitted under clauses (v) and (vi) of Section 5.2(b), (B) any purchase money Debt permitted by Section 5.2(b)(x) solely to the extent that the agreement or instrument governing such Debt prohibits a Lien on the property acquired with the

proceeds of such Debt, (C) any Capitalized Lease permitted by Section 5.2(b)(x) solely to the extent that such Capitalized Lease prohibits a Lien on the property subject thereto, or (D) (in respect of clause (ii) only) any other agreement that expressly permits the creation or assumption of Liens as security for the Obligations.

(m) Partnerships, Etc. Become a general partner in any



general or limited partnership or joint venture, or permit any of its Restricted Subsidiaries to do so, except in connection with any Investment by a Restricted Subsidiary permitted by clauses (vii), (x) or (xii) of Section 5.2(f); provided that such Restricted Subsidiary's sole asset consists of such interest in such partnership or joint venture.

(n) Speculative Transactions. Engage, or permit any of its Restricted Subsidiaries to engage, in any transaction involving commodity options or futures contracts or any similar speculative transactions for speculative purposes.

(o) Capital Expenditures. Make, or permit any of its Restricted Subsidiaries to make, any Capital Expenditures that would cause the aggregate of all such Capital Expenditures made by the Borrower and its Restricted Subsidiaries in any Fiscal Year to exceed the higher of (i) 60% of EBITDA for such Fiscal Year (determined on a Pro Forma Basis) and (ii) the amount set forth below for such period;

FISCAL YEAR ENDING	AMOUNT
December 31, 2000	\$ 550,000,000
December 31, 2001	\$ 500,000,000
December 31, 2002	\$ 625,000,000
December 31, 2003	\$ 725,000,000
December 31, 2004	\$ 950,000,000
December 31, 2005	\$1,025,000,000

provided, however, that the unused portion of Capital Expenditures permitted in any Fiscal Year and not used in such period may be carried over and added to the amount otherwise permitted in the immediately succeeding Fiscal Year, provided further, that the aggregate amount of Capital Expenditures in such immediately succeeding Fiscal Year after such carry-over shall not exceed 125% of the amount of Capital Expenditures permitted for such Fiscal Year (prior to any carry-over).

(p) Formation of Subsidiaries. Organize, or permit any Restricted Subsidiary to organize, any new Subsidiary after the Effective Date or invest, or permit any Restricted Subsidiary to invest, in any such newly organized Subsidiary, except as permitted (or except, in the case of organizing a Subsidiary, pursuant to an Investment which is permitted) under Section 5.2(f)(vi), (vii) or (x) and except for the entities listed on Schedule 5.2(p); provided, however, that (i) neither any Unrestricted Subsidiary nor any Permitted Joint Venture shall be permitted to organize, or invest in, any Restricted Subsidiary, (ii) no Subsidiary organized after the Effective Date shall be permitted to be a Restricted Subsidiary unless, (x) in the case of a Domestic Subsidiary, it is a Wholly-Owned Subsidiary and (y) in the case of a Foreign Subsidiary, 90% or more of the Equity Interests in such Foreign Subsidiary are owned directly or indirectly by the Borrower and (iii) after giving effect to the organization, or the investment in, any such new Subsidiary, no Default shall have occurred and be continuing.

(q) Payment Restrictions Affecting Subsidiaries. Except as required by applicable law, directly or indirectly, enter into or suffer to exist, or permit any of its Restricted

Subsidiaries to enter into or suffer to exist, any agreement or arrangement limiting the ability of any of its Restricted Subsidiaries to declare or pay dividends or other distributions in respect of its Equity Interests or repay or

prepay any Debt owed to, make loans or advances to, or otherwise transfer assets to or invest in, the Borrower or any Subsidiary of the Borrower (whether through a covenant restricting dividends, loans, asset transfers or investments, a financial covenant or otherwise), except (i) the Loan Documents, (ii) any agreement or instrument evidencing Existing Debt or Debt permitted under clauses (v) and (vi) of Section 5.2(b), (iii) any agreement or instrument evidencing purchase money Debt permitted by Section 5.2(b)(x) solely to the extent that the agreement or instrument governing such Debt prohibits the transfer of the property acquired with the proceeds of such Debt, (iv) any Capitalized Lease permitted by Section 5.2(b)(x) solely to the extent that such Capitalized Lease prohibits the transfer of the property subject thereto, (v) any agreement for the sale of assets on arm's length terms permitted by Section 5.2(e) solely to the extent that such agreement prohibits the transfer of the assets subject thereto and (vi) customary anti-assignment provisions contained in leases, licenses and other contracts permitted under this Agreement which are entered into on arm's length terms in the ordinary course of business, and consistent with the past practice, of the Borrower and its Restricted Subsidiaries.

(r) Amendment, Etc., of Material Contracts. Cancel or terminate any Material Contract or consent to or accept any cancellation or termination thereof, amend or otherwise modify any Material Contract or give any consent, waiver or approval thereunder, waive any default under or breach of any Material Contract, agree in any manner to any other amendment, modification or change of any term or condition of any Material Contract or take any other action in connection with any Material Contract that would impair the value of the interest or rights of any Loan Party thereunder or that would impair the interest or rights of any Agent or any Lender Party, or permit any of its Subsidiaries to do any of the foregoing except, in each of the foregoing cases where to do so would not have a Material Adverse Effect.

SECTION 5.3. REPORTING REQUIREMENTS. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, the Borrower will furnish to the Agents and the Lender Parties:

(a) Default Notices. As soon as possible and in any event within five Business Days after an officer of the Borrower becomes aware of the occurrence of a Default or any event, development or occurrence reasonably likely to have a Material Adverse Effect continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto.

(b) Annual Financials. As soon as available and in any event within 90 days after the end of each Fiscal Year, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, including therein Consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such Fiscal Year and Consolidated statements of income and a Consolidated statement of cash flows of the Borrower and its Subsidiaries for such Fiscal Year, in each case accompanied by an opinion acceptable to the Required Lenders of PricewaterhouseCoopers or other independent public accountants of recognized standing acceptable to the Required Lenders, together with (i) a certificate of such accounting firm to the Lender Parties, stating that in the course of the regular audit of the consolidated financial statements of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge that a Default has occurred and is continuing, or if, in the opinion of such

accounting firm, a Default has occurred and is continuing, a statement as to the nature thereof, (ii) unaudited consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such Fiscal Year and unaudited consolidating statements of income of the Borrower and its Subsidiaries for such Fiscal Year, together with a certificate duly signed by the Chief Financial Officer of the Borrower stating that such balance sheets and statements (A) were prepared by the Borrower in accordance with generally accepted accounting principals and (B) to the best of the Chief Financial Officer's knowledge, accurate in all material respects, (iii) a schedule in form satisfactory to the Administrative Agent of

the computations used by the Borrower in determining, as of the end of such Fiscal Year, compliance with the covenants contained in Section 5.4, and a letter from such accountants confirming their agreement with the procedures used by the Borrower in such computations and verifying the mathematical accuracy of such computations, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.4, a statement of reconciliation conforming such financial statements to GAAP and provided further that the Borrower shall also provide, to the extent necessary, a balance sheet, statement of income and statement of cash flows that will exclude the Unrestricted Subsidiaries and Permitted Joint Ventures that existed during such reporting period and (iv) a certificate of the chief financial officer of the Borrower stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto.

(c) Quarterly Financials. As soon as available and in any event within 45 days after the end of each of the first three quarters of each Fiscal Year, an unaudited Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and an unaudited Consolidated statement of income and an unaudited Consolidated statement of cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal quarter and ending with the end of such fiscal quarter and an unaudited Consolidated statement of income and an unaudited Consolidated statement of cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous Fiscal Year and ending with the end of such quarter, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding Fiscal Year, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the chief financial officer of the Borrower as having been prepared in accordance with GAAP, together with (i) a certificate of said officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto and (ii) a schedule in form satisfactory to the Administrative Agent of the computations used by the Borrower in determining compliance with the covenants contained in Section 5.4, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.4, a statement of reconciliation conforming such financial statements to GAAP and provided further that the Borrower shall also provide, to the extent necessary, a balance sheet, statement of income and statement of cash flows that will exclude the Unrestricted Subsidiaries and Permitted Joint Ventures that existed during such reporting period.

(d) Annual Business Plan and Forecasts. As soon as available and in any event no later than 15 days before the end of each Fiscal Year, a business plan and forecasts prepared by management of the Borrower of balance sheets, income statements and cash flow statements on a monthly basis for the Fiscal Year following such Fiscal Year and on an annual basis for each Fiscal Year thereafter until the Termination Date.

77

79

(e) Litigation. Promptly after the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting any Loan Party or any of its Subsidiaries of the type described in Section 4.1(f).

(f) Securities Reports. Promptly after the sending or filing thereof, copies of the Borrower's Reports on Form 10-K and Form 10-Q.

(g) Creditor Reports. Promptly after the furnishing thereof, copies of any material statement or report furnished to any holder of Debt securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lender Parties pursuant to any other clause of this Section 5.3.

(h) Agreement Notices. Promptly upon receipt thereof, copies

of all notices, requests and other documents received by any Loan Party or any of its Subsidiaries under or pursuant to any Related Document or Material Contract or instrument, indenture, loan or credit or similar agreement and, from time to time upon request by the Administrative Agent, such information and reports regarding the Related Documents, the Material Contracts and such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request. Upon request of the Administrative Agent, request of each other party to each Material Contract such information and reports as the Borrower or any of its Subsidiaries is entitled to make under such Material Contract and (subject to complying with applicable confidentiality restrictions) provide copies thereof to the Administrative Agent.

(i) ERISA.

(i) ERISA Events and ERISA Reports. (A) Promptly and in any event within 10 days after any Loan Party or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, a statement of the chief financial officer of the Borrower describing such ERISA Event and the action, if any, that such Loan Party or such ERISA Affiliate has taken and proposes to take with respect thereto and (B) on the date any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information.

(ii) Plan Terminations. Promptly and in any event within two Business Days after receipt thereof by any Loan Party or any ERISA Affiliate, copies of each notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan.

(iii) Multiemployer Plan Notices. Promptly and in any event within five Business Days after receipt thereof by any Loan Party or any ERISA Affiliate from the sponsor of a Multiemployer Plan, copies of each notice concerning (A) the imposition of Withdrawal Liability by any such Multiemployer Plan, (B) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan or (C) the amount of liability incurred, or that may be incurred, by such Loan Party or any ERISA Affiliate in connection with any event described in clause (A) or (B).

(iv) Plan Annual Reports. Promptly and in any event within 30 days after the filing thereof with the Internal Revenue Service, copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) with respect to each Plan.

78

80

(j) Environmental Conditions. Promptly after the assertion or occurrence thereof, notice of any Environmental Action against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that could (i) reasonably be expected to have a Material Adverse Effect or (ii) cause any property described in the Mortgages to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(k) Real Property. Promptly following its acquisition by the Borrower or its Subsidiaries, details of any real property in respect of which a Mortgage may be required pursuant to Section 5.1(j).

(l) Insurance. As soon as available and in any event within 30 days after the end of each Fiscal Year, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for the Borrower and its Subsidiaries and containing such additional information as any Agent, or any Lender Party through the Administrative Agent, may reasonably specify.

(m) Borrowing Base Certificate. Within ten Business Days after the end of each quarter, a Borrowing Base Certificate, as at the end of the previous quarter, certified by the chief financial officer of the Borrower.

(n) Fab Certificate. At least 15 Business Days prior to the occurrence of the Fab Transaction, the Borrower shall deliver reasonably complete information in sufficient detail to permit the Lender Parties to evaluate the Fab Transaction together with a certificate from the chief

financial officer (or equivalent officer) of the Borrower as to the satisfaction of clause (iv) of the definition of the Fab Transaction.

(o) Other Information. Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of any Loan Party or any of its Subsidiaries as any Agent, or any Lender Party through the Administrative Agent, may from time to time reasonably request, including information relating to the Borrower's hedging policy; provided, however, that any proprietary information shall only be disclosed with appropriate safeguard measures as may be mutually agreed to by the Borrower and the Agents.

SECTION 5.4. FINANCIAL COVENANTS. So long as any Advance or any other Obligation of any Loan Party under any Loan Document shall remain unpaid, any Letter of Credit shall be outstanding or any Lender Party shall have any Commitment hereunder, the Borrower will:

(a) Fixed Charge Coverage Ratio. Maintain (i) at all times, a Fixed Charge Coverage Ratio of not less than 1.10:1 and (ii) as at the last day of each Measurement Period, a Revolving Credit Availability of not less than \$50,000,000.

(b) Leverage Ratio. Maintain at all times a Leverage Ratio of not more than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2001	3.25:1
June 30, 2001	3.25:1
September 30, 2001	3.25:1

79

81

QUARTER ENDING	RATIO
December 31, 2001	3.25:1
March 31, 2002	3.00:1
June 30, 2002	3.00:1
September 30, 2002	2.75:1
December 31, 2002	2.50:1
March 31, 2003	2.25:1
June 30, 2003	2.25:1
September 30, 2003	2.25:1
December 31, 2003	2.25:1
March 31, 2004	2.00:1
June 30, 2004	2.00:1
September 30, 2004	2.00:1

December 31, 2004	2.00:1
March 31, 2005	2.00:1
June 30, 2005	2.00:1
September 30, 2005	2.00:1

(c) Interest Coverage Ratio. Maintain at all times an Interest Coverage Ratio of not less than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2001	3.50:1
June 30, 2001	3.50:1
September 30, 2001	3.50:1
December 31, 2001	3.50:1
March 31, 2002	3.50:1
June 30, 2002	3.50:1
September 30, 2002	3.75:1
December 31, 2002	3.75:1
March 31, 2003	4.00:1
June 30, 2003	4.00:1
September 30, 2003	4.00:1
December 31, 2003	4.00:1
March 31, 2004	4.00:1
June 30, 2004	4.00:1
September 30, 2004	4.00:1
December 31, 2004	4.00:1
March 31, 2005	4.00:1
June 30, 2005	4.00:1
September 30, 2005	4.00:1

(d) Tangible Net Worth. The Borrower will not permit Tangible Net Worth at any time to be less than (i) 90% of the Tangible Net Worth on the Initial Closing Date after giving affect to the Transactions (as defined in the Existing Credit Agreement) plus (ii) 50% of the sum of Net Income of the Borrower and its Restricted Subsidiaries for each fiscal quarter beginning with the first quarter after the Initial Closing Date (without reduction for losses) plus (iii) the amount of Net Cash Proceeds from issuances of Equity Interests received by the Borrower since the Effective Date.

EVENTS OF DEFAULT

SECTION 6.1. EVENTS OF DEFAULT. If any of the following events ("Events of Default") shall occur and be continuing:

(a) (i) the Borrower shall fail to pay any principal of any Advance when the same shall become due and payable or (ii) the Borrower shall fail to pay any interest on any Advance, or any Loan Party shall fail to make any other payment under any Loan Document, in each case under this clause (ii) within 3 Business Days after the same becomes due and payable; or

(b) any representation or warranty made by any Loan Party (or any of its officers) under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) the Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 2.14, 5.1(e), (f), (i), (j) or (r), 5.2, 5.3 or 5.4; provided that, in the case of Section 5.3, any such failure shall remain unremedied for three Business Days after the earlier date of which (A) a Responsible Officer becomes aware of such failure or (B) written notice shall have been given to the Borrower by any Agent or Lender Party; or

(d) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 15 Business Days after the earlier of the date on which (A) a Responsible Officer becomes aware of such failure or (B) written notice thereof shall have been given to the Borrower by any Agent or any Lender Party; or

(e) any Loan Party or any of its Restricted Subsidiaries shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Debt that is outstanding in a principal amount (or, in the case of any Hedge Agreement, an Agreement Value) of at least \$10,000,000 either individually or in the aggregate (but excluding Debt outstanding hereunder) of such Loan Party or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event (other than a permitted redemption under Section 5.2(g)(iv) or (v)) shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt or otherwise to cause, or to permit the holder thereof to cause, such Debt to mature; or any such Debt shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(f) any Loan Party or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Loan Party or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or

composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 30 days or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it

or any substantial part of its property) shall occur; or any Loan Party or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (f); or

(g) any judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against any Loan Party or any of its Restricted Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 15 consecutive Business Days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) any non-monetary judgment or order shall be rendered against any Loan Party or any of its Restricted Subsidiaries that could be reasonably likely to have a Material Adverse Effect, and there shall be any period of 15 consecutive Business Days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) any provision of any Loan Document after delivery thereof pursuant to Section 3.1, 5.1(j) or 5.1(p) shall for any reason cease to be valid and binding on or enforceable against any Loan Party party to it, or any such Loan Party shall so state in writing; or

(j) any Collateral Document after delivery thereof pursuant to Section 3.1, 5.1(j) or 5.1(p) shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority lien on and security interest in the Collateral purported to be covered thereby; or

(k) a Change of Control shall occur; or

(l) any ERISA Event shall have occurred with respect to a Plan and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Loan Parties and the ERISA Affiliates related to such ERISA Event) exceeds \$10,000,000; or

(m) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Loan Parties and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds \$10,000,000 or requires payments exceeding \$1,000,000 per annum; or

(n) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Loan Parties and the ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be

increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount exceeding \$10,000,000,

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the Commitments of each Lender Party and the obligation of each Lender Party to make Advances (other than Letter of Credit Advances by an Issuing Bank or a Revolving Credit Lender pursuant to Section 2.3(c) and of each Issuing Bank to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, (A) by notice to the Borrower, declare the Notes, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which



are hereby expressly waived by the Borrower, (B) by notice to each party required under the terms of any agreement in support of which a Standby Letter of Credit is issued, request that all Obligations under such agreement be declared to be due and payable and (C) by notice to each Issuing Bank, direct such Issuing Bank to deliver a Default Termination Notice to the beneficiary of each Standby Letter of Credit issued by it, and each Issuing Bank shall deliver such Default Termination Notices; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (x) the Commitments of each Lender Party and the obligation of each Lender Party to make Advances (other than Letter of Credit Advances by an Issuing Bank or a Revolving Credit Lender pursuant to Section 2.3(c) and of each Issuing Bank to issue Letters of Credit shall automatically be terminated and (y) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 6.2. ACTIONS IN RESPECT OF THE LETTERS OF CREDIT UPON DEFAULT. If any Event of Default shall have occurred and be continuing, the Administrative Agent may, or shall at the request of the Required Lenders, irrespective of whether it is taking any of the actions described in Section 6.1 or otherwise, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, pay to the Collateral Agent on behalf of the Lender Parties in same day funds at the Collateral Agent's office designated in such demand, for deposit in the L/C Collateral Account, an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding. If at any time the Administrative Agent or the Collateral Agent determines that any funds held in the L/C Collateral Account are subject to any right or claim of any Person other than the Agents and the Lender Parties or that the total amount of such funds is less than the aggregate Available Amount of all Letters of Credit, the Borrower will, forthwith upon demand by the Administrative Agent or the Collateral Agent, pay to the Collateral Agent, as additional funds to be deposited and held in the L/C Collateral Account, an amount equal to the excess of (a) such aggregate Available Amount over (b) the total amount of funds, if any, then held in the L/C Collateral Account that the Administrative Agent or the Collateral Agent, as the case may be, determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit in the L/C Collateral Account, such funds shall be applied to reimburse the relevant Issuing Bank or Revolving Credit Lenders, as applicable, to the extent permitted by applicable law.

