



CYPRESS SEMICONDUCTOR CORPORATION CUSTOMER CORRESPONDENCE

PERFORM

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RE: Unauthorized channels

TO: Cypress Customers

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CATEGORY: Q, 1, 5

CC: vjv_{CML}, aom_{CML}, jiw₄, had₄

High demand for semiconductors, particularly for SRAMs, have caused many of our customers to procure Cypress parts through unauthorized channels. We understand the reasons for this, but must clarify our position regarding unauthorized channels.

Cypress warrants our parts only when procured directly from Cypress or purchased from an authorized distributor. We work in partnership with our distributors to ensure the quality of the parts delivered to and from them. Both Cypress and our distributors have rigorous quality systems for this purpose.

Cypress cannot and does not warrant nor accept returns of product purchased through any unauthorized channel, as we cannot guarantee their capability of ensuring the quality of this product. We have in the past encountered several instances where parts our customers have received from brokers experienced very high failure rates. Therefore, it is incumbent upon our customers to be extremely careful when purchasing through such channels.

Cypress parts can arrive in unauthorized channels in several ways, including:

- Sales by manufacturers of excess inventory

- Removal from circuit boards and refurbishing the leads

- Theft of manufacturing fallout at Cypress manufacturing facilities or subcontractors

- Outright counterfeit parts.

Cypress has security procedures that are actively followed and periodically reviewed and audited to minimize the incidence of theft from our manufacturing facilities, but cannot control the other sources of material referenced.

In order to minimize the risk of receiving damaged or defective parts through unauthorized channels, Cypress suggests buying direct or through authorized distributors. Please contact Cypress to find out which distributors are authorized in your area. In the event that our customers must purchase through the unauthorized companies, we then suggest buying only parts in original Cypress packaging containers that have not been tampered with.

Should you have any questions or comments, please contact me at (408) 943-2685 or at sxd@cypress.com.

Respectfully,

Sabbas Daniel
Executive Vice President, Quality