

**Exhibit 1**

**Procurement Policy**



- (i) the amount of such Foreign Vendor's or Lien Claimant's estimated claim, accounting for any setoffs, other credits and discounts thereto, which shall be mutually determined in good faith by the Foreign Vendor or Lien Claimant and the Debtors (but such amount shall be used only for the purposes of determining the amount of such claim under the Order and shall not be deemed a claim allowed by the Court, and the rights of all interested persons to object to such claim shall be fully preserved until further order of the Court);
  - (ii) a description of the Customary Trade Terms between such Foreign Vendor or Lien Claimant and the Debtors, or such more favorable terms as to which the Foreign Vendor or Lien Claimant and the Debtors may agree, and the creditor's agreement to provide goods and services to the Debtors based upon Customary Trade Terms or upon more favorable terms as the Debtors and the Foreign Vendor or Lien Claimant may agree;
  - (iii) the Foreign Vendor's or Lien Claimant's acknowledgement that it has reviewed the terms and provisions of the Order and consents to be bound thereby; and
  - (iv) the Foreign Vendor's or Lien Claimant's agreement that it will not separately seek payment for reclamation claims outside the terms of the Order.
- b. To the extent the Debtors and the Foreign Vendor or Lien Claimant in question have not, despite diligent efforts, entered into a Vendor Agreement, the Debtors shall have the right to pay such Foreign Vendor or Lien Claimant if they determine, in their sole business judgment, that failure to pay such Foreign Vendor or Lien Claimant is likely to result in irreparable harm to the Debtors' business operations. The Debtors further retain the right, on a case-by-case basis, to obtain other written acknowledgement from a Foreign Vendor or Lien Claimant of the Customary Trade Terms to which the parties have agreed.
- c. Designation of Vendor Payments: Any checks used to pay claims pursuant to the Order (to the extent checks are issued) or the letter sent in accordance with paragraph (a) above (to the extent payments are made by electronic transfer), shall contain a legend substantially in the following form:

"By accepting this payment, the payee agrees to the terms of that certain Order of the United States Bankruptcy Court of the District

of Delaware (the “**Bankruptcy Court**”), dated \_\_\_\_\_, 2013 in the payor’s chapter 11 case (Jointly Administered under Case No. 13-\_\_\_\_\_ ( ), entitled ‘[Interim/Final] Order Authorizing The Debtors To Pay Prepetition Claims of Certain Foreign Vendors And Lien Claimants’ and submits to the jurisdiction of the Bankruptcy Court for enforcement thereof.”

- d. Breach of Vendor Agreement: If a Foreign Vendor or Lien Claimant refuses to supply goods and/or services to the Debtors on Customary Trade Terms following receipt of payment on its claim, or fails to comply with any Vendor Agreement entered into between the parties, the Debtors may, in their sole discretion and without further order of the Court, declare that such Foreign Vendor or Lien Claimant is in breach of its Vendor Agreement with the Debtors. To the extent such Foreign Vendor or Lien Claimant fails to cure such default or reach a more favorable alternative agreement with the Debtors, the Debtors may: (i) seek appropriate relief from the Court, including injunctive relief to compel performance pursuant to the existing Vendor Agreement; (ii) declare the payment of the applicable claim a voidable postpetition transfer pursuant to section 549(a) of the Bankruptcy Code (or otherwise) that the Debtors may recover from such Foreign Vendor or Lien Claimant in cash or in goods; and (iii) demand that the Foreign Vendor or Lien Claimant immediately return such payment(s) in respect of its claim to the extent the aggregate amount of such payment(s) exceeds the postpetition obligations then outstanding without giving effect to alleged setoff rights, recoupment rights, adjustments or setoffs of any type whatsoever, and the Foreign Vendor’s or Lien Claimant’s claim shall be reinstated in such an amount as to restore the Debtors and the Foreign Vendor or Lien Claimant to their original positions, as if the agreement had never been entered into and the payment of the claim had not been made. In sum, the Debtors have the ability, in the event of a breach of a Vendor Agreement, to return the parties to their positions immediately before the entry of the Order.
- e. Vendor Payment List: The Debtors shall maintain a summary list of all payments to Foreign Vendors and Lien Claimants and shall provide, on a monthly basis, updated copies of such list to the Office of the United States Trustee for the District of Delaware, counsel to the agent for the Debtors’ proposed postpetition secured lenders, counsel to the agents for the Debtors’ prepetition lenders and counsel to any statutory committee appointed in these chapter 11 cases.