## ARTICLE VII

### THE AGENTS

SECTION 7.1. AUTHORIZATION AND ACTION. Each Lender Party (in its capacities as a Lender, an Issuing Bank (if applicable) and on behalf of itself and its Affiliates as potential Hedge Banks) hereby appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including enforcement or collection of the Notes), no Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lender Parties and all holders of Notes; provided, however, that no Agent shall be required to take any action that exposes such Agent to personal liability or that is contrary to this Agreement or applicable law. Each Agent agrees to give to each Lender Party prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.2. AGENTS' RELIANCE, ETC. Neither any Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, each Agent:

(a) may treat the payee of any Note as the holder thereof until, in the case of the Administrative Agent, the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, or, in the case of any other Agent, such Agent has received notice from the Administrative Agent that it has received and accepted such Assignment and Acceptance, in each case as provided in Section 8.7; (b) may consult with legal counsel (including counsel for any Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender Party and shall not be responsible to any Lender Party for any statements, warranties or representations (whether written or oral) made in or in connection with the Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of any Loan Party or to inspect the property (including the books and records) of any Loan Party; (e) shall not be responsible to any Lender Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; and (f) shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.3. CUSA, SSBI, DBAB AND THEIR AFFILIATES. With respect to its Commitments, the Advances made by it and the Notes issued to it, each of CUSA, SSBI and DBAB shall have the same rights and powers under the Loan Documents as any other Lender Party and may exercise the same as though it were not an Agent; and the term "Lender Party" or "Lender Parties" shall, unless otherwise expressly indicated, include CUSA, SSBI and DBAB in their respective individual capacities. CUSA, SSBI and DBAB and their respective affiliates may

84

86

accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, any Loan Party, any of its Subsidiaries and any Person who may do business with or own securities of any Loan Party or any such Subsidiary, all as if CUSA, SSBI and DBAB were not Agents and without any duty to account therefor to the Lender Parties.

SECTION 7.4. LENDER PARTY CREDIT DECISION. Each Lender Party acknowledges that it has, independently and without reliance upon any Agent or any other Lender Party and based on the financial statements referred to in Section 4.1 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender Party also acknowledges that it will, independently and without reliance upon any Agent or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.5. INDEMNIFICATION.

(a) Each Lender Party severally agrees to indemnify each Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender Party's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents (collectively, the "Indemnified Costs"); provided, however, that no Lender Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender Party agrees to reimburse each Agent promptly upon demand for its ratable share of any costs and expenses (including fees and expenses of counsel) payable by the

Borrower under Section 8.4, to the extent that such Agent is not promptly reimbursed for such costs and expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 7.5 applies whether any such investigation, litigation or proceeding is brought by any Lender Party or any other Person.

(b) Each Lender Party severally agrees to indemnify each Issuing Bank (to the extent not promptly reimbursed by the Borrower) from and against such Lender Party's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Issuing Bank in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Issuing Bank under the Loan Documents; provided, however, that no Lender Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender Party agrees to reimburse such Issuing Bank promptly upon demand for its ratable share of any costs and expenses (including fees and expenses of counsel) payable by the Borrower under Section 8.4, to the extent that such Issuing Bank is not promptly reimbursed for such costs and expenses by the Borrower.

(c) For purposes of this Section 7.5, the Lender Parties' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate

85

87

principal amount of the Advances outstanding at such time and owing to the respective Lender Parties, (ii) their respective Pro Rata Shares of the aggregate Available Amount of all Letters of Credit outstanding at such time and (iii) their respective Unused Revolving Credit Commitments at such time; provided, however, that the aggregate principal amount of Letter of Credit Advances owing to any Issuing Bank shall be considered to be owed to the Revolving Credit Lenders ratably in accordance with their respective Revolving Credit Commitments. The failure of any Lender Party to reimburse any Agent or any Issuing Bank, as the case may be, promptly upon demand for its ratable share of any amount required to be paid by the Lender Parties to such Agent or such Issuing Bank, as the case may be, as provided herein shall not relieve any other Lender Party of its obligation hereunder to reimburse such Agent or such Issuing Bank, as the case may be, for its ratable share of such amount, but no Lender Party shall be responsible for the failure of any other Lender Party to reimburse such Agent or such Issuing Bank, as the case may be, for such other Lender Party's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender Party hereunder, the agreement and obligations of each Lender Party contained in this Section 7.5 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

#### SECTION 7.6. SUCCESSOR ADMINISTRATIVE AGENT AND COLLATERAL AGENT.

(a) The Administrative Agent and/or the Collateral Agent may resign as to any or all of the Facilities at any time by giving written notice thereof to the Lender Parties and the Borrower and may be removed as to all of the Facilities and any of the Collateral at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent and/or a successor Collateral Agent to such of the Facilities and/or such of the Collateral as to which such Administrative Agent and/or Collateral Agent has resigned or been removed. If no successor Administrative Agent and/or Collateral Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's and/or Collateral Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Administrative Agent and/or Collateral Agent, then the retiring Administrative Agent and/or the retiring Collateral Agent may respectively, on behalf of the Lender Parties, appoint a successor Administrative Agent and a successor Collateral Agent, which in each case shall be a commercial bank organized under the laws of the United States or of any

State thereof and having a combined capital and surplus of at least \$250,000,000. Upon the acceptance of any appointment as Administrative Agent and/or Collateral Agent hereunder by a successor Administrative Agent as to all of the Facilities and/or Collateral Agent as to any of the Collateral, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Collateral Documents, such successor Administrative Agent and/or Collateral Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent or Collateral Agent (as the case may be), and the retiring Administrative Agent and/or Collateral Agent shall be discharged from its duties and obligations under the Loan Documents. Upon the acceptance of any appointment as Administrative Agent and/or Collateral Agent hereunder by a successor Administrative Agent or successor Collateral Agent as to less than all of the Facilities or less than all of the Collateral and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Collateral Documents, such

86

88

successor Administrative Agent and/or successor Collateral Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Administrative Agent and/or Collateral Agent as to such Facilities and Collateral, other than with respect to funds transfers and other similar aspects of the administration of Borrowings under such Facilities, issuances of Letters of Credit (notwithstanding any resignation as Administrative Agent with respect to the Letter of Credit Facility) and payments by the Borrower in respect of such Facilities, and the retiring Administrative Agent and/or the retiring Collateral Agent (as the case may be) shall be discharged from its respective duties and obligations under this Agreement as to such Facilities and/or Collateral, other than as aforesaid. If, within 45 days after written notice is given of the retiring Administrative Agent's and/or Collateral Agent's resignation or removal under this Section 7.6, no successor Administrative Agent and/or Collateral Agent shall have been appointed and shall have accepted such appointment, then on such 45th day (i) the retiring Administrative Agent's and/or Collateral Agent's resignation or removal shall become effective, (ii) the retiring Administrative Agent and/or Collateral Agent shall thereupon be discharged from its respective duties and obligations under the Loan Documents and (iii) the Required Lenders shall thereafter perform all duties of the retiring Administrative Agent and/or Collateral Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Administrative Agent and/or Collateral Agent as provided above. After any retiring Administrative Agent's and/or retiring Collateral Agent's resignation or removal hereunder as Administrative Agent as to all of the Facilities and/or Collateral Agent as to all the Collateral shall have become effective, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent as to any Facilities under this Agreement and/or while it was Collateral Agent as to any of the Collateral.

(b) The Lender Parties hereby acknowledge, ratify and consent to the transactions contemplated in the Assignment and Release Agreement, including (i) the retirement of the Existing Administrative Agent and the Existing Collateral Agent, (ii) the appointments of CUSA, as successor Administrative Agent and as successor Collateral Agent, (iii) the release (except as provided in Section 7.2) of SG and SG Cowen Securities Inc. of all of their respective obligations under the Existing Credit Agreement, in their respective capacities as the Existing Administrative Agent, the Existing Collateral Agent or an Arranger, as applicable, (iv) the assignment to CUSA of SG's rights as agent under (x) the Pledge Agreement dated as of June 8, 2000 among the Borrower, SG and the pledgees named therein and (y) the Custody Agreement dated as of June 8, 2000 (as amended by a supplemental agreement dated June 8, 2000) between the Borrower and Seoul Bank and acknowledged by SG and (v) the provisions of this Article VII inuring to the benefit of SG and SG Cowen Securities Inc. (as provided in Section 7.6(a)).

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1. AMENDMENTS, ETC. No amendment or waiver of any provision of this Agreement or the Notes or any other Loan Document, nor consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed (or, in the case of the Collateral Documents, consented to) by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that (a) no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders (other than any Lender Party that is, at such time, a Defaulting Lender), do any of the following at any time: (i) waive any of the conditions specified in Section 3.1 or, in the case of the Initial Extension of Credit, Section 3.2, (ii) change any provision that expressly requires a vote or determination by all of the Lenders or the

87

89

percentage of (x) the Commitments, (y) the aggregate unpaid principal amount of the Advances or (z) the aggregate Available Amount of outstanding Letters of Credit that, in each case, shall be required for the Lenders or any of them to take any action hereunder, (iii) reduce or limit the obligations of any Guarantor under Section 1 of the Guaranty issued by it or release such Guarantor or otherwise limit such Guarantor's liability with respect to the Obligations owing to the Agents and the Lender Parties (other than, in the case of any Guarantor, to the extent permitted under the Guaranty to which it is a party), (iv) release all or substantially all of the Collateral in any transaction or series of related transactions or permit the creation, incurrence, assumption or existence of any Lien on all or substantially all of the Collateral in any transaction or series of related transactions to secure any Obligations other than Obligations owing to the Secured Parties under the Loan Documents, (v) amend Section 2.13 or this Section 8.1, (b) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and each Lender (other than any Lender that is, at such time, a Defaulting Lender) that has a Commitment under the Term A Facility, Term B Facility or Revolving Credit Facility if such Lender is directly and adversely affected by such amendment, waiver or consent, (i) increase the Commitments of such Lender, (ii) reduce the principal of, or interest on, the Notes held by such Lender or any fees or other amounts stated to be payable hereunder to such Lender or (iii) postpone any date fixed for any payment of principal of, or interest on, the Notes held by such Lender or any fees or other amounts payable hereunder to such Lender and (c) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and Lenders (other than any Lender Party that is, at such time, a Defaulting Lender) holding at least a majority in interest of the aggregate Commitments (whether used or unused) under the Term A Facility, Term B Facility or Revolving Credit Facility if such Lenders under any of the foregoing Facilities are directly and adversely affected by such amendment, waiver or consent, change the allocation or order of application of any prepayment set forth in Section 2.6; provided further that no amendment, waiver or consent shall, unless in writing and signed by each Issuing Bank, as the case may be, in addition to the Lenders required above to take such action, affect the rights or obligations of the Issuing Bank under this Agreement; and provided further that no amendment, waiver or consent shall, unless in writing and signed by an Agent in addition to the Lenders required above to take such action, affect the rights or duties of such Agent under this Agreement or the other Loan Documents.

SECTION 8.2. NOTICES, ETC. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy or telex communication) and mailed, telegraphed, telecopied, telexed or delivered, if to the Borrower, at its address at Amkor Technology, Inc., Goshen Corporate Park, 1345 Enterprise Drive, West Chester, PA 19380, (Telecopier: 610-431-9967), Attention: Kenneth T. Joyce, Chief Financial Officer; if to any Initial Lender or any Initial Issuing Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender Party, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender Party; if to the Collateral Agent or the Administrative Agent, at its address at 2 Penns Way, Suite 200, New Castle, Delaware 19720

(Telecopier: 302-894 6120), Attention: Jason Trala; and if to Salomon Smith Barney Inc., at its address at 390 Greenwich St., New York, NY 10013 (Telecopier: 212-723-8544), Attention: Arnold Wong, Director or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall, when mailed, telegraphed, telecopied or telexed, be effective when deposited in the mails, delivered to the telegraph company, transmitted by telecopier or confirmed by telex answerback, respectively, except that notices and communications to any Agent pursuant to Article II, III or VII shall not be effective until received by such Agent. Delivery by telecopier

88

90

of an executed counterpart of any amendment or waiver of any provision of this Agreement or the Notes or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of an original executed counterpart thereof.

SECTION 8.3. NO WAIVER; REMEDIES. No failure on the part of any Lender Party or any Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.4. COSTS AND EXPENSES. (a) The Borrower agrees to pay on demand (i) all costs and expenses of each Agent in connection with the preparation, execution, delivery, administration, modification and amendment of the Loan Documents (including (A) all due diligence, collateral review, syndication, transportation, computer, duplication, appraisal, audit, insurance, consultant, search, filing and recording fees and expenses and (B) the reasonable fees and expenses of counsel for each Agent with respect thereto, with respect to advising such Agent as to its rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto) and (ii) all costs and expenses of each Agent and each Lender Party in connection with the enforcement of the Loan Documents, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally (including the reasonable fees and expenses of counsel for the Administrative Agent and each Lender Party with respect thereto).

(b) The Borrower agrees to indemnify and hold harmless each Agent, each Lender Party and each of their Affiliates and their respective officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Facilities (including the Existing Credit Agreement), the actual or proposed use of the proceeds of the Advances or the Letters of Credit, the Transaction Documents or any of the transactions contemplated thereby or (ii) the actual or alleged presence of Hazardous Materials on any property of any Loan Party or any of its Subsidiaries or any Environmental Action relating in any way to any Loan Party or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.4(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or an

Indemnified Party or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated by the Transaction Documents are consummated. The Borrower also agrees not to assert any claim against any Agent, any Lender Party or any of their Affiliates, or any of their respective officers, directors, employees, attorneys and agents, on any theory of liability, for indirect, consequential or punitive damages arising out of or otherwise relating to the Facilities, the actual or proposed use of the proceeds of the Advances or the Letters of Credit, the Transaction Documents or any of the transactions contemplated by the Transaction Documents.

(c) If any payment of principal of, or Conversion of, any Eurodollar Rate Advance is made by the Borrower to or for the account of a Lender Party other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.6, 2.9(b)(i) or 2.10(d), acceleration of the maturity of the Notes pursuant to Section 6.1 or for any other reason, or by an Eligible Assignee to a Lender Party other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 8.7 as a result of a demand by the Borrower pursuant to Section 8.7(a), or if the Borrower fails to make any payment or prepayment of an Advance for which a notice of prepayment has been given or that is otherwise required to be made, whether pursuant to Section 2.4, 2.6 or 6.1 or otherwise, the Borrower shall, upon demand by such Lender Party (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender Party any amounts required to compensate such Lender Party for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion or such failure to pay or prepay, as the case may be, including any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender Party to fund or maintain such Advance.

(d) If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it under any Loan Document, including fees and expenses of counsel and indemnities, such amount may be paid on behalf of such Loan Party by the Administrative Agent or any Lender Party, in its sole discretion.

(e) Without prejudice to the survival of any other agreement of any Loan Party hereunder or under any other Loan Document, the agreements and obligations of the Borrower contained in Sections 2.10 and 2.12 and this Section 8.4 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under any of the other Loan Documents.

SECTION 8.5. RIGHT OF SET-OFF. Upon (a) the occurrence and during the continuance of any Event of Default and (b) the making of the request or the granting of the consent specified by Section 6.1 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.1, each Agent and each Lender Party and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Agent, such Lender Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the Obligations of the Borrower now or hereafter existing under the Loan Documents, irrespective of whether such Agent or such Lender Party shall have made any demand under this Agreement or such Note or Notes and although such obligations may be unmatured. Each Agent and each Lender Party agrees promptly to notify the Borrower after any such set-off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Agent and each Lender Party and their respective Affiliates under this Section 8.5 are in addition to other rights and remedies (including other rights of set-off) that such Agent, such Lender Party and their respective Affiliates may have.

SECTION 8.6. BINDING EFFECT. This Agreement shall become effective when it shall have been executed by the Borrower and each Agent and the Administrative Agent shall have been notified by each Initial Lender and each Initial Issuing Bank that such Initial Lender and such Initial Issuing Bank has executed it and thereafter shall be binding upon and inure to the benefit of

the Borrower, each Agent and each Lender Party and their respective successors and

90

92

assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender Parties.

SECTION 8.7. ASSIGNMENTS AND PARTICIPATIONS. (a) Each Lender may and, so long as no Default shall have occurred and be continuing, if demanded by the Borrower (following a demand by such Lender pursuant to Section 2.10 or 2.12) upon at least five Business Days' notice to such Lender and the Administrative Agent, will assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment or Commitments, the Advances owing to it and the Note or Notes held by it to the extent requested pursuant to Section 2.16(a)); provided, however, that (i) each such assignment shall be of a uniform, and not a varying, percentage of all rights and obligations under and in respect of any or all Facilities, provided, however, that nothing in this clause (i) shall prevent a Lender from assigning an interest in a single Facility if such Lender has an interest in more than one Facility, (ii) except in the case of an assignment to a Person that, immediately prior to such assignment, was a Lender, an Affiliate of any Lender or an Approved Fund of any Lender or an assignment of all of a Lender's rights and obligations under this Agreement, the aggregate amount of the Commitments being assigned to such Eligible Assignee pursuant to such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$2,500,000 and shall be in an integral multiple of \$1,000,000 in excess thereof under each Facility for which a Commitment is being assigned, (iii) each such assignment shall be to an Eligible Assignee, (iv) each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.7(a) shall be arranged by the Borrower after consultation with the Administrative Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement, (v) no Lender shall be obligated to make any such assignment as a result of a demand by the Borrower pursuant to this Section 8.7(a) unless and until such Lender shall have received one or more payments from either the Borrower or one or more Eligible Assignees in an aggregate amount at least equal to the aggregate outstanding principal amount of the Advances owing to such Lender, together with accrued interest thereon to the date of payment of such principal amount and all other amounts payable to such Lender under this Agreement, (vi) no such assignments shall be permitted without the consent of the Administrative Agent and the Syndication Agent (such consents not to be unreasonably withheld or delayed) and (vii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of \$3,500 (except in the case of an assignment to a Lender or any Affiliate of a Lender or any Approved Fund and except for any assignment by either Syndication Agent or any other of their respective Affiliates); provided, however, that for each such assignment made as a result of a demand by the Borrower pursuant to this Section 8.7(a), the Borrower shall pay to the Administrative Agent the applicable processing and recordation fee.

(b) Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance, (i) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender or Issuing Bank, as the case may be, hereunder and (ii) the Lender or Issuing Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (other than its rights under Sections 2.10, 2.12 and 8.4 to the extent any claim thereunder relates to an event arising prior to

91



such assignment) and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Lender's or Issuing Bank's rights and obligations under this Agreement, such Lender or Issuing Bank shall cease to be a party hereto).

(c) By executing and delivering an Assignment and Acceptance, each Lender Party assignor thereunder and each assignee thereunder confirm to and agree with each other and the other parties thereto and hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (ii) such assigning Lender Party makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon any Agent, such assigning Lender Party or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender or Issuing Bank, as the case may be.

(d) The Administrative Agent, acting for this purpose (but only for this purpose) as the agent of the Borrower, shall maintain at its address referred to in Section 8.2 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lender Parties and the Commitment under each Facility of, and principal amount of the Advances owing under each Facility to, each Lender Party from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agents and the Lender Parties shall treat each Person whose name is recorded in the Register as a Lender Party hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Agent or any Lender Party at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender Party and an assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower and each other Agent. In the case of any assignment by a Lender, within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes a

new Note (to the extent requested pursuant to Section 2.16(a)) to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it under each Facility pursuant to such Assignment and Acceptance and, if any assigning Lender has retained a Commitment hereunder under such Facility, a new Note (to the extent requested pursuant to Section 2.16(a)) to the order of such assigning

Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 or A-2 hereto, as the case may be.

(f) Each Issuing Bank may assign to one or more Eligible Assignees all or a portion of its rights and obligations under the undrawn portion of its Letter of Credit Commitment at any time; provided, however, that (i) except in the case of an assignment to a Person that immediately prior to such assignment was an Issuing Bank or an assignment of all of an Issuing Bank's rights and obligations under this Agreement, the amount of the Letter of Credit Commitment of the assigning Issuing Bank being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$2,500,000 and shall be in an integral multiple of \$1,000,000 in excess thereof, (ii) each such assignment shall be to an Eligible Assignee and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with a processing and recordation fee of \$3,500.

