

Exhibit A

Proposed Order

provided; and it appearing that the relief requested by this Application is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Application is granted to the extent set forth herein.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.
3. Pursuant to sections 327(a) and 328 of the Bankruptcy Code, the Debtors are hereby authorized to retain A&M as financial advisor to the Debtors, *nunc pro tunc* to the Petition Date on the terms set forth in the Engagement Letter.
4. The terms of the Engagement Letter, including without limitation, the compensation provisions, the Monthly Fee and the indemnification provisions, all as modified by the Application, are reasonable terms and conditions of employment and are hereby approved.
5. Notwithstanding anything in the Engagement Letter, the Debtors' obligation to pay the Sale Transaction Fee shall terminate on the effective date of a plan of reorganization.
6. To the extent there is inconsistency between the terms of the Engagement Letter, the Application, and this Order, the terms of this Order shall govern.
7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Date: _____, 2013
Wilmington, Delaware

The Honorable Mary F. Walrath
United States Bankruptcy Judge

Exhibit 1 to Exhibit A

Copy of Engagement Letter Dated February 19, 2013



Alvarez & Marsal North America, LLC
800 Madison Avenue, 8th Floor
New York, NY 10022
Phone: +1 212 759 4433
Fax: +1 212 759 5532

Modified as of February 19, 2013

Carl Mills
Chief Financial Officer
Conexant Systems, Inc.
4000 MacArthur Boulevard
Newport Beach, CA 92660

Dear Carl:

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal North America, LLC ("A&M") and Conexant Systems, Inc. and its subsidiaries and affiliates (jointly and severally, the "Company"), including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below and receipt of the retainer described below, this letter will constitute an agreement between the Company and A&M (the "Agreement").

1. Description of Services

- (a) A&M shall provide consulting services to the Company at the direction of the Company's Board of Directors (the "Board") in connection with their efforts in seeking to evaluate the Company's financial restructuring alternatives and assist the Company in its reorganization efforts. It is anticipated that A&M's activities shall include the following:
 - (i) perform a financial review of the Company, including but not limited to a review and assessment of financial information that has been, and that will be, provided by the Company to its creditors, including, without limitation, its short and long-term projected cash flows;
 - (ii) perform a review and assessment of the company's current liquidity position, including 13-week cash flow forecast;
 - (iii) assist in the formulation, evaluation and/or implementation of possible restructuring plans or strategic alternatives in an effort to maximize the enterprise value of the Company and advise as to certain engagement team members' views of the advantages and disadvantages;

- (iv) provide financial advisory services to Company in connection with the structuring any new securities to be issued under an out-of-court or in-court restructuring, and, if necessary, valuation of the Company or any new securities to be issued under a Plan of Reorganization;
- (v) assist the Company in negotiations with creditors and other appropriate parties-in-interest;
- (vi) assist in identification of cost reduction and operations improvement opportunities;
- (vii) assist the Company in the management and execution of a Sale Transaction (as defined below),¹ including preparing informational materials for distribution to potential purchasers, identifying and soliciting interest among prospective purchasers, evaluating proposals received for prospective purchasers and assisting in negotiating the financial terms and structure of any Sale Transaction;
- (viii) in the event that the Company believes that filing a petition under Chapter 11 of the United States Bankruptcy Code may be necessary, A&M shall assist in the identification of “debtor in possession” and exit financing;
- (ix) in the event that the Company files a petition under Chapter 11 of the United States Bankruptcy Code, A&M will assist the Company by helping prepare for such filing and participating in hearings before the bankruptcy court having jurisdiction over the Company’s Chapter 11 case with respect to the matters upon which A&M has provided services, including, as relevant, providing testimony concerning the standards for confirmation of