**Exhibit 2**

**Vendor Agreement**

\_\_\_\_\_, 2013

TO: [Foreign Vendor or Lien Claimant]  
[Name]  
[Address]

Dear [Foreign Vendor or Lien Claimant]:

On February 28, 2013 (the "**Petition Date**"), Conexant Systems, Inc. and certain of its affiliates (collectively, the "**Company**" or the "**Debtors**") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States District Court for the District of Delaware (the "**Bankruptcy Court**").

On the Petition Date, the Debtors requested the Bankruptcy Court's authority but not direction to pay certain suppliers or service providers in recognition of the importance of our relationship with such suppliers and service providers. The Bankruptcy Court entered an order authorizing this relief on \_\_\_\_\_, 2013, a copy of which is enclosed herewith (the "**Order**").

In accordance with the Order, the Debtors are prepared to enter into this vendor agreement (this "**Agreement**") in accordance with the following terms:

1. The estimated balance of the prepetition claim (net of any setoffs, credits or discounts) that is due and owing is \$ \_\_\_\_\_ (the "**Claim**").

2. The Debtors hereby agree to pay \$ \_\_\_\_\_ on account of the Claim (the "**Claim Payment**"), subject to the terms and conditions set forth herein, [it being understood that the remaining amount of your Claim against the Debtors shall be forever released and waived].

3. In consideration of the Claim Payment, you agree to continue providing and/or supplying goods or services to the Company based on acceptable and customary trade terms (the "**Customary Trade Terms**"), it being understood that the Customary Trade Terms shall be no less favorable than those trade terms provided by each such Critical Vendor to the Debtors before the Petition Date. For purposes of this Agreement, Customary Trade Terms consist of those terms provided [in the agreement attached hereto as **Exhibit A** and/or the following terms and conditions:].

4. You agree to continue providing and/or supplying goods or services to the Company pursuant to the Customary Trade Terms for at least 18 months following the effective date of a plan of reorganization in the Debtors' chapter 11 cases.

5. The Claim Payment may only be made upon execution of this Agreement by a duly authorized representative of your company. Your execution of this Agreement and the return of same to the Debtors constitute an agreement by you and the Debtors. You agree to be

bound by the terms of this Agreement and you submit to the jurisdiction of the Bankruptcy Court in connection with any enforcement of this Agreement. You further agree and/or represent:

- a. to the Customary Trade Terms and, subject to the reservations contained above, to the amount of the claim set forth above;
- b. that, from and after the effective date of this agreement you will continue to supply the Debtors with goods or services, as applicable, pursuant to the Customary Trade Terms and that the Debtors will pay for such goods in accordance with Customary Trade Terms;
- c. that you have reviewed the terms and provisions of the Order and Agreement and that you consent to be bound by such terms and provisions; and
- d. that you agree to not file or otherwise assert against the Debtors or their assets any lien (regardless of the statute or other legal authority upon which such lien is asserted) or seek payment for reclamation claims in any way related to prepetition amounts allegedly owed to you by Debtors arising from agreements, written or otherwise, entered into before the Petition Date.

6. Notwithstanding the foregoing, if you receive the Claim Payment from the Debtors and you do not extend to the Debtors all Customary Trade Terms, or fail to perform in accordance with any of the terms and provisions of this Agreement, you are required to return the Claim Payment to the Reorganized Debtors and the Company may take any of the remedial actions described in the Order.

7. Any dispute with respect to this Agreement and/or your participation in this payment program shall be determined by the Bankruptcy Court.

8. All terms of this Agreement (including the existence of this Agreement) are confidential between you and the Debtors.

If you have any questions about this Agreement or our financial restructuring, please do not hesitate to call (\_\_\_\_) \_\_\_\_\_ or (\_\_\_\_) \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
By:

Its:

Agreed and Accepted By:

[Name of Foreign Vendor or Lien Claimant