(g) Each Lender Party may sell participations to one or more Persons (other than any Loan Party or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, the Advances owing to it and the Note or Notes (if any) held by it); provided, however, that (i) such Lender Party's obligations under this Agreement (including its Commitments) shall remain unchanged, (ii) such Lender Party shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender Party shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Agents and the other Lender Parties shall continue to deal solely and directly with such Lender Party in connection with such Lender Party's rights and obligations under this Agreement and (v) no participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Notes, or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or release all or substantially all of the Collateral.

(h) Any Lender Party may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.7, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender Party by or on behalf of the Borrower; provided, however, that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any Confidential Information received by it from such Lender Party.

(i) In addition to the assignment mechanics set forth in Sections 8.7(a) through (f), any Lender Party, (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the

Administrative Agent and the Borrower (an "SPC") the option to provide all or any part of any Advance that such Granting Lender would otherwise be obligated to make pursuant to this Agreement, provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Advance, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Advance, the Granting Lender shall be obligated to make such Advance pursuant to the terms hereof. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Advance were made by such Granting Lender. Each party hereto hereby agrees that (i) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender Party would otherwise be liable and (ii) no SPC shall be entitled to the benefits of Sections 2.10 and 2.12 (or any other

increased costs protection provision). Notwithstanding anything to the contrary contained in this Agreement, any SPC may (i) with notice to, but without prior consent of, the Borrower, the Syndication Agent and the Administrative Agent and with the payment of a processing fee of \$500, assign all or any portion of its interest in any Advance to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Advances to any rating agency, commercial paper dealer or provider of any surety or guarantee or credit or liquidity enhancement to such SPC. This subsection 8.7(h) may not be amended without the prior written consent of each Granting Lender, all or any part of whose Advances are being funded by the SPC at the time of such amendment. For the avoidance of doubt, with respect to the Agents, the other Lender Parties and the Borrower, the Granting Lender shall for all purposes, including the approval of any amendment or waiver of any provision of any Loan Document or the obligation to pay any amount otherwise payable by the Granting Lender under the Loan Documents, be the Lender Party of record hereunder.

(j) Notwithstanding any other provision set forth in this Agreement, any Lender Party may at any time create a security interest in all or any portion of its rights under this Agreement (including the Advances owing to it and the Note or Notes held by it, if any) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(k) Any Lender that is a fund that invests in bank loans may pledge all or any portion of the Advances owing to it and the Note or Notes, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such fund as security for such obligations or securities; provided, that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 8.7, (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

SECTION 8.8. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

SECTION 8.9. NO LIABILITY OF THE ISSUING BANKS. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither any Issuing Bank nor any of its officers or directors shall be liable or responsible for: (a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (b) the validity, sufficiency

or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that the Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrower, to the extent of any direct, but not consequential, damages suffered by the Borrower that the Borrower proves were caused by (i) such Issuing Bank's willful misconduct or gross negligence as determined in a final, non-appealable judgment by a court of competent jurisdiction in determining whether documents presented under any Letter of Credit comply with the terms of the Letter of Credit or (ii) such Issuing Bank's willful failure to make lawful payment under a Letter of Credit after the presentation to it of a draft and certificates or other document strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without

responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 8.10. CONFIDENTIALITY. Neither any Agent nor any Lender Party shall disclose any Confidential Information to any Person without the consent of the Borrower, other than (a) to such Agent's or such Lender Party's Affiliates and their officers, directors, employees, agents and advisors, to Approved Funds and to actual or prospective Eligible Assignees and participants, and then only on a confidential basis, (b) as required by any law, rule or regulation or judicial process, (c) as requested or required by any state, federal or foreign authority or examiner, including the National Association of Insurance Commissioners or any similar organization or quasi-regulatory authority regulating such Lender Party, (d) to any rating agency when required by it, provided that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Confidential Information relating to the Loan Parties received by it from such Lender Party and (e) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section 8.10).

SECTION 8.11. RELEASE OF COLLATERAL. Upon the sale, lease, transfer or other disposition of any item of Collateral of any Loan Party in accordance with the terms of the Loan Documents, the Collateral Agent will, at the Borrower's expense, execute and deliver to such Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents in accordance with the terms of the Loan Documents.

SECTION 8.12. JURISDICTION, ETC.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such New York State court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any

95

97

action or proceeding relating to this Agreement or any of the other Loan Documents in the courts of any jurisdiction.

(b) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents to which it is a party in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

SECTION 8.13. GOVERNING LAW. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.14. WAIVER OF JURY TRIAL. Each of the Borrower, the Agents and the Lender Parties irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to any of the Loan Documents, the Advances or the actions of any Agent or any Lender Party in the negotiation, administration, performance or enforcement thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMKOR TECHNOLOGY, INC.

By: Kenneth T. Joyce  
Title: Vice President

CITICORP USA, INC.,  
as Administrative Agent and Collateral Agent

By: Johnathon Kim  
Title: Vice President

SALOMON SMITH BARNEY INC.,  
as Sole Book Manager and Arranger

By: Johnathon Kim  
Title: Vice President

DEUTSCHE BANC ALEX.BROWN INC.,  
as Syndication Agent and Arranger

By: Kate W. Cook  
Title: Managing Director

By: George C. Hartmann, Jr.  
Title: Managing Director

LENDERS:

ABN AMRO BANK N.V.

By: Richard R. DaCosta  
Title: Group Vice President  
By: Natalie M. Smith  
Title: Vice President

AERIES FINANCE-II LTD  
By: INVESCO Senior Secured Management, Inc.  
As Sub-Managing Agent

By: Joseph Rotondo  
Title: Authorized Signatory

AIM FLOATING RATE FUND  
By: INVESCO Senior Secured Management, Inc.  
As Attorney in Fact

By: Joseph Rotondo  
Title: Authorized Signatory

AMARA-1 FINANCE LTD.  
By: INVESCO Senior Secured Management, Inc.  
As Sub-advisor

By: Joseph Rotondo  
Title: Authorized Signatory

AMARA-2 FINANCE LTD.  
By: INVESCO Senior Secured Management, Inc.  
As Sub-advisor

By: Joseph Rotondo  
Title: Authorized Signatory

AMMC CDO I, LIMITED  
By: American Money Management Corp.  
as Collateral Manager

By: David P. Meyer  
Title: Vice President

98

100

AMMC CDO II, LIMITED  
as Collateral Manager

By: David P. Meyer  
Title: Vice President

APEX (IDM) CDO-1, LTD.  
By: John Stelwagon  
Title: Director

ARES LEVERAGED INVESTMENT FUND, L.P.  
By: ARES Management, L.P.  
Its: General Partner

By: Christopher N. Jacobs  
Title: Authorized Signatory

ARES LEVERAGED INVESTMENT FUND II, L.P.  
By: ARES Management II, L.P.  
Its: General Partner

By: Christopher N. Jacobs  
Title: Authorized Signatory

ARES III CLO Ltd..  
By: ARES CLO Management, L.P.  
Investment Manager

By: Christopher N. Jacobs  
Title: Authorized Signatory

ARES IV CLO LTD.  
By: Ares CLO Management IV, L.P.

Investment Manager

By: Ares CLO GP IV, LLC,  
Its Managing Member

By: Christopher N. Jacobs  
Title: Authorized Signatory

AVALON CAPITAL LTD.

By: INVESCO Senior Secured Management, Inc.  
As Portfolio Advisor

99

101

By: Joseph Rotondo  
Title: Authorized Signatory

AVALON CAPITAL LTD. 2

By: INVESCO Senior Secured Management, Inc.  
As Portfolio Advisor

By: Joseph Rotondo  
Title: Authorized Signatory

BANK OF AMERICA  
as Initial Lender

By: Sugeet Manchanda  
Title: Principal

BANK OF TOKYO MITSUBISHI TRUST  
as Initial Lender

By: Heather T. Zimmermann  
Title: Vice President

BANKERS TRUST COMPANY

By: Mary Jelly  
Title: Authorized Signatory

BARCLAYS BANK PLC  
as Initial Lender

By: John Giannone  
Title: Director

BAVARIA TRR CORPORATION  
as Initial Lender

By: Lori Rezza  
Title: Vice President

BLACK DIAMOND CLO 1998-1 LTD.

By: David Egglshaw  
Title: Authorized Signatory

100

102

BLACK DIAMOND CLO 2000-1 LTD.

By: David Dyer  
Title: Authorized Signatory

BLACK DIAMOND INTERNATIONAL FUNDING, LTD.

By: David Dyer  
Title: Authorized Signatory

BNP PARIBAS  
as Initial Lender

By: Jean Plassard  
Title: Managing Director  
By: Stephanie Reyes  
Title: Associate

CAPTIVA FINANCE LTD.  
as Initial Lender

By: David Dyer  
Title: Director

CENTURION CDO II, LTD.  
By: American Express Asset Management  
Group Inc. as Collateral Manager

By: Michael M. Leyland  
Title: Managing Director

CERES II FINANCE LTD.  
By: INVESCO Senior Secured Management, Inc  
As Sub-Managing Agent (Financial)

By: Joseph Rotondo  
Title: Authorized Signatory

CHARTER VIEW PORTFOLIO  
By: INVESCO Senior Secured Management, Inc  
As Investment Advisor

By: Joseph Rotondo  
Title: Authorized Signatory

101

103

CITIBANK, N.A.  
as Initial Lender

By: Suzanne Crymes  
Title: Vice President

CITIBANK N.A.  
as Additional Investment Manager for and on Behalf  
of FIVE FINANCE CORPORATION  
as a Lender

By: Mike Regan  
Title: Authorized Signatory  
By: Maura K. Connor  
Title: Vice President

CITADEL HILL 2000 LTD.  
as Initial Lender



By: S. Lockhart  
Title: Authorized Signatory

COLISEUM FUNDING LTD.  
By: Travelers Asset Management  
International Company LLC

By: Matthew J. McInerny  
Title: Assistant Investment Officer

COLUMBUS LOAN FUNDING LTD.  
By: Travelers Asset Management  
International Company LLC

By: Matthew J. McInerny  
Title: Assistant Investment Officer

COMERICA BANK

By: Robert P. Wilson  
Title: Assistant Vice President

102

104

CYPRESSTREE INVESTMENT PARTNERS I, LTD.,  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INVESTMENT PARTNERS II, LTD.,  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INVESTMENT MANAGEMENT  
COMPANY, INC.

As: Attorney-in-Fact and on behalf of First Allmerica  
Financial Life Insurance Company as Portfolio  
Manager

By: P. Jeffrey Huth  
Title: Principal

NORTH AMERICAN SENIOR FLOATING RATE FUND  
By: CypressTree Investment Management Company,  
Inc. as Portfolio Manager

By: P. Jeffrey Huth  
Title: Principal

ELC (CAYMAN) Ltd.  
CDO Series 1999-I

By: John Stelwagon  
Title: Director

ELC (CAYMAN) Ltd.1999-III

By: John Stelwagon  
Title: Director

103

105

ERSTE Bank  
as Initial Lender

By: John Fay  
Title: Vice President  
By: John S. Runnion  
Title: Managing Director

FIRST UNION NATIONAL BANK

By: Jorge A. Gonzalez  
Title: Senior Vice President

FREMONT INVESTMENT & LOAN

By: Mark Brewer  
Title: Vice President

GALAXY CLO 1999-1, LTD.  
as Initial Lender  
By: SAI Investment Advisor, Inc.  
its Collateral Manager

By: Thomas G. Brandt  
Title: Authorized Agent

HARBOURVIEW CDO II, LTD.

By: David Foxhouen  
Title: D.V.P.

IBM CREDIT CORPORATION

By: Thomas S. Curcio  
Title: Manager of Credit, Commercial  
and Specialty Financing

IKB CAPITAL CORPORATION  
as Lender

By: David Snyder  
Title: President

104

106

J.H. WHITNEY MARKET VALUE FUND, L.P.  
By: Whitney Market Value GP, LLC,  
General Partner

By: Michael B. DeFlorio  
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION

By: Jeff Kalinowski  
Title: Vice President

KZH CYPRESSTREE-1 LLC

By: Kimberly Rowe  
Title: Authorized Agent

KZH SHOSHONE LLC

By: Kimberly Rowe  
Title: Authorized Agent

KZH SOLEIL LLC

By: Kimberly Rowe  
Title: Authorized Agent

KZH SOLEIL-2 LLC

By: Kimberly Rowe  
Title: Authorized Agent

KZH STEALING LLC

By: Kimberly Rowe  
Title: Authorized Agent

LIBERTY-STEIN ROE ADVISOR FLOATING RATE  
ADVANTAGE FUND  
by Stein Roe & Farmham Incorporated  
as Advisor

By: Brian W. Good  
Title: Sr. Vice President & Portfolio  
Manager

105

107

LONG LANE MASTER TRUST IV

By: Fleet National Bank as Trust Administrator

By: Renee Nadler  
Title: Authorized Signatory

MASTER SENIOR FLOATING RATE TRUST

By: Joseph Matteo  
Title: Authorized Signatory

MERRILL LYNCH GLOBAL INVESTMENT SERIES:  
BANK LOAN INCOME PORTFOLIO  
By: Merrill Lynch Investment Managers, L.P.  
as Investment Advisor

By: Joseph Matteo  
Title: Authorized Signatory

MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.

By: Joseph Matteo  
Title: Authorized Signatory

METROPOLITAN PROPERTY AND CASUALTY  
INSURANCE COMPANY

By: James R. Dingler  
Title: Director

ML CLO XII PILGRIM AMERICA (CAYMAN) LTD.

By: ING Pilgrim Investment  
as its investment manager

By: Charles E. LeMieux, CFA  
Title: Vice President

106

108

ML CLO XX PILGRIM AMERICA (CAYMAN) LTD.

By: ING Pilgrim Investment  
as its investment manager

By: Charles E. LeMieux, CFA  
Title: Vice President

MOUNTAIN CAPITAL CLO II LTD.,  
as Initial Lender

By: Darren P. Riley  
Title: Authorized Signatory

NORTHWOODS CAPITAL II, LIMITED

By: Angelo, Gordon & Co., L.P., as Collateral  
Manager

By: John W. Fraser  
Title: Managing Director

OASIS COLLATERALIZED HIGH INCOME PORTFOLIO-1 LTD.

By: INVESCO Senior Secured Management, Inc  
as Subadvisor

By: Joseph Rotondo  
Title: Authorized Signatory

OCTAGON INVESTMENT PARTNERS II, LLC

By: Octagon Investment Partners II, LLC  
as sub-investment manager

By: Michael B. Nechamkin  
Title: Portfolio Manager

OCTAGON INVESTMENT PARTNERS III, LLC

By: Octagon Credit Investors, LLC  
as portfolio manager

By: Michael B. Nechamkin  
Title: Portfolio Manager

OPPENHEIMER SENIOR FLOATING RATE FUND  
as Initial Lender [and Initial Issuing Bank]

By: David Foxhuren  
Title: A.V.P.

OSPREY INVESTMENTS PORTFOLIO  
By: Citibank, N.A., as Manager

By: Mike Regan  
Title: Authorized Signatory

PILGRIM AMERICA HIGH INCOME INVESTMENTS INC. LTD.  
By: ING Pilgrim Investments  
as its investment manager

By: Charles E. LeMieux, CFA  
Title: Vice President

PILGRIM CLO 1999-1 LTD.  
By: ING Pilgrim Investments  
as its investment manager

By: Charles E. LeMieux CFA  
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION  
as Initial Lender [and Initial Issuing Bank]

By: Forrest B. Patterson, Jr.  
Title: Vice President

PROMETHEUS INVESTMENT FUNDING NO.1 LTD.  
By: CPF Asset Advisory, L.P. as Investment Manager  
as Initial Lender

By: Timothy L. Harrod  
Title: Director  
By: Steven Simons  
Title: Associate Director

Sankaty Advisors, LLC as Collateral Manager for  
GREAT POINT CLO 1999-1  
CLO 1999-1 LTD.,  
as Term lender

By: Jonathan Lavine  
Title: Managing Director

SANKATY HIGH YIELD PARTNERS II, L.P.

By: Jonathan Lavine  
Title: Managing Director

SANKATY HIGH YIELD ASSET PARTNERS L.P.

By: Jonathan Lavine  
Title: Managing Director

SEABOARD CLO 2000 LTD.  
as Initial Lender [and Initial Issuing Bank]

By: Sheppard Davis  
Title: Authorized Signatory

SEQUILS PILGRIM-1 LTD.  
By: ING Pilgrim Investments  
as its investment manager

By: Charles E LeMieux, CFA  
Title: Vice President

SIERRA CLO-I  
as Initial Lender

By: John M. Casparian  
Title: Chief Operating Officer  
Centre Pacific LLC, Manager

SOCIETE GENERALE

By: Cynthia Jay  
Title: Managing Director

109

111

STANFIELD CLO LTD.  
By: Stanfield Capital Partners LLC  
as its collateral manager

By: Christopher A. Bondy  
Title: Partner

STANFIELD/RMF TRANSATLANTIC CDO LTD.  
By: Stanfield Capital Partners LLC  
as its collateral manager

By: Christopher A. Bondy  
Title: Partner

STRATEGIC MANAGED LOAN PORTFOLIO

By: Citibank, N.A., as manager

By: Mike Regan  
Title: Authorized Signatory

THE BANK OF NOVA SCOTIA

By: Todd Heuer  
Title: Managing Director

THE FUJI BANK, LIMITED,  
as Initial Lender

By: Nobuoki Kioka  
Title: Vice President

THE INDUSTRIAL BANK OF JAPAN

By: Kennetth Biegen  
Title: Senior Vice President

THE SUMITOMO TRUST AND BANKING CO., LTD.