¹ As used in this Agreement, the term “Sale Transaction” means any transaction or series of transactions, involving (a) an acquisition, merger, consolidation, or other business combination pursuant to which the majority of the business or assets of the Company are, directly or indirectly, combined with another company; (b) the acquisition, directly or indirectly, by a buyer or buyers of equity interests or options, or any combination thereof constituting a majority of the then outstanding stock of the Company or possessing a majority control of the Board of Directors or a majority of the then outstanding voting power of the Company; (c) any other purchase or acquisition, directly or indirectly, by a buyer or buyers of significant assets, securities or other interests of the Company; or (d) the formation of a joint venture or partnership with the Company or direct investment in the Company for the purpose of effecting a transfer of a majority interest in the Company to a third party of part or all of the Company or its assets (a “Sale Transaction”). For the avoidance of doubt, a Sale Transaction shall include a sale under section 363 of the Bankruptcy Code, including (but not limited to) if such sale results in the shareholders or debt holders of the Company acquiring ownership interest in the Company or its assets



a plan of reorganization under 11 U.S.C. §1129, the standards for consummating a sale of some or all of the Company's assets;

- (x) other activities as are approved by you or the Board and agreed to by A&M.

In rendering its services to the Company, A&M will report directly to the Board and will make recommendations to and consult with the Board and other senior officers as the Board directs.

- (b) In connection with the services to be provided hereunder, from time to time A&M may utilize the services of employees of its affiliates and subsidiaries. Such affiliates are wholly owned by A&M's parent company and employees. A&M personnel providing services to the Company may also work with other A&M clients in conjunction with unrelated matters.
- (c) As set forth in the Agreement, to the extent A&M is asked to provide the services under Sections 1(a) (iii), (iv), (v), (vii) and (viii) above ("Corporate Finance Services"), such services may be provided by A&M's subsidiary broker/dealer, Alvarez & Marsal Securities, LLC ("A&M Securities") and all references to "A&M" in this letter as it relates to the Corporation Finance Services shall mean "A&M Securities."

2. Information Provided by the Company and Forward Looking Statements

The Company shall use all reasonable efforts to: (i) provide A&M with access to management and other representatives of the Company; and (ii) to furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows, properties, financial condition and prospects of the Company that A&M reasonably request in connection with the services to be provided to the Company. A&M shall rely, without further independent verification, on the accuracy and completeness of all publicly available information and information that is furnished by or on behalf of the Company and otherwise reviewed by A&M in connection with the services performed for the Company. The Company acknowledges and agrees that A&M is not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein. A&M is under no obligation to update data submitted to it or to review any other areas unless specifically requested by the Board to do so.

You understand that the services to be rendered by A&M may include the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ



from those projections. In addition, A&M will be relying on information provided by the Company in the preparation of those projections and other forward-looking statements.

With respect to any Sales Transaction or any financing / securities transaction, the Company will be solely responsible for the contents of the information memorandum and any and all other written or oral communications provided by or on behalf of the Company to any potential investors. The Company represents and warrants that the information memorandum and such other communications will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. If an event occurs as a result of which the information memorandum would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly notify A&M and A&M will suspend solicitations of prospective buyers until such time as the Company prepares a supplement or amendment to the information memorandum that corrects such statement(s) and/or omission(s).

3. Limitation of Duties

A&M makes no representation or guarantee that, inter alia, (i) an appropriate restructuring proposal or strategic alternative can be formulated for the Company (ii) any restructuring proposal or strategic alternative presented to the Company's management or the Board will be more successful than all other possible restructuring proposals or strategic alternatives, (iii) restructuring is the best course of action for the Company or (iv) if formulated, that any proposed restructuring plan or strategic alternative will be accepted by any of the Company's creditors, shareholders and other constituents. Further, A&M does not assume any responsibility for the Company's decision to pursue, or not pursue any business strategy, or to effect, or not to effect any transaction. A&M shall be responsible for assistance with the implementation only of the restructuring proposal or strategic alternative approved by the Board and only to the extent and in the manner authorized by and directed by the Board and agreed to by A&M.

4. Compensation

- (a) In consideration of the services provided by A&M pursuant to the Agreement, other than with respect to services related to the Sale Transaction (which compensation arrangement is described in subparagraph (b) and (f) below), A&M will receive fees based on the following hourly rates:

Managing Directors	\$650-850
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Directors	\$450-650
Analysts / Associates	\$250-450

Unless otherwise agreed to by the Company, staffing and their individual standard hourly rates on the engagement will be:

Shawn Hassel	\$725
Chris Wells	\$600
Jordan Fisher	\$500
Mark Sidorenkov	\$325

Such rates shall be subject to adjustment annually at such time as A&M adjusts its rates generally. Such fees and expenses will be due and payable immediately upon submission of an invoice for such services.