By: Stephen A. Stratico  
Title: Vice President

110

112

THE TRAVELERS INSURANCE COMPANY

By: Matthew J. McInerny  
Title: Assistant Investment Officer

TORONTO DOMINION (NEW YORK), INC.  
as Initial Lender

By: Stacey L. Malek  
Title: Vice President

TYRON CLO LTD. 2000-1

By: John Stelwagon  
Title: Director

WINDSOR LOAN FUNDING, LIMITED  
By: Stanfield Capital Partners LLC  
as its Investment Manager

By: Christopher A. Bondy  
Title: Partner

111

113

TABLE OF CONTENTS

	Page
	----
Article I Definitions And Accounting Terms.....	2
Section 1.1. Certain Defined Terms .....	2
Section 1.2. Computation of Time Periods; Other Definitional Provisions	31
Section 1.3. Accounting Terms .....	31
Article II Amounts and Terms of the Advances and the Letters of Credit.....	32
Section 2.1. The Advances and the Letters of Credit .....	32

Section 2.2.	Making the Advances .....	33
Section 2.3.	Issuance of and Drawings and Reimbursement Under Letters of Credit .....	34
Section 2.4.	Repayment of Advances .....	36
Section 2.5.	Termination or Reduction of the Commitments .....	38
Section 2.6.	Prepayments .....	38
Section 2.7.	Interest .....	40
Section 2.8.	Fees .....	41
Section 2.9.	Conversion of Advances .....	41
Section 2.10.	Increased Costs, Etc. ....	42
Section 2.11.	Payments and Computations .....	43
Section 2.12.	Taxes .....	45
Section 2.13.	Sharing of Payments, Etc. ....	47
Section 2.14.	Use of Proceeds .....	48
Section 2.15.	Defaulting Lenders .....	48
Section 2.16.	Evidence of Debt .....	50
Section 2.17.	Increase in the Aggregate Commitments .....	51
Article III	Conditions of Lending and Issuances of Letters of Credit.....	52
Section 3.1.	Conditions Precedent to the Effectiveness of this Agreement .....	52
Section 3.2.	Conditions Precedent to Each Borrowing and Issuance and Renewal .....	54
Section 3.3.	Determinations Under Section 3.1 .....	55
Article IV	Representations and Warranties.....	55
Section 4.1.	Representations and Warranties of the Borrower.....	55
Article V	Covenants of the Borrower.....	61
Section 5.1.	Affirmative Covenants .....	61
Section 5.2.	Negative Covenants .....	67

TABLE OF CONTENTS  
(CONTINUED)

	Page	
	----	
Section 5.3.	Reporting Requirements .....	76
Section 5.4.	Financial Covenants .....	79
Article VI	Events of Default.....	81
Section 6.1.	Events of Default .....	81
Section 6.2.	Actions in Respect of the Letters of Credit upon Default ..	83



Article VII	The Agents .....	84
Section 7.1.	Authorization and Action .....	84
Section 7.2.	Agents' Reliance, Etc. ....	84
Section 7.3.	CUSA, SSBI, DBAB and Their Affiliates .....	84
Section 7.4.	Lender Party Credit Decision .....	85
Section 7.5.	Indemnification .....	85
Section 7.6.	Successor Administrative Agent and Collateral Agent .....	86
Article VIII	Miscellaneous.....	87
Section 8.1.	Amendments, Etc. ....	87
Section 8.2.	Notices, Etc. ....	88
Section 8.3.	No Waiver; Remedies .....	89
Section 8.4.	Costs and Expenses .....	89
Section 8.5.	Right of Set-off .....	90
Section 8.6.	Binding Effect .....	90
Section 8.7.	Assignments and Participations .....	91
Section 8.8.	Execution in Counterparts .....	94
Section 8.9.	No Liability of the Issuing Banks .....	94
Section 8.10.	Confidentiality .....	95
Section 8.11.	Release of Collateral .....	95
Section 8.12.	Jurisdiction, Etc. ....	95
Section 8.13.	Governing Law .....	96
Section 8.14.	Waiver of Jury Trial .....	96

TABLE OF CONTENTS  
(CONTINUED)

Schedule I	-	Commitments and Applicable Lending Offices
Schedule II	-	Intercompany Guarantors
Schedule III	-	Local Counsel
Schedule 4.1(b)	-	Subsidiaries
Schedule 4.1(d)	-	Authorizations, Approvals, Actions, Notices and Filings
Schedule 4.1(o)	-	Plans, Multiemployer Plans and Welfare Plans
Schedule 4.1(q)	-	Open Years; Unpaid Tax Liabilities;
Schedule 4.1(s)	-	Existing Debt
Schedule 4.1(t)	-	Owned Real Property
Schedule 4.1(u)	-	Leased Real Property
Schedule 4.1(v)	-	Investments
Schedule 4.1(w)	-	Intellectual Property
Schedule 4.1(y)	-	Liens
Schedule 5.2(p)	-	New Subsidiaries
Exhibit A-1	-	Form of Term B Note
Exhibit A-2	-	Form of Revolving Credit Note
Exhibit B	-	Form of Notice of Borrowing

Exhibit C - Form of Assignment and Acceptance  
Exhibit D - Form of Borrowing Base Certificate

iii

116

SCHEDULE II TO THE  
CREDIT AGREEMENT

INTERCOMPANY GUARANTORS

-----  
GUARDIAN ASSETS, INC.  
-----  
AMKOR/ANAM ADVANCED PACKAGING, LLC  
-----  
AMKOR/ANAM PILIPINAS, LLC  
-----  
FIRST AMKOR CAYMANS, INC.  
-----  
AMKOR TECHNOLOGY LIMITED  
-----  
P-FOUR, INC  
-----  
AMKOR INTERNATIONAL HOLDINGS, LTD.  
-----  
AMKOR ASSEMBLY & TEST SHANGHAI (CHINA)  
-----  
AMKOR TECHNOLOGY JAPAN, K.K.  
-----

117

SCHEDULE III TO THE  
CREDIT AGREEMENT

LOCAL COUNSEL

Kim & Chang - Korea

Maples and Calder - Cayman Islands

Quarles & Brady Streich Lang LLP- Arizona

118

SCHEDULE 4.1(b) TO THE  
CREDIT AGREEMENT

SUBSIDIARIES

NAME -----	JURISDICTION -----	OWNERSHIP -----
Guardian Assets, Inc.	Delaware Corporation	100% Amkor Technology, Inc.
Amkor Wafer Fabrication Services, S.A.R.L.	French Company	100% Amkor Technology, Inc.
Amkor Technology Japan, K.K.	Japanese Corporation	100% Guardian Assets, Inc.
Amkor International Holdings, Ltd.	Cayman Islands Company	100% Guardian Assets, Inc.
Amkor Technology Euro Services, S.A.R.L.	French Company	100% Guardian Assets, Inc.
First Amkor Caymans, Inc.	Cayman Islands Company	100% Amkor International Holdings, Inc.
Amkor Technology Limited	Cayman Island Company	100% First Amkor Caymans, Inc.
P-Four, Inc.	Philippines Corp.	100% First Amkor Caymans, Inc.
Amkor Technology Korea, Inc.	Korean Corp.	100% Amkor Technology Limited
Amkor Assembly & Test Shanghai (China)	China Company	100% Amkor Technology, Inc.
Amkor Technology Hong Kong. Ltd.	Hong Kong Company	100% Amkor Technology, Inc.
Amkor/Anam Advanced Packaging, LLC	Philippines Corp. Packaging	40% Amkor Technology Limited/ 60% P-Four, Inc.
Amkor/Anam Philipinas, LLC	Philippines Corp.	40% Amkor Technology Limited/ 60% P-Four, Inc.

119

SCHEDULE 4.1 (d) TO THE  
CREDIT AGREEMENT

AUTHORIZATION, APPROVALS, ACTIONS, NOTICES AND FILINGS

None.

120

SCHEDULE 4.1 (o) TO THE  
CREDIT AGREEMENT

PLANS, MULTIEMPLOYER PLANS AND WELFARE PLANS

None.

121

SCHEDULE 4.1 (q) TO THE  
CREDIT AGREEMENT

PART I  
OPEN YEAR

LOAN PARTY OR SUBSIDIARY NAME	JURISDICTION	TAXABLE YEAR
Amkor Technology, Inc.	U.S.	1998, 1999, 2000
Guardian Assets, Inc.	U.S.	1998, 1999, 2000
Amkor Receivables, Inc.	U.S.	1998, 1999, 2000
Amkor Technology Inventory Company	U.S.	1998, 1999, 2000*
AK Industries, Inc.	U.S.	1998, 1999, 2000*
P1 - Amkor Anam Pilipinas, Inc.	Philippines	1994, 1997, 1998, 1999, 2000
P2 - Amkor Anam Pilipinas, Inc. (Note: P2 merged with P1 in Dec. 1, 1998)	Philippines	1997, 1998
P3 - Amkor Anam Advanced Packaging, Inc.	Philippines	1997, 1998, 1999, 2000
Amkor Precision Machine Co.	Philippines	1997, 1998, 1999
Amkor Technology Korea, Inc.	Korea	1999, 2000
Amkor Technology Euro Services, S.A.R.L.	France	1996, 1997, 1998, 1999, 2000
Amkor Technology Euroservices, Inc. Branch	UK	1997, 1998, 1999, 2000
Amkor Technology Japan, K.K.	Japan	1999, 2000
Amkor Technology Hong Kong, Ltd.	Hong Kong	2000
Amkor Technology Singapore Branch	Singapore	1999, 2000
P-Four, Inc.	Philippines	1997, 1998, 1999, 2000
Amkor Wafer Fabrication Services, S.A.R.L.	France	1997, 1998, 1999, 2000
Amkor Iwate, K.K.	Japan	2000

\* No activity in 2000 - dissolved January 1, 2001.

PART II  
ADJUSTMENTS TO FEDERAL TAX LIABILITY

Loan Party or Subsidiary Name	Jurisdiction	Taxable Year	Interest and Penalties due
None			

SCHEDULE 4.1(s) TO THE  
CREDIT AGREEMENT

EXISTING DEBT

Type of Debt	Amount of Debt
Senior Notes Due February 2008	\$500,000,000
Senior Notes, 9.25%, Due May 2006	\$425,000,000
Senior Subordinated Notes, 10.5%, Due May 2009	\$200,000,000
Convertible, Subordinated Notes, 5.75%, Due May 2003	\$50,463,000
Convertible, Subordinated Notes, 5.00%, Due March 2007	\$258,750,000
Note Payable, interest as bank's prime, due in installments with balance Due April 2004 ** Loan balance paid down during April 2000	\$11,472,000
Other Long Term Debt	\$463,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$1,446,148,000</b>

SCHEDULE 4.1(t) TO THE  
CREDIT AGREEMENT

OWNED REAL PROPERTY

1.	1990 South Prince Road, Chandler, AZ 85248	
	-----	
	Personal Property	\$1,900,747
	Equipment Data Processing	\$7,960,079
	Building	\$5,000,000
2.	3200 W. Germann Road, Chandler, AZ 85248	
	-----	
	Personal Property	\$4,265,350
	Electronic Data Processing	\$8,314,137
	Equipment	\$4,500,000

Building

\$13,700,000

124

SCHEDULE 4.1(u) TO THE  
CREDIT AGREEMENT

LEASED REAL PROPERTY

1. 1345 Enterprise Drive, Westchester, PA 19380  
-----

Personal Property	\$1,147,773
Electronic Data Processing	\$9,276,484

Lessor--The Kim Trusts  
Lessee--Amkor Technology, Inc.  
Term--10/1/96 thru 9/30/06  
Monthly Rent--\$68,537.09

2. 6363 North State Highway 161, Irving, TX 75038  
-----

Personal Property	\$293,386
Electronic Data Processing	\$741,727

Lessor--Grubb & Ellis Management Services, Inc.  
Lessee--Amkor Technology, Inc.  
Term--12/1/99 thru 11/30/04  
Monthly Rent--\$36,444.83

3. 515 Congress Ave., Austin, TX 78701  
-----

Personal Property	\$125,264
Electronic Data Processing	\$40,755

Lessor--Hines Interest Ltd. Partnership  
Lessee--Amkor Technology, Inc.  
Term--8/1/98 thru 7/31/02  
Monthly Rent--\$2,103.75

4. 2127 Ringwood Ave., San Jose, CA 95131  
-----

Personal Property \$188,882  
Electronic Data Processing \$97,782

Lessor--The Realty Associates Fund III, L.P., c/o  
Insignia/ESG  
Lessee--Amkor Technology, Inc.  
Term--12/1/99 thru 11/30/04  
Monthly Rent--\$37,515.30

125

5. Amkor Technology Wafer Fabrication Services  
720 Park Blvd., Suite 230, Boise, ID 83712

-----  
Personal Property \$375,752  
Electronic Data Processing \$3,911,574

Lessor--MK Plaza Trust c/o American Resurgens Mgmt. Corp.  
Lessee--Amkor Technology, Inc.  
Term--9/1/97 thru 9/1/00  
Monthly Rent--\$6,186.67

6. Amkor Technology (Wafer Fabrication Office Included)  
3945 Freedom Circle, Suite 800, 830, 860, 890 & 910 Santa Clara, CA

-----  
Personal Property \$1,358,513  
Electronic Data Processing \$7,498,947

Lessor--McCandless Management Corporation  
Lessee--Amkor Technology, Inc.  
Term--4/29/97 thru 11/18/01  
Monthly Rent--\$79,320.80

126

SCHEDULE 4.1(v) TO THE  
CREDIT AGREEMENT

EXISTING INVESTMENTS

Issuer and Description	Maturity Date	Amount
Anam Semiconductor, Inc.	Not Available	\$36,327,000
JP Morgan Institutional Prime Money Market	On Demand	\$38,074,000

Merrill Lynch Premier- Institutional Fund	On Demand	\$75,460,000
Taiwan Semiconductor Technology	Not Available	\$18,045,000
Tessera, Inc.	Not Available	\$2,500,000
Miscellaneous other investments	Not Available	\$2,406,000
<b>TOTAL INVESTMENTS:</b>		<b>\$172,812,000</b>

127

SCHEDULE 4.1(w) TO THE  
CREDIT AGREEMENT

INTELLECTUAL PROPERTY

Amkor Issued Patents (US)

#	Patent Number	Filed	Issued	Title
1	5,173,338 Exp	04/04/1991	12/22/92	Lead Frame Workholder and Transport Apparatus and Method
2	5,183,724	12/18/1990	02/02/93	Method of producing a strip of lead frames for integrated circuit dies in a continuous system
3	5,194,695	11/02/1990	03/16/93	Thermoplastic Semiconductor Package
4	5,239,806	11/17/1992	08/31/93	Theromplastic Semiconductor Package and Method of Producing It
5	5,269,210	09/23/1991	12/14/93	Slitter machine for use in manufacturing Semiconductor devices
6	5,305,043	08/27/1992	04/19/94	Method of and apparatus for producing a strip of lead frames for integrated circuit dies in a continuous system
7	5,328,870	11/09/1992	07/12/94	Method for forming plastic molded package with heat sink for integrated circuit devices
8	5,355,283	04/14/1993	10/11/94	Ball grid array with via interconnection
9	5,378,869	03/26/1993	01/03/95	Method for forming an integrated circuit package with via interconnection
10	5,381,042	04/19/1994	01/10/95	Packaged integrated circuit including heat slug having an exposed surface
11	5,455,462	11/15/1993	10/03/95	Plastic molded package with heat sink for integrated circuit devices
12	5,471,011	05/25/1994	11/28/95	Homogeneous Thermoplastic SemiConductor Chip Carrier Package
13	5,478,007	05/11/1994	12/26/95	Method for interconnection of integrated circuit chip and substrate



14 5,482,736 08/04/1994 01/09/96 Method for applying flux to ball grid array package

128

15 5,482,898 03/27/1995 01/09/96 Method for forming a semiconductor device having a thermal dissipator and electromagnetic shielding

16 5,483,100 06/02/1992 01/09/96 Integrated circuit package with via interconnections formed in a substrate

18 5,485,037 03/27/1995 01/16/96 Semiconductor device having a thermal dissipator and electromagnetic shielding

17 5,483,740 Exp 11/28/1994 01/16/96 Method of Making Homogeneous Thermoplastic Semiconductor Chip Carrier Package

19 5,582,772 06/07/1995 12/10/96 Copper oxide-filled polymer die attach adhesive composition for semiconductor package

20 5,583,378 05/16/1994 12/10/96 Ball grid array integrated circuit package with thermal conductor

21 5,596,485 03/16/1995 01/21/97 Plastic packaged integrated circuit with heat spreader

22 5,629,561 12/12/1995 05/13/97 Semiconductor package with integral heat dissipator

23 5,635,671 03/16/1994 06/03/97 Mold runner removal from a substrate-based packaged electronic device

24 5,637,273 10/11/1996 06/10/97 Method for molding of integrated circuit package

25 5,641,946 01/18/1996 06/24/97 Method and circuit board structure for leveling solder balls in ball grid array semiconductor packages

26 5,641,987 06/07/1995 06/24/97 Heat spreader suitable for use in semiconductor packages having different pad sizes

27 5,650,593 02/06/1995 07/22/97 Thermally enhanced chip carrier package

28 5,661,338 12/12/1995 08/26/97 Chip mounting plate construction of lead frame for semiconductor package

29 5,672,909 07/29/1996 09/30/97 Interdigitated wirebond programmable fixed voltage planes

30 5,701,034 05/03/1994 12/23/97 Packaged semiconductor die including heat sink with locking feature

31 5,708,567 11/13/1996 01/13/98 Ball grid array semiconductor package with ring-type heat sink

32 5,712,570 09/19/1995 01/27/98 Method for checking a wire bond of a semiconductor package

33 5,722,161 05/01/1996 03/03/98 Method of making a packaged semiconductor die including heat sink with locking feature

34 5,723,899 08/29/1995 03/03/98 Semiconductor lead frame having connection

35	5,729,432	01/18/1996	03/17/98	Ball grid array semiconductor package with improved dissipation and dehumidification effect
36	5,740,956	12/12/1995	04/21/98	Bonding method for semiconductor chips
37	5,767,446	10/24/1996	06/16/98	Printed circuit board having epoxy barrier around a throughout slot and ball grid array semiconductor package
38	5,795,818	12/06/1996	08/18/98	Integrated circuit chip to substrate interconnection and method
39	5,796,163	05/23/1997	08/18/98	Solder ball joint
40	5,807,768	09/04/1996	09/15/98	Method For Fabricating a Heat Sink-Integrated Semiconductor Package
41	5,827,999	11/14/1994	10/27/98	Homogeneous Chip Carrier Package
42	5,829,988	11/14/1996	11/03/98	Socket Assembly for Integrated Circuit Chip Carrier Packager
43	5,838,951	08/28/1996	11/17/98	Wafer Map Conversion Method
44	5,852,870	04/24/1996	12/29/98	Method of Making a Grid Array Assembly
45	5,854,511	11/14/1996	12/29/98	Semiconductor Package Including Heat Sink With Layered Conductive Plate And Non-Conductive Tape Bonding To Leads
46	5,854,741	05/17/1996	12/29/98	Unit Printed Circuit Board Carrier Frame For Ball Grid Array Semiconductor Packages And Method For Fabricating Ball Grid Array Semiconductor Packages Using The Same
47	5,858,149	11/14/1996	01/12/99	Process For Bonding Semiconductor Chip
48	5,858,815	12/11/1996	01/12/99	Semiconductor Package and Method for Fabricating the Same
49	5,859,475	04/24/1996	01/12/99	Carrier Strip and Molded Flex Circuit Ball Grid Array
50	5,864,470	06/25/1997	01/26/99	Flexible Circuit Board For Ball Grid Array Semiconductor Package
51	5,866,939	12/31/1996	02/02/99	Grid Array Type Lead Frame And Lead End Grid Array Semiconductor Package Employing The Same
52	5,867,368	09/09/1997	02/02/99	Mounting For A Semiconductor Integrated Circuit Device
53	5,872,399	04/01/1997	02/16/99	Solder Ball Land Metal Structure of Ball Grid Semiconductor Package
55	5,894,008	10/16/1997	04/13/99	A Method for Manufacturing an Alumina-Silicon Carbide Nanocomposite

56	5,897,334	10/15/1997	04/27/99	Method for Reproducing Printed Circuit Boards For Semiconductor Packages Including Poor Quality Printed Circuit Board Units and Methods for Fabricating Semiconductor Packages Using the Reproduced Printed Circuit Boards
57	5,905,633	12/31/1996	05/18/99	Method of Producing BGA Semiconductor Packages Using Metal Carrier Frame & BGA Produced by Such Method
58	5,908,317	03/07/1997	06/01/99	Method of Forming Chip Bump Chip Scale Semiconductor Package, Such Package and Chip Bump
59	5,915,169	12/23/1996	06/22/99	Semiconductor Chip Scale Package and Method of Producing Such
60	5,939,784	09/09/1997	08/17/99	Standing Acoustical Wave Package
61	5,949,655	07/17/1998	09/07/99	Mounting Having An Aperture Cover With Adhesive Locking Features For Flip Chip
62	5,950,074	05/26/1998	09/07/99	Method of Making An Integrated Circuit Package
63	5,953,589	08/20/1997	09/14/99	Ball Grid Array Semiconductor Package With Solder Balls Fused On Printed Circuit Board
64	5,962,810	09/09/1997	10/05/99	Integrated circuit package employing a transparent encapsulant and a method of making the package
65	5,971,734	09/19/1997	10/26/99	Mold for ball grid array semiconductor
66	5,977,624	01/16/1998	11/02/99	Semiconductor Package and Assembly for Fabricating the Same
67	5,981,314	10/31/1996	11/09/99	Near Chip Size Integrated Circuit Package
68	5,981,873	05/24/1999	11/09/99	Printed circuit board for ball grid array semiconductor package and method for molding ball grid array semiconductor package using the same
69	5,985,695	08/28/1998	11/16/99	Method of making a molded flex circuit ball grid array
70	5,986,334	10/02/1997	11/17/99	Semiconductor Package having light, thin, simple, and compact structure
71	6,013,554	12/30/1998	01/11/00	Method for fabricating an LDD MOS transistor
72	6,020,218	01/26/1998	02/01/00	Method of manufacturing ball grid array semiconductor package
73	6,021,563	06/25/1997	02/08/00	Method for marking poor quality printed circuit board units of printed circuit board strip for semiconductor package