- (b) In consideration of the services provided by A&M solely as it relates to a Sale Transaction, the Company agrees to pay a monthly advisory fee, for a minimum of three months (the "Monthly Fee") in the amount of \$85,000 in cash, with the first Monthly Fee payable upon execution of this Agreement by both parties and additional installments of such Monthly Fee payable in advance on each monthly anniversary of the effective date of this Agreement. Fifty percent (50%) of all Monthly Fees beginning with the Monthly Fee payable on January 9, 2013, shall be credited against the Sale Transaction Fee, if any, defined and described below. For the avoidance of doubt, no services associated with the Sale Transaction provided by Marc Liebman and other professionals of A&M Securities, LLC, shall be payable in accordance with subparagraph (a) hereof. A&M will cease to receive the Monthly Fee if the Company is no longer pursuing a Sale Transaction. In this event, if the Company then restarts a Sale Transaction process, A&M will resume receiving a Monthly Fee at such time.
- (c) In consideration of the services provided by A&M solely as it relates to the valuation of the Company per Section 1(a)(iv), the Company agrees to pay a fixed fee in the amount of \$185,000 in cash payable on February 20, 2013. For the avoidance of doubt, no services associated with the business valuation provided by Marc Liebman and other professionals of A&M Securities, LLC, shall be payable in accordance with subparagraph (a) hereof.
- (d) In addition, A&M will be reimbursed for its reasonable and documented out-of-pocket expenses incurred in connection with this assignment, such as travel, lodging, duplicating, messenger and telephone charges. All fees and expenses



will be billed and payable on a bi-weekly basis or, at A&M's discretion, more frequently.

- (e) The Company shall promptly remit to A&M a retainer in the amount of \$150,000, which shall be credited against any amounts due at the termination of this engagement and returned upon the satisfaction of all obligations hereunder. Provided that in the event that the Company becoming subject to a bankruptcy filing, A&M would receive an additional refundable retainer of \$150,000 to be applied against any amounts due at the termination of this engagement and returned upon satisfaction of all obligations hereunder.
- (f) The Company and A&M agree that A&M will be entitled to receive a Restructuring Transaction fee (the, "Restructuring Transaction Fee") equal to \$400,000, payable at the closing thereof, if, at any time during the term of this engagement: (i) a Restructuring Transaction is consummated without any order of a court or judicial proceedings, or (ii)(A) an agreement in principle or definitive agreement to effect a Restructuring Transaction is entered into and (B) concurrently therewith or thereafter up to and including within twelve (12) months after the expiration or termination of this Agreement, such "Restructuring Transaction" is consummated without any order of a court or judicial proceedings.
- (g) The Company and A&M agree that A&M will be entitled to receive a Sale Transaction fee (the "Sale Transaction Fee") equal to the following amounts: (i) to the extent any Sale Transaction results in sale proceeds ("Sale Proceeds"²) of

² As used in this Agreement, the term "Sale Proceeds" means the total value of all consideration (including cash, securities or other property) paid or received or to be paid or received, directly or indirectly, in connection with a Sale Transaction in respect of the assets of the Company or the outstanding securities of the Company (including both debt and equity) on a fully diluted basis (treating any securities issuable upon the exercise of options, warrants or other convertible securities and any securities to be redeemed as outstanding, whether or not vested), plus the principal amount of any debt (including capitalized leases) of the Company outstanding as of the closing date of a Sale Transaction or directly or indirectly assumed, refinanced or repaid in connection with a Sale Transaction, and amounts payable in connection with a Sale Transaction in respect of employment or consulting agreements, agreements not to compete or similar arrangements. If the Sale Transaction takes the form of a recapitalization or similar transaction, "Sale Proceeds" will also include the value of all shares or debt or other securities retained by the shareholders or debt holders of the acquired company. If any portion of Sale Proceeds are payable in the form of securities, the value of such securities, for purposes of calculating our transaction fee, will be determined based on the average closing price for such securities for the 5 trading days prior to the closing of the Sale Transaction. In the case of securities that do not have an existing public market, our Sale Transaction Fee will be determined based on the fair market value of such securities as mutually agreed upon in good faith by the Company and A&M-S prior to the closing of the Sale Transaction. Fees on amounts paid into escrow will be payable upon the establishment of such escrow. Fees relating to contingent payments other than escrowed amounts will be calculated based on the present value of the reasonably expected maximum