74	6,028,354	10/14/1997	02/22/00	A microelectronic device package having a heat sink structure for increasing the thermal conductivity of the package
75	6,034,429	04/18/1997	03/07/00	Method of Making an Integrated Circuit Package
76	6,090,715	12/30/1998	07/18/00	Masking Process for Forming Self-Aligned Dual Wells or Self-Aligned Field-Doping Regions
77	6,091,141	12/29/1998	07/18/00	Method of Forming Chip Bumps of Bump Chip Scale Semiconductor Package
78	6,092,281	08/28/1998	07/25/00	Electromagnetic Interference Shield Device and Method
79	6,114,217	11/24/1998	09/05/00	Method of Forming Isolation Trenches On A Semiconductor Substrate
80	6,117,193	10/20/1999	09/12/00	Optical Sensor Array Mounting and Alignment
81	6,117,705	03/30/1998	09/12/00	Method of Making Integrated Circuit Package Having Adhesive Bead Supporting Planar Lid Above Planar Substrates
82	6,124,637	09/25/1998	09/26/00	Carrier Strip and Molded Flex Circuit Ball Grid Array
83	6,132,081	12/23/1998	10/17/00	Method of Forming Titanium Silicide by Heating a Silicon Substrate Having a Titanium Film and a Method of Making
84	6,143,588	10/20/1998	11/07/00	A Method of Making Integrated Circuit Package Employing a Transparent Encapsulant
85	6,143,981	06/24/1998	11/07/00	Plastic Integrated Circuit Package and Method and Leadframe for Making the Package
86	6,150,193	05/22/2000	11/21/00	RD Shielded Device
87	6,150,709	12/01/1998	11/21/00	Grid Array Type Leadframe Having Lead Ends in Different Planes
88	6,163,463	05/13/1998	12/19/2000	Integrated Circuit Chip to Substrate Interconnection and Method
89	6,198,163	10/18/1999	03/06/2001	Thin Package Integrated Circuit Including Recessed Heatsink with Exposed Surface
90	6,200,841	12/30/1998	03/07/2001	MOS Transistor That Inhibits Punchthrough and Method for Fabricating the Same
91	6,201,305	06/09/2000	03/13/2001	Making Solder Ball Mounting Pads on Substrates

92	6,204,131	12/30/1998	03/20/2001	Trench Structure for Isolating Semiconductor Elements and Method for Forming the Same
----	-----------	------------	------------	---

## Amkor Filed Applications (Foreign)

	DATE FILED	DOCKET #	TITLE
1	03/24/1993	JP	Semiconductor Package with Heat Spreader and Dissipater
2	05/16/1995	JP	Ball Grid Array Integrated Circuit Package With Thermal Conductor
3	04/23/1997	EP	Method of Making Grid Array Assembly
4	04/23/1997	JP	Method of Making Grid Array Assembly
5	04/23/1997	KR	Grid Array Assembly and Method of Making
6	04/23/1997	JP	Molded Flex Circuit Ball Grid Array
7	04/23/1997	KR	Molded Flex Circuit Ball Grid Array
8	04/23/1997	SG	Molded Flex Circuit Ball Grid Array
9	04/27/1997	CA	Method of Making Grid Array Assembly
10	05/13/1998	CA	Improved Solder Ball Joint
11	05/13/1998	EP	Improved Solder Ball Joint
12	05/13/1998	SG	Solder Ball Joint
13	09/03/1998	EP	Shielded Surface Accoustical Wave Package
14	09/03/1998	JP	Shielded Surface Accoustical Wave Package
15	09/03/1998	KR	Shielded Surface Accoustical Wave Package
16	09/04/1998	CA	Integrated circuit Package employing a Transparent Encapsulant
17	09/04/1998	EP	Integrated Circuit Package Employing a Transparent Encapsulant
18	09/04/1998	JP	Integrated circuit Package employing a Transparent Encapsulant
19	09/04/1998	KR	Integrated circuit Package employing a Transparent Encapsulant
20	09/04/1998	SG	Integrated circuit Package employing a Transparent Encapsulant
21	09/08/1998	CA	Mounting Having an Aperture Cover with Adhesive Locking Feature for Flip chip Optical Integrated Circuit Device
22	09/08/1998	JP	Mounting Having an Aperture Cover with Adhesive Locking Feature for Flip chip Optical Integrated Circuit Device
23	09/08/1998	KR	Mounting Having an Aperture Cover with Adhesive Locking Feature for Flip chip Optical Integrated Circuit Device
24	09/08/1998	SG	Mounting Having an Aperture Cover with Adhesive Locking Feature for Flip chip Optical Integrated Circuit Device
25	10/02/1998	EP	A Microelectronic Device Package having a Heat Sink Structure for Increasing the Thermal conductivity of the Package

26	10/02/1998	KR	A Microelectronic Device Package having a Heat Sink Structure for Increasing the Thermal conductivity of the Package
27	10/02/1998	SG	A Microelectronic Device Package having a Heat Sink Structure for Increasing the Thermal conductivity of the Package
28	03/11/1999	CA	Method of Making Integrated Circuit Package having Adhesive Bead Supporting Planar Lid Above Planar Substrate
29	03/11/1999	EP	Method of Making Integrated Circuit Package having Adhesive Bead Supporting Planar Lid Above Planar Substrate
30	03/11/1999	JP	Method of Making Integrated Circuit Package having Adhesive Bead Supporting Planar Lid Above Planar Substrate
31	03/11/1999	KR	Method of Making Integrated Circuit Package having Adhesive Bead Supporting Planar Lid Above Planar Substrate
32	03/11/1999	SG	Method of Making Integrated Circuit Package having Adhesive Bead Supporting Planar Lid Above Planar Substrate
33	06/14/1999	EP	Plastic integrated circuit package and method and leadframe for making the package
34	06/14/1999	SG	Plastic integrated circuit package and method and leadframe for making the package
35	07/21/1999	EP	Plastic Integrated Circuit Device Package and MicroLeadFrame and Method for Making the Package
36	09/28/1999	TW	Plastic Integrated Circuit Device Package and MicroLeadFrame and Method for Making the Package
37	10/12/1999	JP	Plastic Integrated Circuit Device Package and MicroLeadFrame and Method for Making the Package
38	11/15/1999	TW	Core Located Input/Output Design
39	02/17/2000	JP	Plastic integrated circuit package and method and leadframe for making the package
40	05/11/2000	PCT	Low-Cost Printed Circuit Board with Integral Heat Sink for Semiconductor Package
41	05/23/2000	JP	Sheet Resin composition and Process for Manufacturing Semiconductor Device Therewith
42	06/02/2000	PCT	Plastic Package for an Optical Integrated Circuit Device and Method of Making
43	07/31/2000	PCT	Mold Locking Ground Ring
44	08/18/2000	PCT	Chip-Sized Optical Sensor Package
45	10/09/2000	TW	Micromachine Package Fabrication Method
46	10/09/2000	TW	Molded Image Sensor Package Having Lens Holder
47	10/16/2000	SG	Improved Thin and Heat Radiant Semiconductor Package and Method for Manufacturing
48	10/16/2000	SG	Leadframe for Semiconductor Package and Mold for Molding the Same

49	10/16/2000	SG	Semiconductor Package Having Increased Solder Joint Strength
50	10/16/2000	SG	Clamp and Heat Block for Wire Bonding a Semiconductor Package Assembly
51	10/16/2000	SG	Method of Making a Semiconductor Package Having Improved Defect Testing and Increased Production Yield
52	10/16/2000	SG	Semiconductor Package Having Reduced Thickness
53	10/16/2000	SG	Method and Apparatus for Manufacturing Semiconductor Packages
54	10/16/2000	SG	Leadframe and Semiconductor package with Improved solder Joint Strength
55	10/16/2000	SG	Semiconductor Package Having Improved Adhesiveness and Ground Bonding
56	10/16/2000	SG	Semiconductor Package Leadframe Assembly and Method of Manufacture
57	10/16/2000	SG	Improved Method for Making Semiconductor Packages
58	11/14/2000	SG	Core Located Input/Output Design
59	12/09/2000	SG	Near Chip Size Semiconductor Package
60	12/09/2000	SG	Semiconductor Package
61	12/09/2000	SG	Stackable Semiconductor Package and Method for Manufacturing Same
62	12/09/2000	SG	Stackable Semiconductor Package and Method for Manufacturing Same
63	12/09/2000	SG	End Grid Array Semiconductor Package
64	01/15/2001	TW	Protected Image Sensor Package and Fabrication Method

## Amkor Filed Applications (US)

	DATE FILED	TITLE
1	02/17/1998	Method of fabricating semiconductor package
2	10/21/1998	Plastic integrated circuit device package and micro-leadframe and method for making the package
3	11/24/1998	LDD CMOS Transistor and a fabrication process thereof
4	11/24/1998	Method of forming titanium silicide
5	12/01/1998	Grid array assembly
6	01/20/1999	Microcircuit die-sawing protector and method
7	01/28/1999	Semiconductor package with multilevel lead frame
8	01/29/1999	Method of molding a printed circuit board for a semiconductor package

9	01/29/1999	A printed circuit board for ball grid array semiconductor packages
10	02/08/1999	Electrostatic discharge dissipation package and method
11	03/02/1999	Test pattern for measuring variations of critical dimensions of wiring patterns formed in the fabrication of semiconductor devices
12	03/02/1999	narrow deep trench isolation method for semiconductor device
13	03/04/1999	Method for forming a metal wiring pattern on a semiconductor device

135

14	04/07/1999	Thin stackable semiconductor packages
15	05/04/1999	Printed circuit board with oval solder ball lands for BGA semiconductor packages
16	05/11/1999	Ball grid array semiconductor package with solder balls fused on printed circuit board and method for fabricating the same
17	05/11/1999	Low Cost Printed Circuit Board with Integral Heat Sink for Semiconductor Package
18	06/03/1999	Plastic package for an optical integrated circuit device and method of making
19	07/07/1999	Near chip size integrated circuit package
20	07/30/1999	TSSOP exposed pad options
21	08/09/1999	Electronic device package and leadframe and method for making the package
22	08/20/1999	Chip-sized optical sensor package
23	08/25/1999	Method of forming an integrated circuit device package tape as a base
24	08/25/1999	A partially cured expansion stabilizer layer on a package containing an electronic device and method of making and mounting
25	08/30/1999	Wafer-scale production of chip-scale semiconductor packages using wafer mapping techniques
26	08/30/1999	Circuit pattern tape for wafer-scale production of chip size semiconductor
27	08/30/1999	Method of laminating circuit pattern tape on semiconductor wafer
28	08/30/1999	Surface acoustical wave flip chip
29	09/08/1999	Lead frame used for the fabrication using the same
30	09/10/1999	Plastic integrated circuit package and method and leadframe for making the package
31	09/14/1999	Methods for making integrated circuit device packages and micro-leadframes for the packages
32	10/05/1999	Method of making integrated circuit package using a batch step for curing a die attachment film and a system for performing the method



33	10/19/1999	Methods and a device for heat treating a semiconductor wafer having different kinds of impurities
34	10/20/1999	Chip-scale semiconductor package of the fan-out type and method of manufacturing such packages
35	10/20/1999	Semiconductor device and method of manufacturing such device
36	10/20/1999	Semiconductor device and method of manufacturing such device
37	11/05/1999	Integrated circuit device packages and substrates for making the packages
38	11/05/1999	Exposed copper pad polyimide chip carrier
39	11/09/1999	Method of making integrated circuit package having adhesive bead supporting planar lid above planar substrate
40	11/09/1999	Chip-Size semiconductor packages
41	11/09/1999	MLP Deep Coining Option
42	11/12/1999	Cavity MLP
43	11/12/1999	A package for an integrated circuit device and passive devices including electromagnetic interference protection method of making the package

44	11/15/1999	Micro-machine package and method of fabricating
45	11/15/1999	Micro-machine package fabrication method
46	11/15/1999	Core located input/output design
47	11/17/1999	Method of molding plastic semiconductor packages
48	11/19/1999	Lead frame with lead separation preventing means, semiconductor package using the lead frame. And method to fabricate the semiconductor package
49	11/22/1999	Thin image sensor package and method
50	11/22/1999	Thin image sensor package and method
51	11/23/1999	Method of attaching a sheet of an adhesive film to substrate in the course of making integrated circuit package
52	12/01/1999	Conductive strap attachment process that allows electrical connection between an integrated circuit die and a lead
53	12/08/1999	Molded image sensor package
54	12/08/1999	A snap lid image sensor package and method
55	12/08/1999	Molded image sensor package having lens holder
56	12/08/1999	Method of assembling a snap lid image sensor package
57	12/08/1999	Image sensor package having sealed cavity over active area
58	12/08/1999	Method of fabricating image sensor packages in an array
59	12/10/1999	A microelectronic device package having a heat sink structure for increasing the thermal conductivity
60	12/14/1999	Semiconductor package and method for fabricating the same
61	12/14/1999	A wire for a semiconductor package
62	01/14/2000	Package for multiple integrated circuits and method

63	01/18/2000	Stackable package for integrated circuit
64	01/18/2000	Method of making and mounting stackable package for integrated circuit
65	01/24/2000	Package for stacked integrated circuits and method of making
66	01/25/2000	Method of forming gate oxynitride for a semiconductor device
67	01/25/2000	Protected Image Sensor Package
68	01/25/2000	Protected image sensor fabrication method
69	02/02/2000	Method of making ultra-thin package for flip chip integrated circuit device
70	02/03/2000	Stackable package for integrated circuit with interposer
71	02/04/2000	Making chip size semiconductor packages
72	02/14/2000	Method of forming an integrated circuit package using a plastic tape as a base
73	02/16/2000	Low cost thermal BGA
74	02/24/2000	Leadframe and heat sink attached semiconductor package using the same
75	02/24/2000	Leadframe and heat sink attached semiconductor package using the same
76	02/24/2000	Method of forming silicide for semiconductor device
77	03/07/2000	Exposed pad cavity BGA
78	03/20/2000	Ultra low cost method for increasing mold cap thickness
79	03/27/2000	A flip chip array package for image array sensors; using optically transparent epoxy

80	03/27/2000	flip chip image sensor package fabrication method'
81	03/27/2000	Copper strap design for low resistance path in an integrated circuit package
82	03/28/2000	Method of making a package containing stacked integrated circuits
83	03/30/2000	Snapable multi-package substrate and array
84	03/30/2000	method for fabricating a snapable multi package array substrate, snapable multi-package array and snapable electronic components
85	04/13/2000	Matrix Type Printed Circuit Board for Semiconductor Packages
86	04/13/2000	Electromagnetic interference shield device and method
87	04/18/2000	Electromagnetic interference shield device and method
88	04/25/2000	Precision aligned and marked structure
89	04/25/2000	Precision marking and singulation method
90	04/27/2000	Moisture resistant integrated circuit chip package and method
91	05/04/2000	MRT level 2 - non bussed, full body gold tape carrier
92	05/05/2000	Semiconductor Package and Method for Fabricating the Same

93	05/05/2000	Long Wire IC Package
94	05/05/2000	Long Wire IC Package fabrication method
95	05/08/2000	Stackable package for integrated circuit having a cavity and lid
96	05/08/2000	Ball grid array package w/stacked semiconductor dies "flip chip stacked die in superBGA"
97	05/08/2000	Stackable package with heat sink
98	05/11/2000	Apparatus for mounting an electronic device to a substrate without soldering
99	05/11/2000	Flip chip mountable on substrate without underfill
100	05/19/2000	Semiconductor Package and Method for Fabricating the Same
101	05/19/2000	Semiconductor package and method for manufacturing the same
102	05/22/2000	Image sensor package having sealed cavity over active area
103	05/22/2000	Method of forming an image sensor package having sealed cavity over active area
104	05/30/2000	Multi-stacked memory package
105	05/31/2000	Reverse contrast marking for plastic packages
106	05/31/2000	Reverse contrast marking method
107	06/01/2000	Reinforcing solder connections of electronic devices
108	06/01/2000	Packaging high power integrated circuit devices
109	06/02/2000	RF shielded device
110	06/02/2000	Semiconductor package with spacer strips
111	06/07/2000	A Circuit Board for Semiconductor Package
112	06/13/2000	Electronic Device package and leadframe
113	06/16/2000	A package for an integrated circuit device and passive devices including electromagnetic interference protection
114	06/22/2000	Overhead material transport system for IC assembly and test manufacturing
115	06/23/2000	Hoist assembly
116	06/23/2000	Gripper assembly
117	06/23/2000	Material transport method
118	06/29/2000	Improved IC package with a flip chip integrated circuit and passive chip components on a laminate substrate that is over molded

119	06/29/2000	Flip chip integrated circuit and passive chip component package fabrication method
120	06/30/00	Leadframe Having a Mold Inflow Groove and Method
121	06/30/2000	Flip chip micromachine package
122	06/30/2000	Flip-chip micromachine package fabrication method

123	06/30/2000	Making chip sized optical semiconductor packages
124	06/30/2000	Stackable package for integrated circuit having chips for fastening package and tool for opening clips
125	06/30/2000	Low profile exposed die package for semiconductor chip
126	07/05/2000	A wafer scale image sensors preparation using window on die pre-packaging
127	07/05/2000	Wafer scale image sensor package fabrication method
128	07/13/2000	Plastic integrated circuit package and method and leadframe for making the package
129	07/14/2000	Microcircuit die-sawing protector and method
130	07/17/2000	Semiconductor packaging method for multiple chip stacking
131	07/20/2000	Thin semiconductor package with stacked die
132	08/02/2000	Semiconductor chip having a radio frequency identification transceiver
133	08/11/2000	Making Semiconductor Packages with Stacked Dies and Interleaved Heat Spreader
134	08/23/2000	Circuit Board for Semiconductor Package
135	08/24/2000	Semiconductor Package and Method for Fabricating
136	08/24/2000	Semiconductor Package
137	09/05/2000	Semiconductor Device Package Having Vias Extending Through the Semiconductor Device
138	09/05/2000	Making Chip Size Semiconductor Packages with Stacked Dies
139	09/06/2000	A Novel Approach to Manufacturing Memory Cards
140	09/08/2000	Multiple Lead Frame Package with Enhanced Die-to-Die Interconnect Routing Using Internal Lead Trace
141	09/26/2000	Micro-Machine Stacked Package
142	09/26/2000	Micro-Machine Stacked Wirebonded Package Method
143	09/26/2000	Micro-Machine Stacked Flip Chip Package
144	09/26/2000	Micro-Machine Stacked Flip Chip Package Fabrication Method
145	10/10/2000	Cond Tapered Optical Fiber
146	10/13/2000	Semiconductor Package Having Improved Adhesiveness and Ground Bonding
147	10/13/2000	Improved Thin and Heat Radiant Semiconductor Package and Method for Manufacturing
148	10/13/2000	Leadframe for Semiconductor Package and Mold for Molding the Same
149	10/13/2000	Semiconductor Package Having Increased Solder Joint Strength
150	10/13/2000	Clamp and Heat Block for Wire Bonding a Semiconductor Package Assembly
151	10/13/2000	Method for Making a Semiconductor Package Having Iproved Defect Testing and Increased Production Yield
152	10/13/2000	Near Chip Size Semiconductor Package

153	10/13/2000	Semiconductor Package
154	10/13/2000	Stackable Semiconductor Package and Method for Manufacturing the Same
155	10/13/2000	Stackable Semiconductor Package and Method for Manufacturing the Same
156	10/13/2000	End Grid Array Semiconductor Package
157	10/13/2000	Method of and Apparatus for Manufacturing Semiconductor Packages
158	10/13/2000	Leadframe and Semiconductor package with Improved solder Joint Strength
159	10/13/2000	Semiconductor Package Having Reduced Thickness
160	10/13/2000	Semiconductor Package Leadframe Assembly and Method of Manufacture
161	10/13/2000	Improved Method for Making Semiconductor Packages
162	10/20/2000	Method of Fabricating Semiconductor Device
163	10/24/2000	Micro-Machine Package
164	10/24/2000	Molded Image Sensor Package Having Lens Holder
165	10/31/2000	Plastic Integrated Circuit Device Package and Method for Making the Package
166	11/11/2000	Method of Forming Contact Portion of Semiconductor Element
167	11/13/2000	A Wafer Scale Package for Image Sensors Using Glass on Die Pre-Packaging Preparation
168	11/13/2000	Chip Size Image Sensor Wirebond Package Fabrication Method
169	11/13/2000	Chip Size Image Sensor Bumped Package
170	11/13/2000	Chip Size Image Sensor Bumped Package Fabrication Method
171	11/15/2000	Flip Chip on Glass Image Sensor Package
172	11/15/2000	Flip Chip on Glass Image Sensor Package and Method
173	11/16/2000	Angulated Semiconductor Packages
174	12/06/2000	Semiconductor Package with Stacked Dies and Wire Bond Reinforcement
175	12/20/2000	Wire Bonding Method and Semiconductor Package Manufactured Using the Same
176	12/28/2000	Integrated Circuit Package and Method of Making
177	12/28/2000	Method of Making and Stacking a Semiconductor Package
178	12/29/2000	Tool and Method for Forming an Integrated Optical Circuit
179	12/29/2000	Optical Fiber Having Tapered End and Optical Connector with Reciprocal Opening
180	01/03/2001	A Bond Wire Pressure Sensor Die Package
181	01/03/2001	Method for Forming a bond Wire Pressure Sensor Package
182	01/03/2001	Flip Chip Pressure Sensor Package
183	01/03/2001	Method for Forming a Flip Chip Pressure Sensor Die Package
184	01/10/2001	Pattern Recognition Method
185	01/10/2001	Clamp for Pattern Recognition
186	01/16/2001	Structure for Fabricating a Special-Purpose Die Using a Polymerizable Tape

187 01/16/2001 Method for Fabricating a Special-Purpose Die Using a  
Polymerizable Tape

188 01/16/2001 Optical Module with Lens Internal Holder

27

140

189 01/16/2001 Optical Module with Lens Internal Holder Fabrication Method

190 01/26/2001 Semiconductor Module Package Substrate

191 01/26/2001 Semiconductor Module Package Substrate Fabrication Method

192 01/30/2001 Semiconductor Package Having Semiconductor Chip Within Central  
Aperture of Substrate

193 02/14/2001 Printed Circuit Board for Semiconductor Package and Method for  
Manufacturing the Same

194 03/01/2001 Structure Including Electronic Components Singulated Using  
Laser Cutting

195 03/01/2001 Method of Singulation Using Laser Cutting

28

141

SCHEDULE 4.1(y) TO THE  
CREDIT AGREEMENT

LIENS

STATE OF ARIZONA

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
Korea Exchange Bank	0964423-0 as Amended	Original Filing: April  Amendment 1 June 27, 1997  Amendment 2 December 31, 1998	Fixtures and improvements to real property; water rights appurtenant 18, 1997 to the Premises; personal property, income, equipment, etc.; Computer Software and Data; Intellectual Property; in connection with the premises and blanket with respect to the Project.
Societe Generale, as Collateral Agent	1115092	April 26, 2000	Blanket Lien
CIT Technologies Corporation	1159452	January 25, 2001	Signal Generator (Equipment)

STATE OF CALIFORNIA

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
LTX Corporation	9816760808	June 12, 1998	Equipment Lease.
Societe Generale, as Collateral Agent	200012560227	April 28, 2000	Blanket Lien
Newcourt Financial USA, Inc	200023060142	August 11, 2000	Equipment
CIT Technologies Corporation DBA CIT Systems Leasing	200105461010	February 20, 2001	Equipment Note: UCC Statement not included

142

STATE OF DELAWARE

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
Societe Generale, as collateral agent	20000025421	April 26, 2000	Blanket Lien

STATE OF IDAHO

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
Societe Generale, as collateral agent	B868066	April 27, 2000	Blanket Lien

STATE OF PENNSYLVANIA

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
Korea Exchange Bank	09400194 as continued and Amended.	December 7, 1978	Accounts Receivable and Inventory contract rights, Instruments,

documents, chattel  
paper, general  
intangibles and  
other forms of  
obligations owing to the debtor  
and insurance policies thereon,  
etc.

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AT&T Systems Leasing Corporation	29421557	September 28, 1998	Equipment Lease
Newcourt Technologies Corporation	30021609	March 17, 1999	Equipment Lease
Newcourt Technologies Corporation	30690683	September 2, 1999	Equipment Lease
Newcourt Technologies Corporation	31381387	March 14, 2000	Equipment Lease
Newcourt Technologies Corporation	31381391	March 14, 2000	Equipment Lease
Societe Generale, as collateral agent	31551067	April 26, 2000	Blanket Lien

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Newcourt Technologies Corporation	31560479	April 27, 2000	Equipment
Newcourt Technologies Corporation	31570101	May 01, 2000	Equipment
CIT Technologies Corporation	31810529	July 3, 2000	Equipment
CIT Technologies Corporation	31810531	July 3, 2000	Equipment
CIT Technologies Corporation	31951006	August 11, 2000	Equipment
CIT Technologies Corporation	33010060	August 29, 2000	Equipment
CIT Technologies Corporation	33091443	September 25, 2000	Equipment
CIT Technologies	33091447	September 25, 2000	Equipment

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Corporation

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CIT Technologies Corporation	33091454	September 25, 2000	Equipment
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Credence Capital Corporation	33281645	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281650	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281652	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281654	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281656	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281658	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281660	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281662	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281664	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281666	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33281668	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub
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leases between Amkor Technology  
Inc. and Amkor Technology Korea

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Credence Capital Corporation	33281670	November 13, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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145

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Credence Capital Corporation	33320796	November 21, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33320798	November 21, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	33330573	November 27, 2000	Equipment
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Credence Capital Corporation	33330577	November 27, 2000	Equipment
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Credence Capital Corporation	33330581	November 27, 2000	Equipment
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Credence Capital Corporation	33330587	November 27, 2000	Equipment
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Credence Capital Corporation	33330591	November 27, 2000	Equipment
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Credence Capital Corporation	33330595	November 27, 2000	Equipment
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Credence Capital Corporation	33330599	November 27, 2000	Equipment
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Credence Capital Corporation	33330603	November 27, 2000	Equipment
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Credence Capital Corporation	33330607	November 27, 2000	Equipment
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Credence Capital Corporation	33330611	November 27, 2000	Equipment
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Credence Capital Corporation	33330615	November 27, 2000	Equipment
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Credence Capital Corporation	333340494	November 29, 2000	Equipment
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146

Credence Capital Corporation	333340537	November 29, 2000	Equipment
Credence Capital Corporation	33440792	December 28, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	33440794	December 28, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	33440796	December 28, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	33440798	December 28, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	33440802	December 28, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Associates Leasing Inc.	Original file number 33010060 * Assignment 33511593	August 29, 2000 Assignment Date: January 29, 2001	Equipment
Orix USA	Original file number 33281654 *Assignment 33560046	November 13, 2000 Assignment Date: January 29, 2001	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Orix USA	Original file number 33281656 *Assignment 33560048	November 13, 2000 Assignment Date: January 29, 2001	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea

147

Orix USA	Original file number 33281658 *Assignment 33560055	November 13, 2000 Assignment Date: January 29, 2001	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Orix USA	Original file number 33281660 *Assignment	November 13, 2000 Assignment Date:	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology

33560051 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 13, 2000 All right, title and interest of  
33281662 Amkor Technology, Inc. in the sub  
\*Assignment Assignment Date: leases between Amkor Technology  
33560049 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 13, 2000 All right, title and interest of  
33281664 Amkor Technology, Inc. in the sub  
\*Assignment Assignment Date: leases between Amkor Technology  
33560053 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 13, 2000 All right, title and interest of  
33281666 Amkor Technology, Inc. in the sub  
\*Assignment Assignment Date: leases between Amkor Technology  
33560057 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 13, 2000 All right, title and interest of  
33281668 Amkor Technology, Inc. in the sub  
\*Assignment Assignment Date: leases between Amkor Technology  
335560061 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 13, 2000 All right, title and interest of  
33281670 Amkor Technology, Inc. in the sub  
\*Assignment Assignment Date: leases between Amkor Technology  
33560059 January 29, 2001 Inc. and Amkor Technology Korea

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Orix USA Original file number November 27, 2000 Equipment  
33330577  
Assignment Date:  
January 29, 2001  
\*Assignment  
33560047

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Orix USA Original file number November 27, 2000 Equipment  
33330599  
\*Assignment Assignment Date:  
33560062 January 29, 2001

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Orix USA Original file number November 27, 2000 Equipment  
33330603  
\*Assignment Assignment Date:  
33560060 January 29, 2001

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Orix USA Original file number November 27, 2000 Equipment  
33330607  
Assignment Date:  
January 29, 2001  
\*Assignment  
33560056

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Orix USA Original file number November 27, 2000 Equipment  
33330611  
\*Assignment Assignment Date:  
33560058 January 29, 2001

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Orix USA Original file number November 29, 2000 Equipment  
33340494  
\*Assignment Assignment Date:

33560054            January 29, 2001

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Orix USA            Original file number November 29, 2000    Equipment  
                         33330615  
                         \*Assignment            Assignment Date:  
                         33560052                January 29, 2001  
-----

36

149

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Orix USA            Original file number November 29, 2000    Equipment  
                         33340537  
                         \*Assignment            Assignment Date:  
                         33560050                January 29, 2001  
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CIT Technologies    33500151            January 12, 2001    Equipment  
Corporation  
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CHESTER COUNTY, PENNSYLVANIA PROTHONOTARY

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SECURED PARTY            FILE NUMBER            DATE FILED            COLLATERAL  
-----  
AT&T Systems            ST98-2900            September 28, 1998    Equipment Lease  
Leasing  
Corporation  
-----  
Newcourt                ST99-0880            March 17, 1999        Equipment Lease  
Technologies  
Corporation  
-----  
Newcourt                ST99-2958            September 2, 1999     Equipment Lease  
Technologies  
Corporation  
-----  
Newcourt                ST00-0753            March 14, 2000        Equipment Lease  
Technologies  
Corporation  
-----  
Newcourt                ST00-0754            March 14, 2000        Equipment Lease  
Technologies  
Corporation  
-----  
Societe Generale,        ST00-1289            April 26, 2000        Blanket Lien  
as collateral  
agent  
-----  
Newcourt                ST00-1299            April 28, 2000        Equipment  
Technologies  
Corporation  
-----  
Newcourt                ST00-1300            April 28, 2000        Equipment  
Technologies  
Corporation  
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CIT Technologies Corporation	ST00-2002	July 5, 2000	Equipment
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37

150

CIT Technologies Corporation	ST00-2003	July 5, 2000	Equipment
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CIT Technologies Corporation	ST00-2373	August 11, 2000	Equipment
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CIT Technologies Corporation	ST00-2620	September 6, 2000	Equipment
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CIT Technologies Corporation	ST00-2824	September 25, 2000	Equipment
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CIT Technologies Corporation	ST00-2825	September 25, 2000	Equipment
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CIT Technologies Corporation	ST00-2826	September 25, 2000	Equipment
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Credence Capital Corporation	ST00-3363	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	ST00-3364	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	ST00-3365	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	ST00-3366	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	ST00-3367	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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Credence Capital Corporation	ST00-3368	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
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38

151

Credence Capital Corporation	ST00-3373	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3374	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3375	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3384	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3385	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3386	November 14, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3463	November 21, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3464	November 21, 2000	All right, title and interest of Amkor Technology, Inc. in the sub leases between Amkor Technology Inc. and Amkor Technology Korea
Credence Capital Corporation	ST00-3502	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3503	November 30, 2000	Equipment

Credence Capital Corporation	ST00-3504	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3505	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3506	November 30, 2000	Equipment

Credence Capital Corporation	ST00-3507	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3508	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3510	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3511	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3521	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3522	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3526	November 30, 2000	Equipment
Credence Capital Corporation	ST00-3527	November 30, 2000	Equipment

STATE OF TEXAS

SECURED PARTY	FILE NUMBER	DATE FILED	COLLATERAL
Societe Generale, as Collateral Agent	0000482256	April 26, 2000	Blanket Lien

SCHEDULE 5.2 (p) TO THE  
CREDIT AGREEMENT

NEW SUBSIDIARIES

Amkor Technology Hong Kong, Ltd.  
Amkor Assembly & Test Shanghai (China)



U.S. \$ \_\_\_\_\_

Dated: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned, AMKOR TECHNOLOGY, INC., a Delaware corporation (the "BORROWER"), HEREBY PROMISES TO PAY to the order of [NAME OF LENDER] or its registered assigns (the "LENDER") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the principal amount of the Term B Advance (as defined below) owing to the Lender by the Borrower pursuant to the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "CREDIT AGREEMENT"; terms defined therein, unless otherwise defined herein, being used herein as therein defined) among the Borrower, the Initial Lenders and Initial Issuing Banks party thereto, Salomon Smith Barney Inc. ("SSBI") as Book Manager, Citicorp USA, Inc. ("CUSA"), as Administrative Agent and as Collateral Agent, SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as Arrangers and DBAB, as Syndication Agent.

The Borrower promises to pay to [NAME OF LENDER] or its registered assigns interest on the unpaid principal amount of the Term B Advance from the date of such Term B Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to CUSA, as Administrative Agent, at 2 Penns Way, Suite 200, New Castle, Delaware 19720, Attention: \_\_\_\_\_ in same day funds. The Term B Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the Obligations of the Borrower under this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of a single advance (the "TERM B ADVANCE") by the Lender to the Borrower in an amount not to exceed the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from such Term B Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified. The obligations of the Borrower under this

Promissory Note and the other Loan Documents, and the obligations of the other Loan Parties under the Loan Documents, are secured by the Collateral as provided in the Loan Documents.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

AMKOR TECHNOLOGY, INC.

By \_\_\_\_\_

Title:



FOR VALUE RECEIVED, the undersigned, AMKOR TECHNOLOGY, INC., a Delaware corporation (the "BORROWER"), HEREBY PROMISES TO PAY to the order of [NAME OF LENDER] or its registered assigns (the "LENDER") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) the aggregate principal amount of the Revolving Credit Advances and the Letter of Credit Advances (each as defined below) owing to the Lender by the Borrower pursuant to the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "CREDIT AGREEMENT"; terms defined therein, unless otherwise defined herein, being used herein as therein defined) among the Borrower, the Initial Lenders and Initial Issuing Banks party thereto, Salomon Smith Barney Inc. ("SSBI") as Book Manager, Citicorp USA, Inc. ("CUSA"), as Administrative Agent and as Collateral Agent, SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as Arrangers and DBAB, as Syndication Agent.

The Borrower promises to pay to [NAME OF LENDER] or its registered assigns interest on the unpaid principal amount of each Revolving Credit Advance and Letter of Credit Advance from the date of such Revolving Credit Advance or Letter of Credit Advance, as the case may be, until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to CUSA, as Administrative Agent, at 2 Penns Way, Suite 200, New Castle, Delaware 19720, Attention: \_\_\_\_\_, in same day funds. Each Revolving Credit Advance and Letter of Credit Advance owing to the Lender by the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto, which is part of this Promissory Note; provided, however, that the failure of the Lender to make any such recordation or endorsement shall not affect the Obligations of the Borrower under this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement. The Credit Agreement, among other things, (i) provides for the making of advances (variously, the "REVOLVING CREDIT ADVANCES" or the "LETTER OF CREDIT ADVANCES") by the Lender to or for the benefit of the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such Revolving Credit Advance and Letter of Credit Advance being evidenced by this Promissory Note, and (ii) contains provisions for

158

acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified. The obligations of the Borrower under this Promissory Note and the other Loan Documents, and the obligations of the other Loan Parties under the Loan Documents, are secured by the Collateral as provided in the Loan Documents.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York.

AMKOR TECHNOLOGY, INC.

By \_\_\_\_\_  
Title:

159

ADVANCES AND PAYMENTS OF PRINCIPAL



to the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "CREDIT AGREEMENT"; terms defined therein, unless otherwise defined herein, being used herein as therein defined) among the Borrower, the Initial Lenders and Initial Issuing Banks party thereto, Salomon Smith Barney Inc. ("SSBI") as Book Manager, Citicorp USA, Inc. ("CUSA"), as Administrative Agent and as Collateral Agent, SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as Arrangers and DBAB, as Syndication Agent, and hereby gives you notice, irrevocably, pursuant to Section 2.2 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "PROPOSED BORROWING") as required by Section 2.2(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is \_\_\_\_\_,  
\_\_\_\_\_.

(ii) The Facility under which the Proposed Borrowing is requested is the \_\_\_\_\_ Facility.

(iii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iv) The aggregate amount of the Proposed Borrowing is \$\_\_\_\_\_.

[(v) The initial Interest Period for each Eurodollar Rate Advance made as part of the Proposed Borrowing is \_\_\_\_\_ month[s].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

161

(A) The representations and warranties contained in each Loan Document are correct on and as of the date of the Proposed Borrowing, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, other than any such representations or warranties that, by their terms, refer to a specific date other than the date of the Proposed Borrowing, in which case, as of such specific date.

(B) No Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom.

[(C) If the Proposed Borrowing consists of a Revolving Credit Borrowing, the sum of the Loan Values of the Eligible Collateral exceeds the aggregate principal amount of the Revolving Credit Advances plus Letter of Credit Advances to be outstanding plus the Available Amount of all Letters of Credit then outstanding after giving effect to the Proposed Borrowing.]

Delivery of an executed counterpart of this Notice of Borrowing by telecopier shall be effective as delivery of an original executed counterpart of this Notice of Borrowing.

Very truly yours,

AMKOR TECHNOLOGY, INC.

By \_\_\_\_\_  
Title:

162

FORM OF  
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "CREDIT AGREEMENT"; terms defined therein, unless otherwise defined herein, being used herein as therein defined) among Amkor Technology, Inc. (the "BORROWER"), the Initial Lenders and Initial Issuing Banks party thereto, Salomon Smith Barney Inc. ("SSBI") as Book Manager, Citicorp USA, Inc. ("CUSA"), as Administrative Agent and as Collateral Agent, SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as Arrangers and DBAB, as Syndication Agent.

Each "Assignor" referred to on Schedule 1 hereto (each, an "ASSIGNOR") and each "Assignee" referred to on Schedule 1 hereto (each, an "ASSIGNEE") agrees severally with respect to all information relating to it and its assignment hereunder and on Schedule 1 hereto as follows:

1. Such Assignor hereby sells and assigns, without recourse except as to the representations and warranties made by it herein, to such Assignee, and such Assignee hereby purchases and assumes from such Assignor, an interest in and to such Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 hereto of all outstanding rights and obligations under the Facilities specified on Schedule 1 hereto. After giving effect to such sale and assignment, such Assignee's Commitments and the amount of the Advances owing to such Assignee will be as set forth on Schedule 1 hereto.

2. Such Assignor (i) represents and warrants that its name set forth on Schedule 1 hereto is its legal name, that it is the legal and beneficial owner of the interest or interests being assigned by it hereunder and that such interest or interests are free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, any Loan Document or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished pursuant thereto; and (iv) attaches the Note or Notes, if any, held by such Assignor and requests, to the extent requested of it by such Assignee, that the Administrative Agent exchange such Note or Notes for a new Note or Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto or new Notes payable to the order of such Assignee in an amount equal to the Commitments assumed by such Assignee pursuant hereto and such Assignor in an amount equal to the Commitments retained by such Assignor under the Credit Agreement, respectively, as specified on Schedule 1 hereto.