up to \$60,000,000, a Sale Transaction Fee equal to 1.0% of such Sale Proceeds; (ii) to the extent any Sale Transaction results in Sale Proceeds of more than \$60,000,000 but less than \$120,000,000, A&M shall be entitled a 1.25% fee on such Sale Proceeds over and above \$60,000,000 (with a 1% fee applicable to the first \$60,000,000 of proceeds); and (iii) to the extent any Sale Transaction results in Sale Proceeds of more than 120,000,000, A&M shall be entitled to a 1.50% on such Sale Proceeds over \$120,000,000 (with a 1% fee applicable to the first \$60,000,000 and a 1.25% fee applicable to next \$60,000,000); provided, however, that in connection with any secured noteholder's credit bid pursuant to section 363(k) of the Bankruptcy Code, in an instance where (a) no third party has submitted a letter of intent to consummate a Sale Transaction at any time during the sale process; and (b) (i) the investor holding the existing secured notes as of the date of this agreement has not changed, the Sale Transaction Fee shall be \$600,000; or (ii) in the case where the investor holding the existing secured notes as of the date of this agreement has sold such debt to an unaffiliated party (as determined in good faith by A&M and the Company), then the Sale Transaction Fee shall be the greater of (x) \$600,000 and (y) the applicable percentages outlined above multiplied by the purchase price paid to the holder of the existing secured notes (all as determined in good faith by A&M and the Company) . Furthermore, the Sale Transaction Fee shall not be less than \$250,000 (net of any Monthly Fee crediting). Any Sale Transaction Fee shall be payable at the closing of a Sale Transaction, whether such Sale Transaction is consummated without an order of a court or in connection with the commencement of a case under Chapter 11 case of the Bankruptcy Code.

Furthermore, the Company will pay A&M the Sale Transaction Fee in respect of the Sale Transaction if, within 12 months from the termination or expiration of this agreement, and solely to the extent that (i) no fees (other than under Section 4(a) and 4(b)) shall have been paid to A&M and (ii) A&M is not terminated hereunder for Cause (as defined in 5(e) below), the Company enters into an agreement that subsequently results in a Sale Transaction involving a party (or affiliate of such or entity formed by such to effectuate a Sale Transaction) from which A&M approached and had substantial discussions regarding a Sale Transaction during our retention.

amount of such contingent payments as determined in good faith by the Company and A&M-S prior to the closing of the Sale Transaction, utilizing a discount rate equal to the prime rate published in The Wall Street Journal on the last business day preceding the closing of the Sale Transaction.

Notwithstanding anything to the contrary herein, A&M agrees and acknowledges that no Sale Transaction Fee shall be due or payable in connection with a sale of the Company's multi-functional printer business to CSR plc, or one of its direct or indirect subsidiaries, affiliates or designees if A&M does not run the process to sell such business. For avoidance of doubt, to the extent CSR plc purchases any other business(es) / assets of the Company, A&M is entitled to a Sale Transaction Fee.

- (h) To the extent the Company executes a capital raise pursuant to 1(a)(ix) above, the Company and A&M will enter into a separate, mutually agreeable engagement arrangement outlining the additional transaction fee paid to A&M in consideration for such capital raise.
- (i) For the purposes of this Agreement, a "Restructuring Transaction" shall be defined as any single transaction or series of transactions that effectuates:
 - (i) any material modification, amendment or change to, or in, the Company's obligations and/or indebtedness for borrowed money, including accrued interest thereon (including, without limitation, interest bearing trade debt, senior secured notes and lease obligations)(collectively, the "Indebtedness"), which are outstanding as of the date that such Restructuring Transaction is consummated including, without limitation, any material modification, amendment or change to the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant (with respect to any financial or operating covenant, such material modification, amendment or change in financial or operating covenant results in covenant relief for at least twelve (12) months with respect to any material payment obligation based on the Company's then existing operating plan);
 - (ii) any forbearance, accrual or extension for at least twelve (12) months with respect to any material payment obligation under the Indebtedness;
 - (iii) conversion to equity, or any other security instrument, of any or all of the Indebtedness;
 - (iv) any material compromise of the existing terms of the Indebtedness (other than as accomplished through a Sale Transaction);



- (v) any refinancing of all or any material portion of the Indebtedness or any raising of any new financing (other than DIP Financing) from any source, including existing stakeholders of the Company;
- (vi) any combination of the foregoing transactions.