3. Such Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.1 thereof and

such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon any Agent, any Assignor or any other Lender Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) represents and warrants that its name set forth on Schedule 1 hereto is its legal name; (iv) confirms that it is an Eligible Assignee; (v) appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to such Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (vi) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender Party; and (vii)

attaches any U.S. Internal Revenue Service forms required under Section 2.12 of the Credit Agreement.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the "EFFECTIVE DATE") shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) such Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender Party thereunder and (ii) such Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement (other than its rights and obligations under the Loan Documents that are specified under the terms of such Loan Documents to survive the payment in full of the Obligations of the Loan Parties under the Loan Documents to the extent any claim thereunder relates to an event arising prior to the Effective Date of this Assignment and Acceptance) and, if this Assignment and Acceptance covers all of the remaining portion of the rights and obligations of such Assignor under the Credit Agreement, such Assignor shall cease to be a party thereto.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes, if any, in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to such Assignee. Such Assignor and such Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by telecopier shall be effective as delivery of an original executed counterpart of this Assignment and Acceptance.

164

IN WITNESS WHEREOF, each Assignor and each Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

165

SCHEDULE 1  
TO  
ASSIGNMENT AND ACCEPTANCE

=====
ASSIGNORS:

-----
Term B Facility

-----
Percentage interest assigned % % % % %
-----

Term B Commitment assigned	\$	\$	\$	\$	\$
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Outstanding principal amount of Term B Advance assigned	\$	\$	\$	\$	\$
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Principal amount of Term B Note payable to ASSIGNOR	\$	\$	\$	\$	\$
--	----	----	----	----	----

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Revolving Credit Facility

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Percentage interest assigned	%	%	%	%/\	%
------------------------------	---	---	---	-----	---

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Revolving Credit Commitment assigned	\$	\$	\$	\$	\$
--------------------------------------	----	----	----	----	----

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Aggregate outstanding principal amount of Revolving Credit Advances assigned	\$	\$	\$	\$	\$
---	----	----	----	----	----

---

Principal amount of Revolving Credit Note payable to ASSIGNOR	\$	\$	\$	\$	\$
--	----	----	----	----	----

---

Letter of Credit Facility

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Letter of Credit Commitment assigned	\$	\$	\$	\$	\$
--------------------------------------	----	----	----	----	----

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Letter of Credit Commitment retained	\$	\$	\$	\$	\$
--------------------------------------	----	----	----	----	----

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ASSIGNEES:

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Term B Facility

---

Percentage interest assumed	%	%	%	%	%
-----------------------------	---	---	---	---	---

---

Term B Commitment assumed	\$	\$	\$	\$	\$
---------------------------	----	----	----	----	----

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Outstanding principal amount of Term B Advance assumed	\$	\$	\$	\$	\$
---	----	----	----	----	----

166

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Principal amount of Term B Note payable to ASSIGNEE	\$	\$	\$	\$	\$
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Revolving Credit Facility

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Percentage interest assumed	%	%	%	%	%
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Revolving Credit Commitment assumed	\$	\$	\$	\$	\$
-------------------------------------	----	----	----	----	----

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Aggregate outstanding principal amount of Revolving Credit Advances assumed	\$	\$	\$	\$	\$
--	----	----	----	----	----

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Principal amount of Revolving Credit Note payable to ASSIGNEE	\$	\$	\$	\$	\$
--	----	----	----	----	----



-----  
Letter of Credit Facility  
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Letter of Credit Commitment assumed                   \$       \$       \$       \$       \$  
=====

167

Effective Date (if other than date of acceptance by Administrative Agent):

-----, -----.

ASSIGNORS

\_\_\_\_\_, as Assignor  
-----  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_, as Assignor  
-----  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_, as Assignor  
-----  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_, as Assignor  
-----  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_, as Assignor  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

ASSIGNEES

\_\_\_\_\_, as Assignee  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

Domestic Lending Office:

Eurodollar Lending Office:

\_\_\_\_\_, as Assignee  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

Domestic Lending Office:

Eurodollar Lending Office:

\_\_\_\_\_, as Assignee  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

Domestic Lending Office:

Eurodollar Lending Office:

\_\_\_\_\_, as Assignee  
[Type or print legal name of Assignee]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

Domestic Lending Office:

Eurodollar Lending Office:

\_\_\_\_\_, as Assignee  
[Type or print legal name of Assignor]

By \_\_\_\_\_  
Title:

Dated: \_\_\_\_\_, \_\_\_\_\_

Domestic Lending Office:

Eurodollar Lending Office:

Accepted (1) [and Approved] this

\_\_\_\_\_  
(1) Required if the Assignee is an Eligible Assignee solely by reason of  
clause (a) (iii) or (b) of the definition of "Eligible Assignee".

170  
day of \_\_\_\_\_, \_\_\_\_\_

CITICORP USA, INC.,  
as Administrative Agent

By \_\_\_\_\_  
Title:

(2) [Approved this \_\_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_

AMKOR TECHNOLOGY, INC.,

By: \_\_\_\_\_  
Title:]

-----  
(2) Required if the Assignee is an Eligible Assignee solely by reason of clause (a)(iii) or (b) of the definition of "Eligible Assignee" unless a Default has occurred and is continuing.

171

EXHIBIT D TO THE  
CREDIT AGREEMENT

FORM OF  
BORROWING BASE CERTIFICATE

To: Citicorp USA, Inc.  
2 Penns Way, Suite 200  
New Castle, DE 19720

Attn:  
Fax:

Amkor Technology, Inc.  
-----

Date: \_\_\_\_\_

(1)	Inventory Net Availability [Total from Schedule I]	\$	-----
(2)	Accounts Receivable Net Availability [Total from Schedule II]	\$	-----
(3)	Total Borrowing Base Availability [1 plus 2]	\$	-----
(4)	Revolving Credit Commitment	\$	-----
(5)	The lesser of (3) and (4)	\$	-----
(6)	Revolving Credit Advances Outstanding	\$	-----
(7)	Aggregate Principal Amount of Letter of Credit Advances Outstanding	\$	-----
(8)	Total Available Amount of all Letters of Credit Outstanding		
	a. Standby Letters of Credit	\$	-----
	b. Trade Letters of Credit	\$	-----
	c. Total Letters of Credit [(a) + (b)]	\$	-----

(9) Total Revolving Credit Availability	-----
[(5) less (6) less (7) less (8)]	\$
----      ----      ----	-----

172

This report is submitted pursuant to the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "CREDIT AGREEMENT"; terms defined therein, unless otherwise defined herein, being used herein as therein defined) among the Borrower, the Initial Lenders and Initial Issuing Banks party thereto, Salomon Smith Barney Inc. ("SSBI") as Book Manager, Citicorp USA, Inc. ("CUSA"), as Administrative Agent and as Collateral Agent, SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as Arrangers and DBAB, as Syndication Agent. All of the current accounts referred to in this report (the "ACCOUNTS") have been assigned to the Collateral Agent and the Collateral Agent has been granted a security interest in the Accounts pursuant to the Loan Documents.

The undersigned hereby certifies that (i) the amounts and the representations set forth above are true and correct in all material respects, (ii) the calculations determined herein are determined in accordance with the Credit Agreement and (iii) except as noted, none of the Accounts referred to in this report falls within the ineligible or prohibited categories as noted in the Credit Agreement. We further confirm the above mentioned assignment and grant of security interest in the Accounts to the Collateral Agent.

AMKOR TECHNOLOGY, INC.

Date: -----	By: -----
	Name:
	Title:

173

SCHEDULE I  
Eligible Inventory

(a) Gross Inventory	\$ -----
---------------------	----------

Less: Ineligible Inventory

(b) Inventory located on leaseholds as to which the lessor has not entered into a consent and agreement required by the Collateral Agent pursuant to the Credit Agreement	\$ -----
---	----------

(c) Inventory that is obsolete, unusable or otherwise unavailable for sale	\$ -----
--	----------

(d) Inventory with respect to which the representations and warranties set forth in Section 9 of the Security Agreement applicable to Inventory are not true and correct in all material respects	\$ -----
---	----------

(e)	Inventory that fails to meet all standards imposed by any governmental agency, or department or division thereof, having regulatory authority over such Inventory or its use or sale	\$ -----
-----		
(f)	Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from whom any Domestic Loan Party has received notice of a dispute in respect of any such agreement to the extent of such dispute	\$ -----
-----		
(g)	Inventory that is not in the possession of or under the sole control of the Domestic Loan Parties	\$ -----
-----		
(h)	Inventory consisting of work in progress	\$ -----
-----		
(i)	Inventory in respect of which the Security Agreement, after giving effect to the related filings of financing statements that have then been made, if any, does not or has ceased to create a valid and perfected first priority lien or security interest in favor of the Collateral Agent for the benefit of the Secured Parties securing the Secured Obligations	\$ -----
-----		
(j)	Other Ineligible Inventory	\$ -----
-----		
(k)	Total Ineligible Inventory [(sum of (b) through (j))]	\$ -----
-----		
(l)	Eligible Inventory [(a) less (k)]	\$ -----
=====		
	Loan Value of Eligible Inventory (Product of (l) and 50%)	\$ =====

(j)	Receivables arising out of sales to account debtors outside the United States unless such Receivables are (i) fully backed by an irrevocable letter of credit on terms, and issued by a financial institution, acceptable to the Administrative Agent and such irrevocable letter of credit is in the possession of the Collateral Agent or the Administrative Agent or (ii) owing from an account debtor that is a foreign subsidiary or division of a Person organized and in good standing under the laws of a jurisdiction within the United States	\$ -----
-----		
(k)	Receivables arising out of sales on a guaranteed sale, sale-or-return, sale on approval or consignment basis or subject to any right of return, set-off or charge-back	\$ -----
-----		
(l)	Receivables owing from an account debtor that is an agency, department or instrumentality of the United States or any State thereof unless the Borrower shall have satisfied the requirements of the Assignment of Claims Act of 1940, as amended, and any similar State legislation and the Administrative Agent is satisfied as to the absence of set-offs, counterclaims and other defenses on the part of such account debtor	\$ -----
-----		
(m)	Receivables the full and timely payment of which the Administrative Agent in its reasonable judgment believes to be doubtful	\$ -----
-----		
(n)	Receivables in respect of which the Security Agreement, after giving effect to the related filings of financing statements that have then been made, if any, does not or has ceased to create a valid and perfected first priority lien or security interest in favor of the Collateral Agent for the benefit of the Secured Parties securing the Secured Obligations	\$ -----

(o)	Other Ineligible Receivables	\$	-----
(p)	Total Ineligible Receivables [sum of (b) through (o)]	\$	-----
(q)	Eligible Receivables [(a) less (p)]	\$	-----
	Loan Value of Eligible Inventory (product of (q) and 85%)	\$	=====

AMENDMENT NO. 1 TO  
THE AMENDED AND RESTATED CREDIT AGREEMENT

AMENDMENT NO. 1, dated as of June 29, 2001, to the Amended and Restated Credit Agreement dated as of March 30, 2001 (the "Credit Agreement") among Amkor Technology, Inc. a Delaware corporation (the "Borrower"), the lenders and issuing banks party thereto (collectively the "Lenders"), Salomon Smith Barney Inc. ("SSBI") as sole book manager, Citicorp USA, Inc. as administrative agent (the "Administrative Agent") for the Lenders and as collateral agent (the "Collateral Agent"), SSBI and DEUTSCHE BANC ALEX. BROWN INC. ("DBAB"), as arrangers and DBAB as syndication agent.

PRELIMINARY STATEMENTS:

(1) The parties to this Amendment are party to the Credit Agreement. Capitalized terms defined in the Credit Agreement and not otherwise defined in this Amendment are used herein as therein defined.

(2) The parties hereto have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. AMENDMENTS. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, the Credit Agreement is hereby amended, effective as of the date hereof, as follows:

(a) Amendments to Article I (Definitions and Accounting Terms).

The following new definition is inserted in Section 1.1 of the Credit Agreement in the appropriate place to preserve the alphabetical order of the definitions in such section:

"Senior Secured Leverage Ratio" means, at any date of determination, the ratio of (a) the aggregate amount of the Advances together with all Indebtedness in respect of Capitalized Leases and any other Debt for Borrowed Money which is not Subordinated Debt and is secured by a Lien of the Borrower and its Restricted Subsidiaries at such date to (b) Consolidated EBITDA of the Borrower and its Restricted Subsidiaries for the most recent Measurement Period ending on or prior to such date."

(b) Amendments to Article V (Covenants of the Borrower).

(i) Section 5.4(b) is hereby amended by deleting the existing Section 5.4(b) in its entirety and inserting the following revised Section 5.4(b) in lieu thereof:

(b) Leverage Ratio. Maintain at all times a Leverage Ratio of not more than the amount set forth below for each period set forth below:

----- QUARTER ENDING -----	RATIO
March 31, 2001	3.25:1
June 30, 2001	4.00:1
September 30, 2001	5.25:1
December 31, 2001	3.25:1
March 31, 2002	3.00:1



June 30, 2002	3.00:1
September 30, 2002	2.75:1
December 31, 2002	2.50:1
March 31, 2003	2.25:1
June 30, 2003	2.25:1
September 30, 2003	2.25:1
December 31, 2003	2.25:1
March 31, 2004	2.00:1
June 30, 2004	2.00:1
September 30, 2004	2.00:1
December 31, 2004	2.00:1
March 31, 2005	2.00:1
June 30, 2005	2.00:1
September 30, 2005	2.00:1

"

(i) Section 5.4(c) is hereby amended by deleting the existing Section 5.4(c) in its entirety and inserting the following revised Section 5.4(c) in lieu thereof:

"(c) Interest Coverage Ratio. Maintain at all times an Interest Coverage Ratio of not less than the amount set forth below for each period set forth below:

Quarter Ending	Ratio
March 31, 2001	3.50:1
June 30, 2001	3.00:1
September 30, 2001	2.35:1
December 31, 2001	3.50:1
March 31, 2002	3.50:1
June 30, 2002	3.50:1
September 30, 2002	3.75:1
December 31, 2002	3.75:1
March 31, 2003	4.00:1
June 30, 2003	4.00:1
September 30, 2003	4.00:1
December 31, 2003	4.00:1
March 31, 2004	4.00:1
June 30, 2004	4.00:1

-2-

3

December 31, 2004	4.00:1
March 31, 2005	4.00:1
June 30, 2005	4.00:1
September 30, 2005	4.00:1

"

(iii) Section 5.4(d) is hereby amended by deleting the existing Section 5.4(d) in its entirety and inserting the following revised Section 5.4(d) in lieu thereof:

"(d) Tangible Net Worth. The Borrower will not permit Tangible Net Worth: (i) on June 30, 2001 to be less than \$400,000,000; (ii) on September 30, 2001 to be less than \$325,000,000; and (iii) at any time thereafter to be less than (i) 90% of the Tangible Net Worth on September 30, 2001 plus (ii) 50% of the sum of Consolidated Net Income of the Borrower and its Restricted Subsidiaries for each fiscal quarter beginning with the first quarter after September 30, 2001 (without reduction for losses) plus (iii) the amount of Net Cash Proceeds from issuances of Equity Interests received by the Borrower since September 30, 2001. For the quarters ending June 30, 2001 and September 30, 2001, the Tangible Net Worth will not include any write down of Equity Interests in Anam."

(iv) Section 5.4 of the Credit Agreement is hereby amended by adding a new clause (e) immediately after clause (d) to read in its entirety as follows:

"(e) Senior Secured Leverage Ratio. Maintain at all times a Senior Secured Leverage Ratio of not more than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
June 30, 2001	1.00:1
September 30, 2001	1.00:1

"

SECTION 2. CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective as of the date first above written when, and only when, (i) the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders or, as to any of the Lenders, evidence satisfactory to the Administrative Agent that such Lender has executed this

Amendment, (ii) each Subsidiary Guarantor shall have executed a consent to this Amendment in the form attached hereto, and (iii) the Administrative Agent shall have received from the Borrower, for the account of each Lender that has executed this Amendment and delivered evidence thereof satisfactory to the Administrative Agent at or before 5:00 p.m. New York City time on July 10, 2001, an amendment fee equal to 0.15% of the aggregate amount of the outstanding Term B Advances, Revolving Credit Commitments and Letter of Credit Commitments of each such Lender as of such date. Furthermore this Amendment is subject to the provisions of Section 8.1 of the Credit Agreement.

-3-

4

SECTION 3. CONSTRUCTION WITH THE LOAN DOCUMENTS. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes and each of the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

SECTION 4. GOVERNING LAW. This Amendment is governed by the law of the State of New York.

SECTION 5. AMENDMENTS TO COLLATERAL DOCUMENTS. Each Lender hereby appoints each of the Administrative Agent and the Collateral Agent as its attorney-in-fact with full authority in the place and stead of such Lender and in the name of such Lender or otherwise, from time to time, to amend any Korean Collateral Document as the Administrative Agent or the Collateral Agent reasonably considers desirable or necessary to give effect to the provisions of Section 8.1 or Section 8.11 of the Credit Agreement or otherwise to release Collateral under the Korean Collateral Documents to the extent that such release is permitted pursuant to the terms of the Credit Agreement. Each Lender hereby ratifies and will ratify any action taken by either such Attorney from time to time as contemplated by this Section 5.

SECTION 6. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants that each of the representations and warranties made by the Borrower in the Credit Agreement, as amended hereby, and the other Loan Documents to which the Borrower is a party or by which the Borrower is bound, shall be true and correct in all material respects on and as of the date hereof (other than representations and warranties in any such Loan Document which expressly speak as of a specific date, which shall have been true and correct in all material respects as of such specific date) and no Default or Event of Default has occurred and is continuing as of the date hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMKOR TECHNOLOGY, INC.,

By /s/ Kenneth Joyce

-----  
Name: Kenneth Joyce  
Title: Executive Vice President &  
Chief Financial Officer

CITICORP USA, INC.,  
as Administrative Agent and Collateral Agent

By /s/ Suzanne Crymes

-----  
Name: Suzanne Crymes  
Title: Vice President

-4-

CITIBANK, N.A.,  
as Lender

By /s/ Suzanne Crymes

-----  
Name: Suzanne Crymes  
Title: Vice President

-5-

Societe Generale

-----  
as Lender

By /s/ Cynthia A. Jay

-----  
Name: Cynthia A. Jay  
Title: Managing Director

ABN AMRO Bank N.V.

By /s/ Natalie M. Smith

-----  
Name: Natalie M. Smith  
Title: Vice President

By /s/ Jana Dombrowski

-----  
Name: Jana Dombrowski  
Title: Vice President

BANK OF AMERICA, N.A. ,  
-----  
as Lender

By /s/ Sugeet Manchanda  
-----  
Name: Sugeet Manchanda  
Title: Principal

9

Bank of China, New York Branch ,  
-----  
as Lender

By /s/ Bailin Zheng  
-----  
Name: Bailin Zheng  
Title: General Manager

10

THE BANK OF NOVA SCOTIA ,  
-----  
as Lender

By /s/ Todd S. Meller  
-----  
Name: Todd S. Meller  
Title: Managing Director

11

Bank of Tokyo Mitsubishi Trust Company ,  
-----  
as Lender

By /s/ H. Zimmermann  
-----  
Name: H. Zimmermann  
Title: Vice President

12

BARCLAYS BANK PLC,  
as Lender

By /s/ Peter Yetman

-----  
Name: Peter Yetman  
Title: Director

13

BNP PARIBAS

-----  
as Lender

By /s/ Stuart Darby

-----  
Name: Stuart Darby  
Title: Vice President

By /s/ Jean Plassard

-----  
Name: Jean Plassard  
Title: Managing Director

14

COMERICA BANK,  
as Lender

By /s/ John M. Costa

-----  
Name: John M. Costa  
Title: First Vice President

15

BANKERS TRUST COMPANY

-----  
as Lender

By /s/ Mary Jo Jolly

-----

Name: MARY JO JOLLY  
Title: ASSISTANT VICE PRESIDENT

16

ERSTE BANK ,  
-----  
as Lender

By /s/ John Fay  
-----  
Name: John Fay  
Title: Vice President  
ERSTE Bank New York Branch

By /s/ John S. Runnion  
-----  
Name: John S. Runnion  
Title: Managing Director  
ERSTE Bank New York Branch

17

FIRST UNION NATIONAL BANK ,  
-----  
as Lender

By /s/ Jorge A. Gonzalez  
-----  
Name: Jorge A. Gonzalez  
Title: Senior Vice President

18

FLEET NATIONAL BANK ,  
-----  
as Lender

By /s/ G.A. Nicholson  
-----  
Name: G.A. Nicholson  
Title: Vice President

THE FUJI BANK, LIMITED

By /s/ Nobuoki Koike

-----  
Name: Nobuoki Koike  
Title: Vice President

IBM CREDIT CORPORATION

-----  
as Lender

By /s/ Thomas S. Curcio

-----  
Name: Thomas S. Curcio  
Title: Manager of Credit,  
Commercial & Specialty  
Financing

IKB CAPITAL CORPORATION,

-----  
as Lender

By /s/ David Snyder

-----  
Name: David Snyder  
Title: President

THE INDUSTRIAL BANK OF JAPAN,

-----  
LIMITED

-----  
as Lender

By /s/ Kenneth Biegen

-----



Name: Kenneth Biegen  
Title: Senior Vice President

23

Key Corporate Capital Inc.,  
as Lender

By /s/ Jeff Kalinowski

-----  
Name: Jeff Kalinowski  
Title: Vice President

24

PNC Bank, National Association,  
as Lender

By /s/ Robert J. Giannone

-----  
Name: Robert J. Giannone  
Title: Vice President

25

CENTURION CDO II, LTD.