5. Term

- (a) This Agreement will apply from the commencement of the services referred to in Section 1 and may be terminated with immediate effect by either party without cause by written notice to the other party.
- (b) Solely with respect to services provided by A&M in connection with a Sale Transaction, this Agreement shall be terminable by the Company on or after January 19, 2013, without further payment other than with respect to the Monthly Fees and expenses incurred before such termination (whether or not any Sale Transaction is consummated prior to or subsequent to the effective date of such termination). However, no expiration or termination of this Agreement shall (a) terminate the Company's indemnification, reimbursement, contribution or other obligations as set forth in this Agreement, (b) terminate A&M's right to receive, and the Company's obligation to pay, any and all fees and expenses due associated with the Sale Transaction Fee if, within 12 months from the termination or expiration of this agreement, and solely to the extent that (i) no fees (other than under Section 4(a),4(b) and 4(c)) shall have been paid to A&M and (ii) A&M is not terminated hereunder for Cause (as defined in 5(e) below), the Company enters into an agreement that subsequently results in a Sale Transaction involving a party (or affiliate of such or entity formed by such to effectuate a Sale Transaction) from which A&M approached and had substantial discussions regarding a Sale Transaction during our retention.
- (c) A&M normally does not withdraw from an engagement unless the Company misrepresents or fails to disclose material facts, fails to pay fees or expenses, or makes it unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause exists.
- (d) On termination of the Agreement, any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but are invoiced subsequent to such termination).
- (e) If the Company terminates this Agreement without "Cause" or if A&M terminates this Agreement for "Good Reason", A&M shall also be entitled to receive the Restructuring Transaction fee upon the occurrence of the event specified in



Section 4(d) if such event occurs within 6 months of the termination. "Cause" shall mean gross negligence, willful default or fraud by A&M; "Good Reason" shall mean the Company's misrepresentation of or failure to disclose material facts, failure to pay fees or expenses when due (or circumstances indicating to A&M that fees or expenses will not be paid when due), circumstances such that it is unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause.

- (f) The provisions of this Agreement that give the parties rights or obligations beyond its termination shall survive and continue to bind the parties.

6. Relationship of the Parties

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or agents is to be considered an employee or agent of the Company and the personnel and agents of A&M are not entitled to any of the benefits that the Company provides for the Company employees. The Company acknowledges and agrees that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

7. No Third Party Beneficiary

The Company acknowledges that all advice (written or oral) provided by A&M to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law.

8. Conflicts

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you have made us aware. Because A&M and its affiliates and subsidiaries comprise a consulting firm (the "Firm") that serves clients on a global basis in numerous cases, both in and out of court, it is possible that the Firm may have rendered or will render services to or have business



associations with other entities or people which had or have or may have relationships with the Company, including creditors of the Company. The Firm will not be prevented or restricted by virtue of providing the services under this Agreement from providing services to other entities or individuals, including entities or individuals whose interests may be in competition or conflict with the Company's, provided the Firm makes appropriate arrangements to ensure that the confidentiality of information is maintained.

9. Confidentiality / Non-Solicitation

A&M shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as requested by the Company or its legal counsel; (ii) as required by legal proceedings or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. The Company, on behalf of itself and its subsidiaries and affiliates and any person which may acquire all or substantially all of its assets agrees that, until two (2) years subsequent to the termination of this engagement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or any of its affiliates who worked on this engagement while employed by A&M or its affiliates ("Solicited Person"). Should the Company or any of its subsidiaries or affiliates or any person who acquires all or substantially all of its assets extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the party extending such offer equal to the Solicited Person's hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior Director and 2,000 hours for any other A&M employee. The Company acknowledges and agrees that this fee fairly represents the loss that A&M will suffer if the Company breaches this provision. The fee shall be payable at the time of the Solicited Person's acceptance of employment or engagement.