By: American Express Asset Management  
Group Inc. as Collateral Manager

-----  
as Lender

By /s/ Michael M. Leyland

-----  
Name: Michael M. Leyland  
Title: Managing Director

26

AMMC CDO I, LIMITED

By: American Money Management Corp.,  
as Collateral Manager

By /s/ David P. Meyer

-----  
Name: David P. Meyer  
Title: Vice President

27

AMMC CDO II, LIMITED  
as Lender

By: American Money Management Corp.,  
as Collateral Manager

By /s/ David P. Meyer

-----  
Name: David P. Meyer  
Title: Vice President

28

NORTHWOODS CAPITAL, LIMITED  
BY: ANGELO, GORDON & CO., L.P.,  
AS COLLATERAL MANAGER

By /s/ John W. Fraser

-----  
Name: JOHN W. FRASER  
Title: MANAGING DIRECTOR

29

NORTHWOODS CAPITAL II, LIMITED  
BY: ANGELO, GORDON & CO., L.P.,  
AS COLLATERAL MANAGER

By /s/ John W. Frazer

-----  
Name: JOHN W. FRASER  
Title: MANAGING DIRECTOR

ARES Leveraged Investment Fund, L.P.

By: ARES Management, L.P.  
Its: General Partner

By /s/ Christopher N. Jacobs

-----  
Title: Christopher N. Jacobs  
Vice President

ARES Leveraged Investment Fund II, L.P.

By: ARES Management II, L.P.  
Its: General Partner

By /s/ Christopher N. Jacobs

-----  
Title: Christopher N. Jacobs  
Vice President

Ares IV CLO LTD.

By: Ares CLO Manangement IV, L.P.,  
Investment Manager

By: Ares CLO GP IV, LLC,  
Its: Managing Member

By /s/ Christopher N. Jacobs

-----  
Name: Christopher N. Jacobs  
Title: Vice President

BLACK DIAMOND INTERNATIONAL  
FUNDING LTD.

-----  
as Lender

By /s/ David Egglshaw

-----  
Name: David Egglshaw  
Title: Director

34

BLACK DIAMOND CLO 1999-1 LTD.

-----  
as Lender

By /s/ David Egglshaw

-----  
Name: David Egglshaw  
Title: Director

35

BLACK DIAMOND CLO 2000-1 LTD.

-----  
as Lender

By /s/ David Egglshaw

-----  
Name: David Egglshaw  
Title: Director

36

SIERRA-CLO-I

-----  
as Lender

By /s/ John M. Casparian

-----  
Name: John M. Casparian  
Title: Senior Managing Director  
Centre Pacific LLC, Manager

CAPTIVA FINANCE LTD.  
-----  
as Lender

By /s/ David Egglishaw  
-----  
Name: David Egglishaw  
Title: Director

ELT LTD.  
-----  
as Lender

By /s/ Ann E. Morris  
-----  
Name: Ann E. Morris  
Title: Authorized Agent

KZH CYPRESSTREE-1 LLC,  
as Lender

By /s/ Virginia Conway  
-----  
Name: Virginia Conway  
Title: Authorized Agent

KZH SHOSHONE LLC,  
as Lender

By /s/ Virginia Conway  
-----  
Name: Virginia Conway  
Title: Authorized Agent

KZH STERLING LLC,  
as Lender

By /s/ Virginia Conway

-----  
Name: Virginia Conway  
Title: Authorized Agent

CITADEL HILL 2000 LTD. ,

-----  
as Lender

By /s/ Nick Karsiotis

-----  
Name: Nick Karsiotis  
Title: Authorized Signatory

PROMETHEUS INVESTMENT FUNDING  
NO. 1 LTD.  
By: CPF Asset Advisory, LLC as Investment  
Manager

-----  
as Lender

By /s/ Timothy L. Harrod

-----  
Name: Timothy L. Harrod  
Title: Managing Director

By /s/ Irv Roa

-----  
Irv Roa  
Associate Director

CSAM FUNDING I  
as Lender

By /s/ Andrew Marshak

-----  
Name: Andrew Marshak  
Title: Authorized Signatory

45

FIRST DOMINION FUNDING II  
as Lender

By /s/ Andrew Marshak

-----  
Name: Andrew Marshak  
Title: Authorized Signatory

46

CYPRESSTREE INVESTMENT PARTNERS I, LTD  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By: /s/ P. Jeffrey Huth

-----  
Name: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INVESTMENT PARTNERS II, LTD.  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By: /s/ P. Jeffrey Huth

-----  
Name: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INVESTMENT FUND, LLC  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By:

-----  
Name: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INSTITUTIONAL FUND, LLC  
By: CypressTree Investment Management  
Company, Inc., as Portfolio Manager

By: \_\_\_\_\_  
Name: P. Jeffrey Huth  
Title: Principal

CYPRESSTREE INVESTMENT MANAGEMENT  
COMPANY, INC.  
As: Attorney-in-Fact and on behalf of First  
Allmerica Financial Life Insurance  
Company as Portfolio Manager

By: /s/ P. Jeffrey Huth  
\_\_\_\_\_  
Name: P. Jeffrey Huth  
Title: Principal

47

North American Senior Floating Rate Fund  
By: Stanfield Capital Partners LLC  
as Subadvisor ,  
\_\_\_\_\_  
as Lender

By /s/ Christopher A. Bondy  
\_\_\_\_\_  
Name: Christopher A. Bondy  
Title: Partner

48

MOUNTAIN CAPITAL CLO II, LTD.  
  
By /s/ Darren P. Riley  
\_\_\_\_\_  
Name: Darren P. Riley  
Title: Director

49

APEX (IDM) CDO I, LTD.  
as Lender  
  
By /s/ Michael Audino  
\_\_\_\_\_  
Name: Michael Audino



Title: Assistant Vice President

50

ELC (Cayman) Ltd.  
as Lender

By /s/ Michael Audino

-----  
Name: Michael Audino  
Title: Assistant Vice President

51

ELC (Cayman) Ltd.  
CDO Series 1999-I

as Lender

By /s/ Michael Audino

-----  
Name: Michael Audino  
Title: Assistant Vice President

52

ELC (Cayman) Ltd. 1999-II

as Lender

By /s/ Michael Audino

-----  
Name: Michael Audino  
Title: Assistant Vice President

53

ELC (Cayman) Ltd. 1999-III

as Lender

By /s/ Michael Audino  
-----  
Name: Michael Audino  
Title: Assistant Vice President

54

ELC (Cayman) Ltd. 2000-I  
as Lender

By /s/ Michael Audino  
-----  
Name: Michael Audino  
Title: Assistant Vice President

55

TRYON CLO Ltd. 2000-I  
as Lender

By /s/ Michael Audino  
-----  
Name: Michael Audino  
Title: Assistant Vice President

56

SEABOARD CLO 2000 LTD.  
as Lender

By /s/ Sheppard H.C. Davis, Jr.  
-----  
Name: Sheppard H.C. Davis, Jr.  
Title: CEO of Seaboard & Co.  
Its Collateral Manager

57

AIM FLOATING RATE FUND  
By: INVESCO Senior Secured Management, Inc

As Attorney in fact

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

58

AMARA-1 FINANCE LTD.  
By: INVESCO Senior Secured Management, Inc  
As Sub-advisor

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

59

AMARA 2 FINANCE, LTD.  
By: INVESCO Senior Secured Management, Inc  
As Sub-advisor

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

60

CERES II FINANCE LTD.  
By: INVESCO Senior Secured Management, Inc  
As Sub-Managing Agent (Financial)

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

61

CHARTER VIEW PORTFOLIO  
By: INVESCO Senior Secured Management, Inc  
As Investment Advisor

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized

62

AERIES FINANCE-II LTD.  
By: INVESCO Senior Secured Management, Inc  
As Sub-Managing Agent

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

63

AVALON CAPITAL LTD 2  
By: INVESCO Senior Secured Management, Inc  
As Portfolio Advisor

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

64

AVALON CAPITAL LTD  
By: INVESCO Senior Secured Management, Inc  
As Portfolio Advisor

By /s/ Joseph Rotondo

-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

OASIS COLLATERALIZED HIGH INCOME  
PORTFOLIO-I, LTD.  
By: INVESCO Senior Secured Management, Inc  
As Subadvisor

By /s/ Joseph Rotondo  
-----  
Name: Joseph Rotondo  
Title: Authorized Signatory

J.H. WHITNEY MARKET VALUE FUND,  
L.P.,  
as Lender

By /s/ Kevin J. Curley  
-----  
Name: Kevin J. Curley  
Title: Authorized Signatory

MERRILL LYNCH SENIOR FLOATING  
RATE FUND, INC.

By /s/ Harsh Jaggi  
-----  
Name: Harsh Jaggi  
Title: Authorized Signatory

MASTER FLOATING RATE TRUST

By /s/ Harsh Jaggi  
-----  
Name: Harsh Jaggi  
Title: Authorized Signatory

MERRILL LYNCH GLOBAL INVESTMENT  
SERIES: BANK LOAN INCOME  
PORTFOLIO  
By: Merrill Lynch Investment Managers, L.P.  
as Investment Advisor

By /s/ Harsh Jaggi

-----  
Name: Harsh Jaggi  
Title: Authorized Signatory

MERRILL LYNCH PRIME RATE  
PORTFOLIO

By: Merrill Lynch Investment Managers, L.P.  
as Investment Advisor

By /s/ Harsh Jaggi

-----  
Name: Harsh Jaggi  
Title: Authorized Signatory

68

METROPOLITAN PROPERTY AND  
CASUALTY INSURANCE COMPANY ,

-----  
as Lender

By /s/ James. R. Dingler

-----  
Name: James R. Dingler  
Title: Authorized Signatory

69

CLYDESDALE CLO 2001-I, LTD. ,

-----  
as Lender

Nomura Corporate Research and Asset  
Management Inc. as Collateral Manager

By /s/ Elizabeth C. MacLean

-----  
Name: Elizabeth O. MacLean  
Title: Vice President

70

OCTAGON INVESTMENT PARTNERS II, LLC  
By: Octagon Credit Investors, LLC ,  
as sub-investment manager

-----  
as Lender

By /s/ Michael B. Nechamkin  
-----

Name: Michael B. Nechamkin  
Title: Portfolio Manager

71

OCTAGON INVESTMENT PARTNERS IV,  
LTD.  
By: Octagon Credit Investors, LLC  
as collateral manager ,  
-----

as Lender

By /s/ Michael B. Nechamkin  
-----

Name: Michael B. Nechamkin  
Title: Portfolio Manager

72

HARBOURVIEW CDO II, LTD.  
-----

as Lender

By /s/ Lisa Chaffee  
-----

Name: Lisa Chaffee  
Title: Manager

73

Oppenheimer Senior Floating Rate Fund ,  
-----

as Lender

By /s/ David Foxhoven  
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Name: David Foxhoven  
Title: A.V.P.

ML CLO XII PILGRIM AMERICA  
(CAYMAN) Ltd.  
By: ING Pilgrim Investments, Inc.  
as it's investment manager

By /s/ Daniel A. Norman  
-----  
Name: Daniel A. Norman  
Title: Senior Vice President

Sequils - Centurion V, Ltd.  
American Express Asset Management Group Inc.  
as Collateral Manager  
-----  
as Lender

By /s/ Michael M. Leyland  
-----  
Name: Michael M. Leyland  
Title: Managing Director

SEQUILS PILGRIM-1 LTD.  
By: ING Pilgrim Investments, Inc.  
as it's investment manager

By /s/ Daniel A. Norman  
-----  
Name: Daniel A. Norman  
Title: Senior Vice President

Sankaty Advisors, LLC as Collateral  
Manager For Great Point CLO 1999-1 LTD.,  
as Term Lender

By /s/ Diane J. Exter  
-----



Name: Diane J. Exter  
Title: Managing Director  
Portfolio Manager

78

SANKATY HIGH YIELD ASSET  
PARTNERS, L.P.

-----  
as Lender

By /s/ Diane J. Exter

-----  
Name: Diane J. Exter  
Title: Managing Director  
Portfolio Manager

79

SANKATY HIGH YIELD PARTNERS II, L.P.

-----  
as Lender

By /s/ Diane J. Exter

-----  
Name: Diane J. Exter  
Title: Managing Director  
Portfolio Manager

80

LONG LANE MASTER TRUST IV  
By: Fleet National Bank As Trust Administrator,  
-----  
as Lender

By /s/ Renee Nadler

-----  
Name:  
Title:

81

STANFIELD ARBITRAGE CDO, LTD.  
By: Stanfield Capital Partners LLC  
as its Collateral Manager

-----  
as Lender

By /s/ Christopher A. Bondy

-----  
Name: Christopher A. Bondy  
Title: Partner

82

STANFIELD CLO LTD.  
By: Stanfield Capital Partners LLC  
as its Collateral Manager

-----  
as Lender

By /s/ Christopher A. Bondy

-----  
Name: Christopher A. Bondy  
Title: Partner

83

STANFIELD/RMF TRANSATLANTIC CDO  
LTD.  
By: Stanfield Capital Partners LLC  
as its Collateral Manager

-----  
as Lender

By /s/ Christopher A. Bondy

-----  
Name: Christopher A. Bondy  
Title: Partner

84

WINDSOR LOAN FUNDING LIMITED  
By: Stanfield Capital Partners LLC  
as its Investment Manager

-----  
as Lender

By /s/ Christopher A. Bondy

-----  
Name: Christopher A. Bondy  
Title: Partner

85

LIBERTY-STEIN ROE ADVISOR

-----  
FLOATING RATE ADVANTAGE FUND  
-----

as Lender  
by Stein Roe & Farnham Incorporated As  
Advisor

By /s/ James R. Fellows

-----  
Name: James R. Fellows  
Title: Sr. Vice President & Portfolio  
Manager

86

THE SUMITOMO TRUST AND BANKING  
CO., LTD., NEW YORK BRANCH

-----  
as Lender

By /s/ Stephen A. Stratico

-----  
Name: Stephen A. Stratico  
Title: Vice President

87

GALAXY CLO 1999-1, LTD.

-----  
as Lender  
by: SAI Investment Adviser, Inc.  
its Collateral Manager

By /s/ Thomas G. Brandt

-----  
Name: Thomas G. Brandt  
Title: Authorized Agent

KZH SOLEIL LLC  
as Lender

By /s/ Virginia Conway

-----  
Name: Virginia Conway  
Title: Authorized Agent

KZH SOLEIL-2 LLC  
as Lender

By /s/ Virginia Conway

-----  
Name: Virginia Conway  
Title: Authorized Agent

TORONTO DOMINION (NEW YORK), INC.

-----  
as Lender

By /s/ Stacey L. Malek

-----  
Name: Stacey L. Malek  
Title: Vice President

COLUMBUS LOAN FUNDING LTD.

By: Travelers Asset Management International  
Company LLC

-----  
as Lender

By /s/ Matthew J. McInerny

-----  
Name: Matthew J. McInerny  
Title: Assistant Investment Officer

THE TRAVELERS INSURANCE COMPANY ,  
-----  
as Lender

By /s/ Matthew J. McInerny  
-----  
Name: Matthew J. McInerny  
Title: Assistant Investment Officer

COLISEUM FUNDING LTD.  
  
By: Travelers Asset Management International  
Company LLC ,  
-----  
as Lender

By /s/ Matthew J. McInerny  
-----  
Name: Matthew J. McInerny  
Title: Assistant Investment Officer

KATONAH II, LTD ,  
-----  
as Lender

By /s/ Ralph Della Rocca  
-----  
Name: Ralph Della Rocca  
Title: Authorized Officer  
Katonah Capital, L.L.C.  
As Manager

CONSENT OF SUBSIDIARY GUARANTOR

Dated as of June 29, 2001

Each of the undersigned corporations, as a Subsidiary Guarantor under the Subsidiary Guaranty dated April 28, 2000 (as confirmed by the Guaranty and Security Confirmation dated as of March 30, 2001, the "Subsidiary Guaranty") in favor of the Secured Parties under the Credit Agreement referred to in the foregoing Amendment, hereby consents to such Amendment and hereby confirms and agrees that notwithstanding the effectiveness of such Amendment, the Subsidiary Guaranty is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Subsidiary Guaranty to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by such Amendment.

GUARDIAN ASSETS, INC.

By: /s/ Kenneth Joyce

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Name: Kenneth Joyce  
Title: Chief Financial Officer

AMKOR TECHNOLOGY, INC.  
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
 (IN THOUSANDS EXCEPT RATIO DATA)

	YEAR ENDED DECEMBER 31,		
	1996	1997	1998
<b>Earnings</b>			
Income before income taxes and equity in income (loss) of investees.....	\$ 43,012	\$ 61,006	\$ 100,735
Interest expense.....	27,716	37,993	25,860
Amortization of debt issuance costs.....	--	--	1,217
Interest portion of rent.....	1,822	2,236	2,584
Less (earnings) loss of affiliates.....	(661)	(512)	--
	-----	-----	-----
	\$ 71,889	\$ 100,723	\$ 130,396
	=====	=====	=====
<b>Fixed Charges</b>			
Interest expense.....	27,716	37,993	25,860
Amortization of debt issuance costs.....	--	--	1,217
Interest portion of rent.....	1,822	2,236	2,584
	-----	-----	-----
	\$ 29,538	\$ 40,229	\$ 29,661
	=====	=====	=====
Ratio of earnings to fixed charges	2.4x	2.5x	4.4x
	=====	=====	=====

	YEAR ENDED DECEMBER 31,		SIX MONTHS ENDED
	1999	2000	JUNE 30, 2001
<b>Earnings</b>			
Income before income taxes and equity in income (loss) of investees.....	\$ 105,288	\$ 197,429	\$ (163,067)
Interest expense.....	61,803	127,027	76,457
Amortization of debt issuance costs.....	3,466	7,013	14,124
Interest portion of rent.....	3,481	4,567	4,182
Less (earnings) loss of affiliates.....	2,622	--	--
	-----	-----	-----
	\$ 176,660	\$ 336,036	\$ (68,304)
	=====	=====	=====
<b>Fixed Charges</b>			
Interest expense.....	61,803	127,027	76,457

Amortization of debt issuance costs.....	3,466	7,013	14,124
Interest portion of rent.....	3,481	4,567	4,182
	-----	-----	-----
	\$ 68,750	\$ 138,607	\$ 94,763
	=====	=====	=====

Ratio of earnings

to fixed charges	2.6x	2.4x	-- x(1)
	=====	=====	=====

(1) The ratio of earnings to fixed charges was less than 1:1 for the six months ended June 30, 2001. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional \$163.1 million of earnings in the six months ended June 30, 2001.