10. Indemnification and Limitations on Liability

The indemnification and limitation on liability agreement ("Indemnification Agreement") attached to that certain engagement letter agreement, dated October 12, 2012 (the "Prior Engagement Agreement") is incorporated herein by reference and each reference to the "Agreement" as set forth in the Indemnification Agreement shall include both this Agreement and the Prior Engagement Agreement. Termination of this engagement shall not affect these indemnification and limitation on liability provisions, which shall remain in full force and effect.



11. Miscellaneous

This Agreement (together with the attached indemnity provisions), including, without limitation, the construction and interpretation of thereof and all claims, controversies and disputes arising under or relating thereto, shall be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflict of law that would defer to the laws of another jurisdiction. The Company and A&M agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of A&M hereunder. The Company and A&M agree, to the extent permitted by applicable law, that any Federal Court sitting within the Southern District of New York shall have exclusive jurisdiction over any litigation arising out of this Agreement; to submit to the personal jurisdiction of the Courts of the United States District Court for the Southern District of New York; and to waive any and all personal rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the State of New York for any litigation arising in connection with this Agreement.

This Agreement shall be binding upon A&M and the Company, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of A&M's or the Company's respective businesses and/or assets, including any Chapter 11 Trustee. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Company and A&M. Notwithstanding anything herein to the contrary, A&M may reference or list the Company's name and/or a general description of the services in A&M's marketing materials, including, without limitation, on A&M's website.

[SIGNATURES ON NEXT PAGE]



This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof and supersedes and cancels any prior communications, understandings and agreements between the parties relating to the subject matter hereof (including but not limited to the Prior Engagement Agreement, save as set forth in Section 10 above) If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

Alvarez & Marsal North America, LLC

By: 

Shawn Hassel
Managing Director

Alvarez & Marsal Securities, LLC

By: 

Marc Liebman
Managing Director

Accepted and agreed:

Conexant Systems, Inc.

By: 

Carl Mills
Chief Financial Officer



Exhibit 2 to Exhibit A

**Copy of Indemnification and Limitation on Liability Agreement Attached to the
Engagement Letter Dated October 12, 2012**

INDEMNIFICATION AND LIMITATION ON LIABILITY AGREEMENT

This indemnification and limitation on liability agreement is made part of an agreement, dated October 12, 2012 (which together with any renewals, modifications or extensions thereof, is herein referred to as the "Agreement") by and between Alvarez & Marsal North America, LLC ("A&M") and Conexant Systems, Inc. (the "Company"), for services to be rendered to the Company by A&M.

A. The Company agrees to indemnify and hold harmless each of A&M, its affiliates and their respective shareholders, members, managers, employees, agents, representatives and subcontractors (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations and expenses, including the costs for counsel or others (including employees of A&M, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence, bad faith or willful misconduct. The Company also agrees that (a) no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent that any such liability for losses, claims, damages, liabilities or expenses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence, bad faith or willful misconduct and (b) in no event will any Indemnified Party have any liability to the Company for special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity). The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceedings) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.

B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or A&M's and its personnel's role under the Agreement, A&M or any Indemnified Party is required to produce any of its personnel (including former employees) for examination, deposition or other written, recorded or oral presentation, or A&M or any of its personnel (including former employees) or any other Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant to a subpoena or other legal (including

administrative) process, the Company will reimburse the Indemnified Party for its out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.

C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.

D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person

who is not also found liable for such fraudulent misrepresentation.

E. In the event the Company and A&M seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which A&M would continue to be engaged by the Company, the Company shall promptly pay expenses reasonably incurred by the Indemnified Parties, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Indemnified Parties for any expenses reasonably incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a postpetition claim.

F. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition under Chapter 7 or 11 of the United States Bankruptcy Code (nor the conversion of an existing case to one under a different chapter) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.

G. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or bylaws of the Company, any other agreements, any vote of stockholders or disinterested directors of the Company, any applicable law or otherwise.

Conexant Systems, Inc.

Alvarez & Marsal North America, LLC

By: 
Carl Mills
Chief Financial Officer

By: 
Shawn Hassel
Managing Director